

Risk Management Policy (ZI)

This *Risk Management Policy* forms part of Zonta International's internal control and governance arrangements. The policy explains the organization's approach to risk. It gives key aspects of the risk management process and identifies the main reporting procedures.

► *Risk Management Framework.*

Policy Scope

The purpose of this policy is to set out the objectives and key principles for Zonta International and to provide a clear and concise outline of the requirement for risk management as an integral part of the organization's overall approach to internal control and governance.

The board recognizes that risk management is an integral part of good management practice and an essential component of good governance. The board holds the ultimate responsibility for risk management within Zonta International and are committed to the implementation of a risk management framework which addresses four fundamental activities:

- Governance and management responsibilities.
- Risk identification, analysis and assessment.
- Risk Control/treatment.
- Performance monitoring and assurance.

The policy applies to every individual within the organization, all service providers to the organization and any other stakeholder.

The risk manager advises the board and the executive director on risk management and should build a risk-aware culture within the organization and develop, implement and review the risk management framework and risk management processes.

The executive director and the staff are responsible for encouraging and implementing good risk management practices within their areas of responsibility.

Key Principles

Zonta International regards risk as the threat of some event or action, or loss of opportunity, which if it occurs, will adversely affect the organization's ability to achieve its objectives.

Recognition and management of risk is an integral component of all Zonta International's key business processes. The objective of Zonta International's risk management is to add value to normal management processes by providing a mechanism for communicating risk, identifying and assessing risks, evaluating risk controls and monitoring and reviewing risks on an ongoing basis.

Objectives

Zonta International's specific risk management objectives are to:

- Develop a risk-aware culture that encourages members, Zonta International Board, executive director, and staff to identify risks and associated opportunities and respond to them in a responsible manner.
- Ensure that risks are understood at all levels of the organization.
- Be seen by key stakeholders as an organization that manages its risks efficiently, effectively and responsibly.

Process

Risk management is a logical and systematic process to direct and control the risks associated with any activity undertaken by the organization. Risk should be identified and assessed on a regular basis, and the risk evaluation process conducted in accordance with the *Risk Management Framework*. Identified risks will be managed by risk owners, and actions taken, and processes implemented must be monitored on an ongoing basis by the risk manager and reported to the board. Risk management has to continuously, systematically and proportionally address the risks surrounding the organization's activities.

Reports will be provided with a frequency to provide assurance that the risk management process is operating effectively, that risks are being managed to enable risks and issues to be aggregated, prioritized and addressed appropriately.

Risk Appetite

As a non-profit corporation dependent on membership dues to fund its operation, Zonta International has a relatively low appetite for risk. This does not prevent the taking of risk within acceptable limits to exploit potential opportunities.

This policy should be reviewed, and if necessary, updated each biennium.

► *Risk Management Tools* under Tools on the website

Document control:

| | |
|--------------------------------------------------------|-----------------|
| Original Document | Date: June 2011 |
| First adopted by the ZI Board | Date: June 2011 |
| Most recent review by the ZI Risk Manager | Date: June 2021 |
| Amended policy adopted by the Board, posted on website | Date: June 2021 |
| Next review date | Date: June 2025 |

| | |
|-----------------------|-----------------|
| Committee Responsible | Risk Management |
|-----------------------|-----------------|

Printed hard copies of controlled documents are considered uncontrolled. Any person using hard copies for ease of reference are required to determine the up-to-date status of any hard copy document ensuring it matches the current electronic version.