

YARRAWONGA MULWALA GOLF CLUB RESORT

Name of Policy: Risk & Compliance Policy

STATEMENT: Yarrawonga Mulwala Golf Club Resort is committed to ensuring an awareness of the Club's legal obligations and commitment to quality and safety. As a Corporate Governance cornerstone Risk Management is one of the Board of YMGCRC's key responsibilities, and involves planning and action taken to reduce potential financial and legal liability.

Compliance is a key element of Corporate Governance and should be incorporated in all relevant aspects of the Club's management, administration and operations, including all decision-making processes.

DEFINITION: The two components of Risk and Compliance are defined as follows:

1. **Risk management** refers to an organization's process for identifying, categorizing, assessing and enacting strategies to minimize risks that would hinder its operations and to control risks that enhance operations.
2. **Compliance** refers to the level of adherence an organization has to the standards, regulations and best practices mandated by the business and by relevant governing bodies and laws.

POLICY: The Club's Risk Management and Compliance Policy and Strategy

Statement consists of four parts.

Part 1: Risk Management Policy Statement including the objectives and the establishment of a Risk & Compliance Committee.

Part 2: Identification of Risks

Part 3: Evaluation of Risks

Part 4: Management Program for Treatment of Risks - sets down the administrative steps taken to carry out the policy on an on-going basis.

The Board of Directors will monitor compliance with this Policy.

PROCEDURE:

PART 1: RISK MANAGEMENT

- In accordance with the Yarrowonga Mulwala Golf Club Resort (YMGCR) Constitution, a Risk, Compliance & Policy Committee is to be established by the Club to implement and apply this policy in conjunction with the Board of Directors, CEO and the existing Standing Committees.

Specific objectives for the Club's risk management processes are to:

- a. assist YMGCR meet its legal obligations under all applicable Federal, State and Local Government Legislation;
 - b. assist YMGCR in meeting its responsibilities as an affiliate of Golf Australia Golf NSW, and regional bodies;
 - c. enhance YMGCR levels of accountability and integrity in both decision making and in providing services to its Members;
 - d. protect the assets, people, property, finances, information and reputation of YMGCR;
 - e. ensure that risks faced by YMGCR are understood and managed in the interest of its Members and the wider community;
 - f. ensure that risks (significant or otherwise) are monitored through a regular review process and action taken to identify evaluate and where necessary ameliorate such risks as reported to the Board of YMGCR; and
 - g. seek opportunities to turn risk issues to the Club's strategic advantage.
- The Board will establish a **Risk, Compliance & Policy Committee** with the following responsibilities:
 - a. Monitoring the whole of environment in which the Club is operating including societal changes, sporting trends, financial position, operational effectiveness, Member protection, privacy, fraud, legislation and case law, negative publicity and boundary issues;
 - b. identify the source of risk, where the risk could happen, the effect of the risk on the Club's objectives and operations, and who might be impacted;
 - c. analyse the risks, the likelihood and consequences of the risk happening;
 - d. evaluate the risks and the Club's tolerance level accordingly;
 - e. recommend decisions to the Board or its Committees as required, as to how risks are dealt with; treatment of risk to avoid, accept, remove or minimize the risk; change the consequence of a risk to enable strategic advantage.
 - f. In liaising with the Board and its Committees the Risk, Compliance & Policy Committee should monitor the broader risk areas identified in this document, and establish working relationships to subdivide these risk areas. In this way the Board

and its Committees can work with the Committee in a co-ordinated system to contribute to the Club's overall risk management strategy.

- The Committee will include the appointed Chairperson and/or the President, Vice President, the Board Directors and when required the CEO. The committee will invite persons to join the Risk, Compliance & Policy Committee for their particular areas of responsibility (Finance, Golf, House) to attend during the year. The Risk Committee will meet on a needs basis from time to time and will provide to the Board with a report at the monthly Board meeting. It will establish and subsequently oversee the management and monitoring procedures required to put this policy into effect.

PART 2: IDENTIFICATION OF RISK

The following risk events are grouped according to Board and Committee functions as set down in the relevant Sections of the Club's By-Laws. This is necessary for the Club to have an effective basis for the management (monitoring, review and treatment of risks), over time.

A. BOARD OF DIRECTORS

1. Failure to execute the undertakings and obligations in the Board Charter.
2. Commitment of fraud or other crime by a Board Member, General Manager or any YMGCRCR employee or contractor.
3. Sudden loss of key employee, contractor or Board Member.
4. Litigation against YMGCRCR.
5. Significant immediate or potential leasehold or boundary issues and opportunities.
6. Failure to monitor, prepare and manage a pandemic or other crisis.
7. Failure to monitor and if required, act on any deficiencies in the carrying out of the role and functions of the CEO as set down in the Constitution, By-Laws and Board Charter.
8. Failure to meet the accountability and governance requirements as set out in all relevant legislation.

B. FINANCE COMMITTEE

1. Significant loss of Revenue.
2. Ensuring an annual budget is presented for approval by the Board.
3. Lack of adequate insurance cover/ensuring all policy and regulatory payments are met.
4. Audit failure.
5. Ensuring that the Club remains solvent and is able to meet all debts when they become due and payable.
6. Meeting all legislative requirements, both Federal and State.

C. HOUSE COMMITTEE

1. Catastrophic damage to YMGCRC.
2. Failure of YMGCRC WH&S practices.
3. Significant alcohol or drug offence.
4. Significant food contamination event.
5. Significant YMGCRC event causing serious injury or death.
6. Significant YMGCRC event involving misconduct.

D. RISK COMMITTEE

1. Failure to implement and maintain risk management policy and strategy.
2. Failure to monitor compliance requirements.

PART 3: EVALUATION OF RISK

1. The categories of risk **impact** are: "extreme", "major", "moderate", "minor" and "negligible". The categories of risk **likelihood**, are "almost certain", "likely", "possible", "unlikely" and "rare".
2. While the categories of risk likelihood are self-explanatory, the categories of risk impact need some elaboration as follows:
 - "**extreme**": likely to arise and have potentially serious consequences requiring urgent attention;
 - "**major**": likely to arise and have potentially serious consequences requiring investigation and urgent attention as necessary;
 - "**moderate**": likely to arise and have less serious consequences requiring investigation and attention as necessary;
 - "**minor**": less likely to arise with low consequences that may be managed through routine procedures;
 - "**negligible**" unlikely to arise with minimal consequences that may if necessary be managed through routine procedures.
3. Each area of risk is given a rating (%) which is a level of importance assessed from time to time by the Board for YMGCRC. This rating is important for the final part of YMGCRC's risk management strategy because it helps to prioritise a management program for the treatment of risk, the basis of which is set down in Part 4 of this document.

PART 4: MANAGEMENT FOR THE TREATMENT OF RISK

1. Once the Board has assessed and confirmed the identification, evaluation and rating (importance), of risks faced by YMGCRC they can then begin to make informed, and up to date decisions about risk status and risk management on a regular basis (for example 6 or 12 monthly). In doing so, the Board in conjunction with senior YMGCRC staff can consider and decide for each identified risk, the following risk management strategies:
 - a. Determine that the level of risk related to an activity is currently acceptable, taking into account the adequacy of existing risk control standards, and the potential cost of further control measures;
 - b. Decide to terminate the activity causing the risk;
 - c. Decide to transfer the risk associated with an activity through insurance or outsourcing (contracting);
 - d. Decide to reduce the impact and/or likelihood of a risk event occurring by taking steps including budgetary and management measures to modify or strengthen the control of the environment relating to that risk event.
2. The Board would then direct the Risk Committee to manage and co-ordinate any risk management decisions requiring action to be taken along the lines of options in 1.a above.
3. The Risk Committee would be responsible for maintaining and updating a detailed record for each of the identified risks set down in Part 2 of this document.
4. Finally, the Risk Committee would maintain and operate a Risk Action Plan including a timetable where the Board has determined that action is required to be taken by the Club.

RELATED LEGISLATION;

RELATED DOCUMENTS:

Clubs NSW, Board Charter, Risk Register

RELATED POLICIES: Governance Policy

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