Governance Guideline Statement

Introduction

Governance guidelines is an integral part of ConnectAbility Australia's processes. The Board's guidelines is a foundational element of sound culture and aligns decision-making with behavioral expectations and balances threats and rewards in the pursuit of our objectives.

Understanding these guidelines can increase our capacity to take on growth and acquisition through efficient allocation of risk management resources.

Background

ConnectAbility Australia is responsible for delivering services to vulnerable groups within the Communities we serve. Our ability to fulfil this mandate rests on our reputation as an organisation of the highest integrity and professionalism.

ConnectAbility Australia's Board recognises risk is inherent in the provision of its services. Therefore, a defined approach is necessary to identify the context of each key risk the Board is willing to accept.

Purpose

This Statement sets out the Board's strategic approach to guidelines by defining its boundaries, establishing clear parameters that enable well-managed risk-taking that meshes with managements risk matrix assessment and monitoring, which encourages business opportunities and innovation and maximises value for money in service delivery.

Scope

The guidelines statement applies to all ConnectAbility Australia employees, casual employees, contractors, volunteers and the Board.

Aim

To ensure the guidelines ConnectAbility Australia are prepared to take are consistent with its capabilities, to manage those guidelines and not expose ConnectAbility Australia to unacceptable or unmanageable levels of exposure.

Key Guideline Concepts

Below are several essential concepts and definitions when applying the Guideline framework in its business activities. Management will need to present detailed briefings to the Board that encapsulates the following:

- Risk profile – the entire risk landscape reflecting the nature and scale of its risk exposures aggregated within and across each relevant risk category.
- Risk capacity – the maximum level or 'capability' of ConnectAbility Australia to take a risk, while remaining within constraints implied by its capital and funding needs and its obligations to stakeholders.

What is the Guideline Statement?

The Guideline Statement articulates the desired behaviour's, limits, and considerations that the Board must take into consideration for emerging or major growth opportunities of ConnectAbility.

The Guideline Statement is applicable to the whole organisation and over arches the established risk assessment tools used by Management to conduct its business.

Why use a Guideline Statement?

A Guideline Statement is key to ensuring there is a clear process and guidance on that we are willing to take to achieve our strategic pursuits. The objectives of a Guideline Statement are to:

- Agree and communicate the boundaries for business activities, to empower management to make consistent and risk-conscious decisions aligned with business objectives;
- Align business processes with the objectives of ConnectAbility Australia, and coordinate these in a way that links strategic and business planning; and
- Provide a basis for monitoring risks and identifying those that are outside of appetite.

How does the Guideline Statement inform Risk Assessments?

Each department completes risk assessments for the business faced in day-to-day operations and the control framework, which is in place to mitigate risks. All risks determined to be unacceptable require risk management plans to reduce these risks to acceptable levels. Managers are required to manage their specific operational risks in a manner which is consistent with this Statement and to mitigate risks outside appetite. Emerging or current risks that fall outside the guidelines are reported to the Board with mitigating strategies.

Guideline Statement Implementation

ConnectAbility's Senior Leadership will be responsible for the implementation and compliance with this Statement.

Communication

The Guideline Statement is published on ConnectAbility's website.

Reporting & Monitoring

ConnectAbility will monitor this Guideline Statement which will assist management in assessing whether outcomes are consistent with the overall guideline. Performance against these metrics is tracked and reported to the Board regularly.

Review

ConnectAbility's Board may determine at its discretion to have a formal review of the Guideline statement. The CEO will coordinate this review, and the Board would endorse proposed changes to the Guideline Statement.

Version Control

Version	Date	Author	Reason	Sections
2.0	July 2021	D. Carey	Board endorsed Version 2: Agenda Item 6.1 July 2021. Statement version controlled.	All

Guideline Definitions

Appetite	Action	Definition
No Appetite	*"Don't do"*	Unacceptable conduct that conflicts with ConnectAbility's values and would lead to harm to the organisation or stakeholders, breaches or disciplinary action. Such activity must not commence. If ConnectAbility inadvertently breaches a 'no appetite' measure, cease the activity as soon as practicable and safe. Additional, mitigating controls to prevent the incident recurring are to be implemented. ConnectAbility should seek to return to its target level as soon as possible.
Low Appetite	*"Fix"*	Conduct with the potential to harm ConnectAbility. Leadership must take action in the short-term to return the organisation's activities within the target. ConnectAbility would not deliberately make a decision or enter into a transaction knowing that it would lead to such a breach.
Moderate Appetite	*"Enhance"*	Leadership can take action to take measured risks to operate and enhance ConnectAbility within appetite providing adequate controls and contingency plans are established.
High Appetite	*"Pursue"*	Leadership must explore opportunities and consciously take associated risks to deliver strategic outcomes.