



Risk taking is necessary to create value

Session overview in the program

Avoiding risk is no safer in the long turn the outright exposure

It's only by embracing and following sound risk management practices can you go out on the limb to where the fruit is!

In this session Bruce Bailey, Consultant, NED and Chairman of Audit and Risk Committee of a major Provider will share his experiences in working with providers to understand, articulate and respond to the inherent risks of operating in the Aged Care sector. The session will cover conceptual models and practical applications of how governing bodies can provide effective oversight of organisations and how effective risk management fosters a culture of continuous improvement.

Organisations must take risks to create value

Go out on a limb - That's where the fruit is. — Jimmy Carter

I'm always doing what I cannot do, in order that I may learn how to do it." —Picasso

Test fast, fail fast, adjust fast. — Tom Peters

Leap and the net will appear. — Zen Saying

Pearls don't lie on the seashore. If you want one, you must dive for it. — Chinese proverb

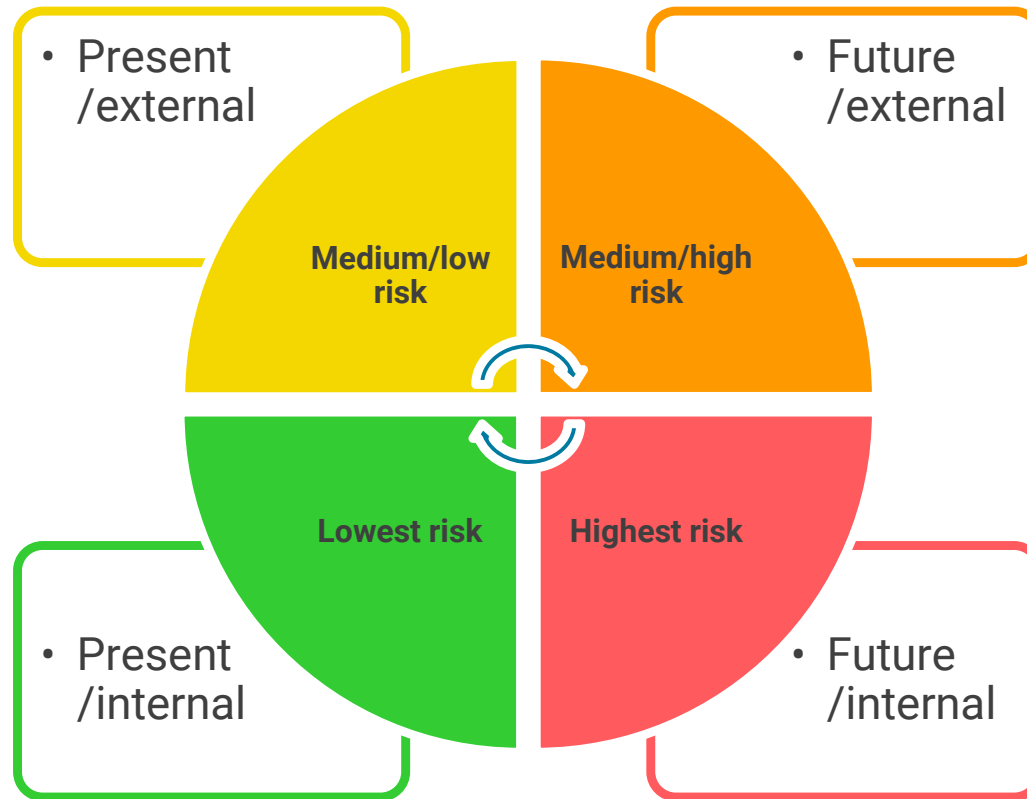
If you risk nothing, then you risk everything. — Geena Davis

Danger can never be overcome without taking risks. — Latin Proverb

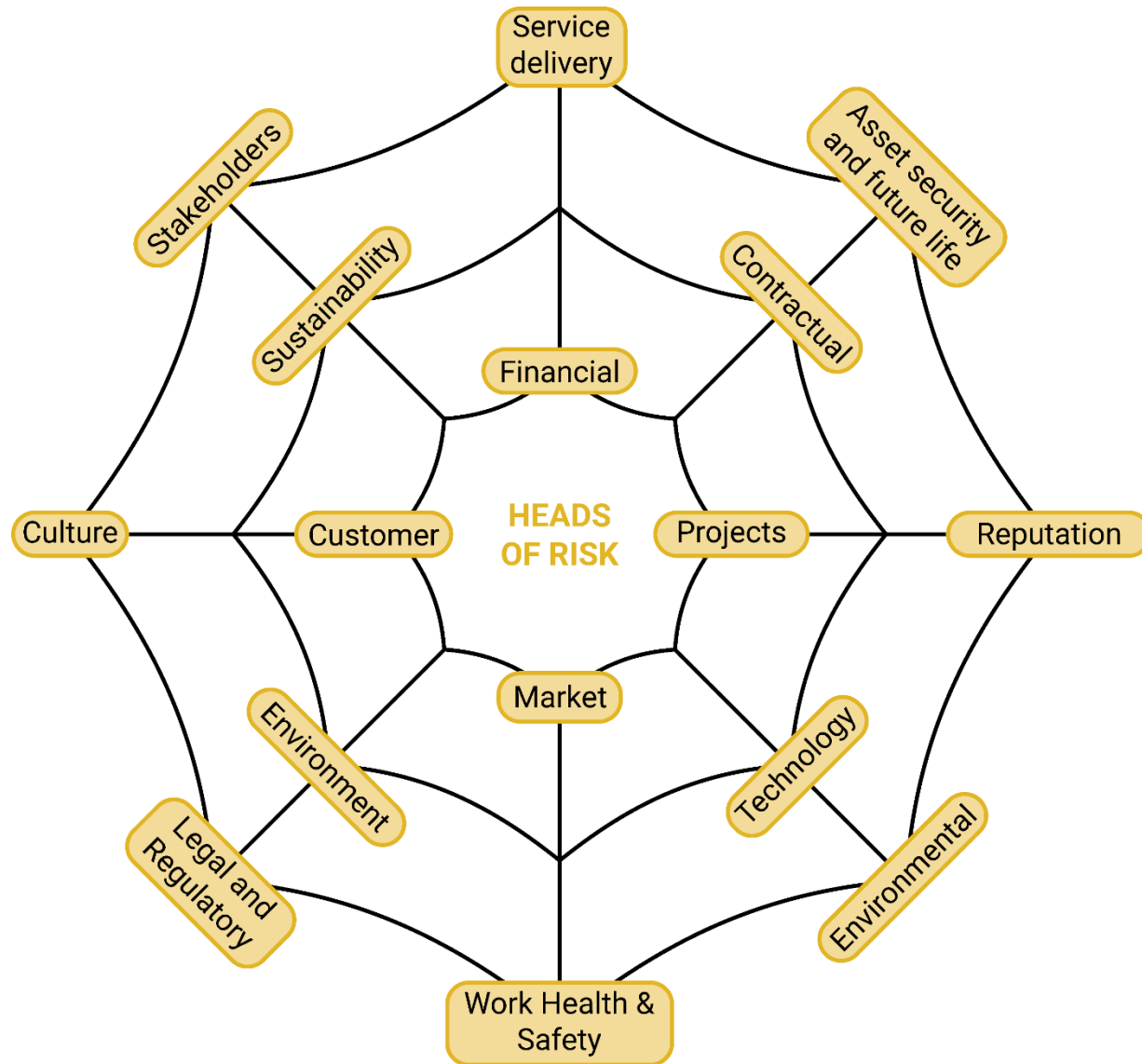
People who don't take risks generally make about two big mistakes a year. People who take risks generally make about two big mistakes a year. — Peter Drucker

Avoiding risk is no safer in the long run the outright exposure

Where are the risks and how severe are they



It's risky being in business



Working with Risk

1. **Risk appetite** - the mutual understanding between management and the board regarding the drivers of, and parameters around, opportunity-seeking behaviour

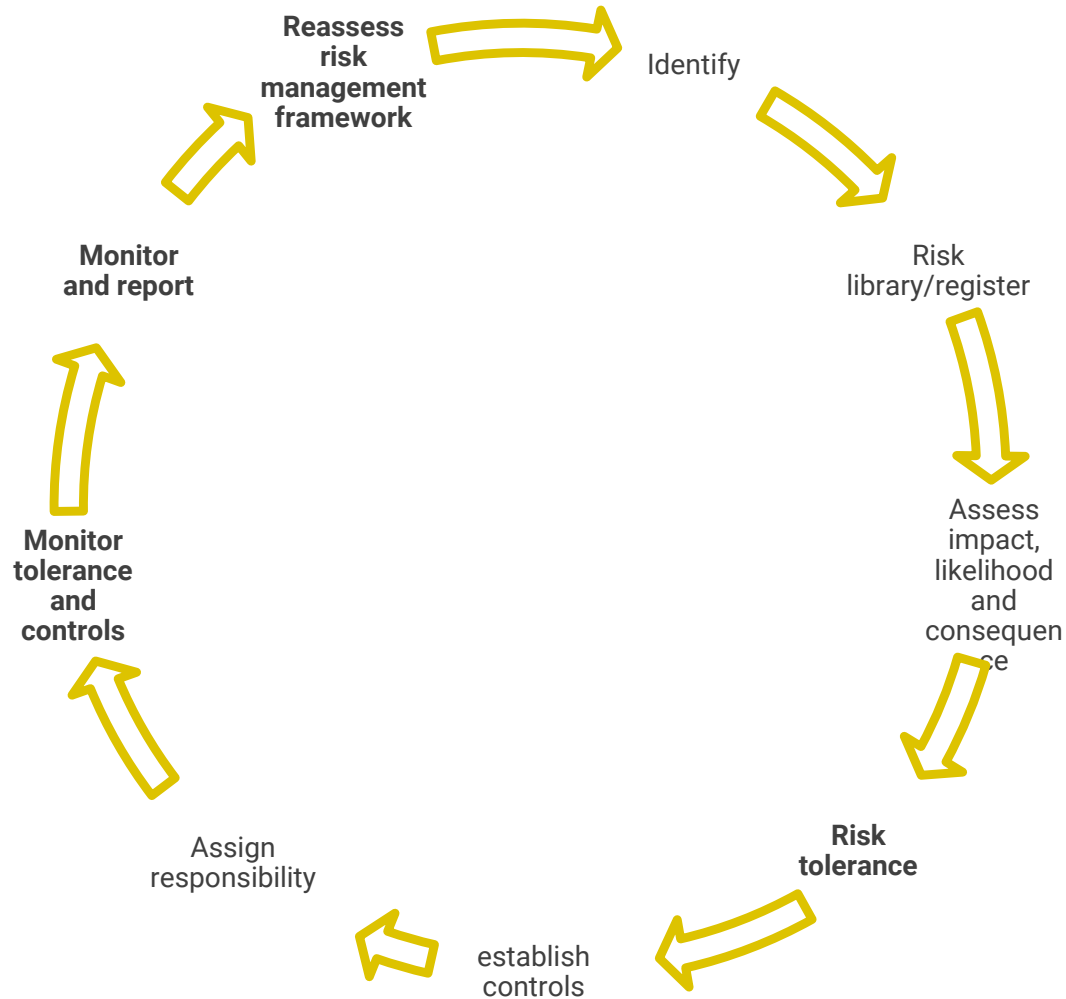
2. **Risk Response** - Manage successfully or handle the consequences of the occurrence.
 1. **Avoid** – exclude the opportunity to create value for the organisation and other stakeholders

 2. **Transfer** – Insurance or contractual

 3. **Accept**
 1. Preventative controls – (reduce likelihood/severity) – Delegations, training, culture

 2. Corrective Controls – (reduce the consequences back up systems business continuity plans) - COVID response plan

Principles of effective risk management



Practical Risk Management for Directors

The boards role is to:

- ✓ Set the tone – Risk culture, appetite and risk management framework
- ✓ Be assured that the framework and appetite are being complied with
- ✓ Ensure the framework remains relevant
- ✓ As appropriate interface with Internal Audit

The board is not the Chief audit Officer or Risk manager that's operational

The board should be assured of the following 3C's

- **Conformity** – is the risk relevant to achieving the organisations strategy and overarching purpose
- **Capacity** - do we have sufficient capacity to undertake the activity within the risk appetite
- **Capability** - do we have sufficient capability to undertake the activity within the risk appetite

PRIDE LIVING

Level 8, 54 Miller Street
North Sydney NSW 2060

+61 2 9239 9004

clientservice@prideliving.com.au

Level 19, 567 Collins Street
Melbourne VIC 3000

www.prideliving.com.au