



OXFAM AUSTRALIA RISK APPETITE STATEMENT

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Approved by OAU Board
on 14 June 2024
Next Review June 2025

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1. Introduction

This Risk Appetite Statement (RAS) considers the significant risks to which Oxfam Australia (OAU) is exposed in the pursuit of its goals and mandate for change and provides an outline of the approach to managing these risks. The RAS is aligned with the strategic and operational plans that the organisation has in place.

OAU is a public company limited by guarantee under the *Corporations Act 2001* and is governed by the Board of Directors (Board). Additionally, OAU is a member of the Oxfam International confederation and strives to create a just world without poverty - a world in which people can influence decisions that affect their lives, enjoy their rights, and assume their responsibilities as full citizens of a world in which all human beings are valued and treated equally.

OAU is committed to ensuring that all its activities are conducted legally, ethically and with integrity. It has developed policies and procedures to help its employees and volunteers meet these high standards of ethics and conduct. In all its work, OAU seeks to protect program participants, its beneficiaries, its employees and the resources entrusted to it.

2. Risk Appetite Statement

OAU's RAS reflects its risk management philosophy and sets out a vision on how risks are to be viewed. The RAS provides the basis for setting acceptable levels of risk tolerance and thresholds and contributes to the identification and implementation of mitigation actions.

The OAU Board has responsibility for the organisation, the security and safety of its employees, setting and implementation of strategic goals, and for the management of risks associated with its activities. OAU has many stakeholders including its program participants, partner organisations, the Government, funding organisations, supporters, and suppliers.

The risks arising from OAU's poverty alleviation and humanitarian support activities can be significant. To remain a stable organisation with the capacity to work for OAU's stakeholders and supporters long into the future, these risks must be managed through processes that enhance OAU's brand and reputation, ensure sound financial management, drive innovation, program delivery and strengthen advocacy.

Learning from experience and continually improving processes, depending on results from year to year, OAU may choose to increase or decrease respective risk appetite tolerances to complement execution of higher or lower risk activities.

3. Risk Culture

OAU's risk culture is its set of shared beliefs, values and behaviours that shape OAU's approach to managing risk and making decisions. All employees are committed to ensuring that their decisions are based on reasonable analysis of risk, opportunities and their associated impact on the implementation and attainment of OAU's strategies.

4. Risk Management Framework

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OAU has a risk management framework (RMF) that outlines OAU's approach to effectively identify and manage risks across the organisation. The RMF sets the risk management requirements and responsibilities for employees and Board and emphasises that the management of risks is everyone's responsibility.

Risks are identified, analysed, evaluated, managed, and monitored at both an organisational (top-down) and operational (bottom up) level. The OAU Board has ultimate accountability for this process. It may choose to delegate part or all of the oversight of this process to its Finance Risk and Audit Committee (FRAC) to manage the process on behalf of the Board. The OAU Board may at its discretion have a formal annual review of the risk appetite process.

5. Risk Appetite By Risk Type

Risk Type	Sub-Category	Description & Appetite Level ¹
Strategic	Strategic Risk	<p>OAU recognises that the actual or perceived inability to deliver strategic initiatives could have a significant impact on its ability to achieve its objectives and on its reputation. A framework is in place to ensure these initiatives are prioritised appropriately and are managed and reported on a consistent basis.</p> <p>OAU must keep abreast of international issues and strategic risks, e.g. geopolitical crises and cyber risks. Oxfam Australia actively participates as a member of Oxfam International in poverty alleviation programs and provision of humanitarian support activities. This collaboration will see it constructively engage with other Oxfam International affiliates and acknowledges that it does not have direct control of other affiliates' actions. OAU has processes in place to mitigate these risks which are prioritised through a well-defined framework that involves regular Board and Senior Management communication and reporting.</p> <p>OAU has a high risk appetite for those strategic risks that will realise its strategic goals and objectives.</p>
Strategic	Financial Risk	<p>OAU assesses its financial risks both from a strategic and operational perspective. At all times OAU requires a balance between adequate reserves and liquidity, and understands that it is not always possible to eliminate all risks. Oxfam Australia will manage associated balance sheet risks to an acceptable level through a framework of policies and financial controls.</p> <p>OAU has a low risk appetite for financial risk.</p>

¹ Risk appetite levels are defined in the Appendix.

Risk Type	Sub-Category	Description & Appetite Level ¹
Strategic	Fundraising Risk	<p>OAU needs to achieve sustainable growth in public and non-government institutional fundraising . OAU will mitigate the associated risks by ensuring that fundraising activities deliver acceptable levels of ROI, adhere to OAU's values and meet applicable Australian industry standards and those of other regions in which it operates.</p> <p>OAU has a high risk appetite in identifying and exploring new ways of unlocking fundraising opportunities that align with its values, strategy and organisational objectives.</p>
Strategic	Innovation Risk	<p>OAU embraces innovation and continuous improvement. From its internal operating systems, public engagement activities, advocacy engagement and program work in the field, OAU needs to be innovative in all aspects of its work.</p> <p>OAU has a high risk appetite for innovation and the value it will bring to the organisation and its communities and supporters.</p>
Strategic	Advocacy Risk	<p>OAU approaches the delivery of its advocacy program both from strategic (impact and reach) and operational (structure and delivery) perspectives. A just world without poverty requires significant power shifts both politically and economically. Advocacy for such change is one of OAU's core strengths and it approaches its advocacy activities in accordance with its policies, processes and controls in place to manage the risks inherent in this activity.</p> <p>OAU has a high risk appetite in advocating for global change that will seek to establish environments that are fair and equitable.</p>
Strategic	Reputational Risk	<p>Public scrutiny is an inherent and welcomed component of OAU's activities. OAU aims to be transparent though some of its work may generate negative public perception and media coverage which will affect its reputation. OAU will seek to ensure transparent and clear communication is provided to mitigate this risk and ensure key stakeholders are informed.</p> <p>OAU has a low risk appetite for activities that will compromise the ethics, brand or credibility of the organisation.</p>
Operational	Operational Risk	<p>OAU carefully analyses risks in all its operational activities, including ensuring that the benefit of the risk control measures exceeds the costs of these measures. OAU has processes in place and can make resources available to manage operational risks to acceptable levels.</p> <p>OAU has a low risk appetite for operational risk.</p>
Operational	Safeguarding Risk	<p>OAU is committed to providing a safe, and respectful environment for its employees and people we work with. This includes an environment free from all forms of harassment, exploitation, or abuse, or any form of child abuse, and where people are</p>

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Risk Type	Sub-Category	Description & Appetite Level ¹
		<p>protected from physical, sexual or psychological harm. The responsibility for maintaining a safe environment is a shared responsibility of all OAU personnel and representatives, who must abide by Codes of Conduct.</p> <p>OAU has zero appetite for non-compliance with safeguarding policies and procedures or any practices that may lead to sexual exploitation, abuse or harassment, or harm to children.</p>
Operational	Work, Health & Safety Risk	<p>OAU is committed to providing a safe, flexible, and respectful environment for its employees and volunteers. The responsibility for maintaining a safe environment is a shared responsibility of all OAU personnel. OAU has policies and processes in place to mitigate WHS risks.</p> <p>OAU has zero appetite for non-compliance with all applicable WHS obligations and practices within the organisation.</p>
Operational	Legal/Regulatory/Compliance Risk	<p>OAU is committed to a high level of compliance with relevant legislation, regulation, industry codes and standards as well as internal policies and sound corporate governance principles. Minor breaches are expected from time to time but will be reported and responded to. OAU will seek to mitigate compliance risks through adherence to internal policies and good corporate governance practices.</p> <p>OAU has a low risk appetite for non-compliance.</p>
Operational	Fraud & Corruption Risk	<p>OAU accepts that its operating environment heightens exposure to the risk of fraud and corruption. These practices, as well as the misappropriation of resources, are in direct contravention to OAU's values. OAU will mitigate such actions as deemed necessary in line with its applicable policy and guidelines. OAU's reputation for integrity and competence should not be compromised, including in relation to key stakeholders, supporters, and Government.</p> <p>OAU has zero risk appetite for fraud and corruption.</p>
Operational	Information Security & Technology Risk	<p>OAU requires its information management systems and procedures to be adequate and relevant for its intended purpose. OAU's internal control processes need to ensure the development of robust technology systems to mitigate significant and malicious threats to OAU assets, and maintenance of data integrity.</p> <p>OAU has a low risk appetite for the non-availability of systems and technology and for the maintenance of data integrity, and has zero appetite for misuse of information.</p>
Operational	Cyber Security Risk	<p>OAU recognises the risks relating to potential cyber security threats resulting from the use of personal devices and</p>

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		<p>communication tools within the organisation. OAU's internal control processes and resilience program needs to ensure OAU's readiness to address cyber vulnerabilities and resulting data breaches.</p> <p>OAU has a moderate risk appetite to the management of cyber security threats and resulting data breaches.</p>
Operational	Human Resources Risk	<p>OAU's employees and volunteers are critical to the delivery of quality OAU programs and the achievement of its vision. It is critical that OAU has suitable and appropriate people with the right skills, competence, and behaviors to manage this. OAU has robust integrity and performance mechanisms to support effective recruitment and address unacceptable behaviours. To attract and retain key talent, OAU promotes inclusive people leadership, professional development and a collaborative culture. The OAU enterprise agreement provides a wide range of conditions to support employees to thrive.</p> <p>OAU has a low risk appetite for non-compliance with OAU HR policies and procedures.</p>
Program/ Project	Program & Project Risk	<p>OAU delivers poverty alleviation and humanitarian programs and projects, often in high-risk environments. The risks of failing to act often outweigh the risks of engagement and therefore, program decisions are based on a thorough analysis and the application of risk management strategies.</p> <p>OAU has a low risk appetite when it comes to ensuring protection for program participants, partner agencies, employees, and resources to ensure the organisation's commitment to achieving meaningful results.</p> <p>Innovation and the testing of new models of programming is key to finding viable and sustainable solutions to poverty and inequality. In doing so, the risk of occasional failure is accepted, and lessons learnt used to drive continuous improvement.</p> <p>OAU has a low risk appetite for failure to deliver project objectives resulting from factors within its control.</p>
Environmental, Social and Governance (ESG)	ESG Risk	<p>OAU is committed to complying with its ESG responsibilities. To ensure compliance, OAU has a governance structure in place with supporting ESG policies and procedures.</p> <p>OAU has a low risk appetite for program objectives which do not align to its ESG responsibilities.</p>

6. Process

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6.1 Risk Appetite Implementation

OAU Board and Senior Management will be responsible for the implementation and compliance with this RAS.

6.2 Communication

The RAS is published on OAU's website as well as its Intranet.

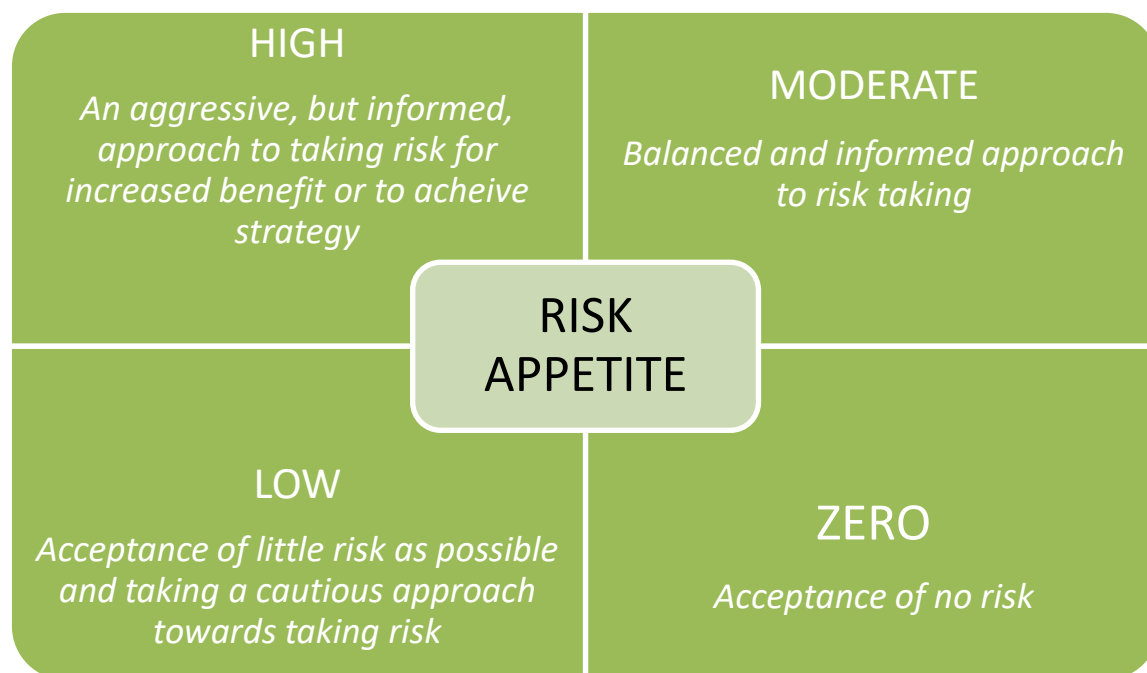
6.3 Reporting & Monitoring

OAU will monitor this RAS against a number of existing risk metrics which will assist Management in assessing whether outcomes are consistent with the overall risk appetite. Performance against these metrics is tracked and reported to the Board on a regular basis.

6.4 Review

The OAU Board may determine at its discretion to have a formal review of the RAS and RMF undertaken. This review will be coordinated by the Finance & Risk Section and proposed changes to the RAS would be approved by the Board.

APPENDIX – Risk Appetite Level Definitions



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