



Application Submodule 1.3 Association enterprise/ business risk management system

A. TO BEGIN THE SUBMODULE

This submodule sets out the enterprise risk management information which the Professional Standards Councils considers when approval a Professional Standards Scheme.

Typically, an occupational association will have an enterprise or business risk management system, not inconsistent with the Australian Standard, *AS ISO 31000:2018 Risk Management – Guidelines* (the Standard). This submodule deals with the business-focused, enterprise risk management undertaken by associations as an organisation. This submodule does not consider your professional risk management strategies that you provide in Module 4.0 *Professional risk management strategies*, and related submodules.

This sub-module is closely linked to Submodule 2.4 *Scheme compliance plan*.

B. WHAT IS ENTERPRISE RISK MANAGEMENT IN THE CONTEXT OF A PROFESSIONAL STANDARDS SCHEME?

Enterprise risk management is organisation business-centric and relates to the strategic and operational risks of your association.

As a matter of regulatory best practice, Schemes should have an enterprise risk management system which is not inconsistent with the Standard.

Enterprise risk management is critical for your association to maintain ongoing self-assurance to demonstrate that it is financially and operationally sound. Without this, there may be grounds for the Councils to review your Scheme.

For the purposes of a Professional Standards Scheme application, enterprise risk management is separated from professional risk management relating, in the context of the legislation, to the operation of a system of risk management strategies based on processes designed to protect consumers and continuously improve. The latter exists as Module 4.0 *Professional risk management strategies*, and Guidance 4.0.1 *Professional risk management strategies guidance*.

C. COMPLETING THE REQUIRED INFORMATION

The information required from your association is to be entered in Template 1.3.1 *Association enterprise/ business risk management system*.