

# Policy: Risk Management

## 1 Purpose

All activities undertaken by NSW Trustee & Guardian (NSWTG) carry an element of risk. The exposure to these risks is controlled through the practice of risk management. Managing risk is the responsibility of everyone in NSWTG.

This policy sets out the way in which NSWTG will manage risks while working towards the achievement of its objectives and should be read in conjunction with the [Risk Management Procedure](#).

## 2 Policy statement

### 2.1 NSWTG's commitment

NSWTG is committed to the proactive management of risk, led by the Chief Executive Officer (CEO) and the Executive Leadership team (ELT), acknowledging risk management as an integral part of operational and business management and the creation and protection of value.

For this purpose, NSWTG is committed to:

- establish an enterprise risk management program that systematically identifies, assesses, treats and monitors risk in accordance with the [Australian Standards Risk Management Guidelines AS ISO 31000:2018](#) and the [Internal Audit and Risk Management Policy for the General Government Sector TPP 20-08](#).
- conduct a strategic risk assessment annually, including identification of emerging risks, to inform the development of management strategies, new and improved controls, risk treatment plans, and the internal audit program.
- integrate enterprise risk management processes into NSWTG strategic, business and program/ project planning activities, including the development of the Strategic Internal Audit Plan and annual business plans.
- ensure that risks which could impact significantly upon NSWTG are assessed, monitored, and controlled as much as practical and reported upon.
- identify all key compliance obligations (relevant laws and regulations) through the enterprise risk management process.
- where NSWTG becomes aware of risks to other agencies' objectives, communicate those risks to the agency and identify, record and monitor risks impacting on NSWTG which originate in other agencies.
- ensure staff have the resources, necessary tools and procedures to engage in enterprise risk management and can identify and manage risks as part of any strategic, operational or project/program-based activities.
- ensure risk registers at the enterprise and division level are developed and maintained for recording risks, related controls, treatment plans and accountabilities.
- ensure all business areas review and report regularly on their risk management activity to monitor and review their risks, controls and risk treatment plans. At the enterprise and division level this should occur quarterly, and whenever there are major changes to internal or external conditions. This will include reporting to the Audit and Risk Committee.

- develop and maintain standard risk criteria for use in all business areas to provide a consistent basis for assessing and managing risk across the agency.

## 2.2 Risk appetite

---

NSWTG's risk appetite represents the amount and type of risk it is willing to pursue and retain in the achievement of its strategic and operational objectives. In assessing risk appetite, management considers the needs and expectations of NSWTG's customers, stakeholders and employees, with the desire to build an effective organisation. It should be used to inform decision making, planning activities and resource allocation.

NSWTG adopts the following risk appetite statements from a strategic perspective:

- NSWTG has a high appetite for activities that protect, promote and support the rights, dignity, choices and wishes of our customers.
- NSWTG encourages activities that maximise opportunities and organisational sustainability and identifies activities where it is important to avoid or minimise risks.
- NSWTG has a high appetite for considering the principles of decision making contained within our legislation and requires the exercise of informed, careful and prudent judgement in decision making to support positive customer outcomes.
- NSWTG has a strong commitment to its Work Health & Safety obligations and encourages development and maintenance of effective and efficient WHS management systems and processes.
- NSWTG has zero tolerance for fraud, corruption or unethical behaviours and encourages activities and behaviours that maintain an ethical culture.
- NSWTG has a high appetite for compliance with relevant legislation, regulation, industry codes, standards, policies and sound corporate governance principles.
- NSWTG has a high appetite for opportunities to increase the efficiency and effectiveness of our project and operational service delivery.
- NSWTG has a high appetite for opportunities to improve our customer, stakeholder and staff engagement and safety.

## 2.3 Roles and responsibilities

---

**All NSWTG staff** (including contingent labour) are responsible for risk management across the organisation, including identifying and escalating risks, issues and concerns to management and implementing specific risk management actions (i.e. controls and treatment plans). Some staff also have specific responsibilities and accountabilities as set out below.

### 2.3.1 NSWTG CEO

---

The NSWTG CEO has ultimate accountability and responsibility for risk management in NSWTG, attesting to NSWTG's compliance with the seven core requirements of [TPP 20-08](#).

### 2.3.2 ELT

---

The **ELT** are responsible for:

- endorsing the Risk Management Policy and approving any future amendments.
- supporting integration of risk management into all planning, management, decision making and performance reporting systems.
- actively participating in identification, assessment and management of risk across NSWTG and their operational division.

- advocating and promoting risk management culture through positive behaviour modelling.
- leading and monitoring risk management actions (i.e. controls and risk treatments).
- establishing and maintaining the enterprise risk register and their respective divisional risk registers.
- ensuring compliance with this policy.
- enabling staff to monitor identified risks, including:
  - the review, updating and completion of risk treatment plans
  - reviewing risks for completeness, continued relevance, and effectiveness of controls, taking into account changing circumstances.

### 2.3.3 Managers

---

**Managers** are responsible for:

- identifying, assessing and addressing the risks to objectives within their area of responsibility.
- identifying and communicating risks which need to be brought to a Director's or the ELT's attention.
- enabling staff to monitor identified risks.
- leading a culture that encourages proactive reporting and management of risk by all staff.
- establishing and maintaining risk registers, including any risks associated with outsourced activities.

### 2.3.4 Audit, Risk & Compliance team

---

The **Audit, Risk & Compliance team** is responsible for:

- ensuring provision of policy and guidance is available to NSWTCG on risk management matters.
- establishing and leading the implementation of NSWTCG's risk management policy, including coordinating, maintaining and embedding the policy in NSWTCG.
- providing advice and assistance to NSWTCG divisions to support the implementation and maintenance of robust risk management processes, and coordinate risk management training.

### 2.3.5 Internal Audit

---

The **Internal audit** function is responsible for providing assurance to the CEO and the ARC on the effectiveness of the risk management framework including the design and operational effectiveness of internal controls.

### 2.3.6 Audit & Risk Committee (ARC)

---

The **ARC** provides independent advice, assistance and support to the NSWTCG through the monitoring and review of risk management practises and processes in accordance with the ARC Charter.

## 2.4 Procedures

---

NSWTCG will manage risk in accordance with [Australian Standards Risk Management Guidelines AS ISO 31000:2018](#) and the [Internal Audit and Risk Management Policy for the](#)

[NSW Public Sector TPP20-08](#). All procedures and templates required for managing risk can be found in the [Risk Management Procedure](#).

### 3 Scope

---

The policy applies to all activities and processes associated with the operation of NSW TG, including strategic and business planning, policy development and implementation, project and program management, service delivery, decision making and resource allocation at strategic and operational levels. It is the responsibility of management and staff (including contingent labour) to evaluate, respond, monitor and communicate risks associated with any activity, function or process within their relevant scope of responsibility and authority.

### 4 Legislative context

---

The adoption of a risk management approach is mandated by several acts that impact NSW TG, including the [Government Sector Finance Act 2018](#) and the [Work Health and Safety Act 2011](#). The [Annual Reports \(Statutory Bodies\) Regulation 2015](#) requires agencies to report on their enterprise risk management arrangements each year.

NSW Treasury Policy [Internal Audit and Risk Management Policy for the General Government Sector TPP 20-08](#) requires NSW TG to develop and maintain a risk management policy and framework consistent with Australian Standards Risk Management Guidelines [AS ISO 31000:2018](#).

### 5 Related resources

---

- [Government Sector Finance Act 2018](#)
- [Work Health and Safety Act 2011](#)
- [Annual Reports \(Statutory Bodies\) Regulation 2015](#)
- [Australian Standards Risk Management Guidelines AS ISO 31000:2018](#)
- [Internal Audit and Risk Management Policy for the General Government Sector TPP 20-08](#)
- [NSW TG Risk Management Procedure](#)

### 6 Definitions

---

**Consequence:** an outcome of an event that can be certain or uncertain and can have positive or negative, direct or indirect effects on objectives. Consequences can be expressed qualitatively or quantitatively.

**Control:** any action taken to maintain or modify a risk and, may include a process, policy, device, practice or other conditions.

**Enterprise risk:** overarching risks, derived from considerations associated with NSW TG's purpose, delivery expectations and resource requirements.

**Event:** an occurrence or change of a particular set of circumstances.

**Governance:** the combination of processes and structures implemented to inform, direct, manage and monitor the activities of the organisation towards the achievement of its objectives.

**Likelihood:** the chance of something happening.

**Managers:** includes Principal Client Service Officers, Managers and Senior Managers or any supervisory role.

**Risk:** the effect of uncertainty on objectives, noting that effect is a deviation from the expected and may be positive and/or negative. It is usually expressed as a combination of risk sources, potential events, their consequences and their likelihood.

**Risk appetite:** the amount and type of risk an organisation is willing to pursue and retain in the achievement of its strategic and operational objectives.

**Risk assessment:** the overall process of risk identification, risk analysis and risk evaluation

**Risk criteria:** NSWTG's descriptions of the consequence, likelihood and other risk levels.

**Risk management:** coordinated activities to direct and control the governance of NSWTG with regards to risk.

**Risk register:** a risk register provides a repository for recording each risk and its attributes, assessment and treatments.

**Risk source:** an element which has potential to result in or cause an event.

**Strategic risk:** a risk that may eventuate outside of NSWTG's control with consequences for NSWTG achieving its purpose and objectives.

**Treatment:** the process to modify risk.

## Document information

---

<b>Title:</b>	Policy: Risk Management
<b>Owner:</b>	Director, Strategy & Governance
<b>Approver:</b>	Chief Executive Officer
<b>Date of Effect:</b>	29 June 2021
<b>Next Review Date:</b>	29 June 2021