

## Risk Management

### Purpose

The Queensland Water Commission (the Commission) is committed to risk management as a cornerstone of its overarching Governance, Risk and Compliance (GRC) Framework. The purpose of this policy is to outline the principles and responsibilities for risk management across the Commission.

The Commission acknowledges that to achieve its purpose and strategic objectives it must ensure a suitable system of internal control and effective risk management. The Commission has, therefore committed to a risk management policy and procedure that aligns with AS/NZS ISO 31000:2009 *Risk management—Principles and guidelines*.

### Scope

This policy applies to all officers employed by, or engaged on behalf of, the Commission including consultants and contractors.

### Definitions

**Risk management:** The comprehensive process of assessing and responding to risks. It includes managing adverse impacts and realising potential opportunities.

**Risk:** The chance of something happening that will have an impact on objectives. That is, the effect of uncertainty on objectives. It is measured by combining the consequences and likelihood of a risk event.

### Policy statement

The Commission is committed to implementing a risk management policy and procedure consistent with the principles for effective risk management outlined in AS/NZS ISO 31000:2009. The principles are that risk management:

- creates and protects value
- is an integral part of all Commission processes
- is part of decision making
- explicitly addresses uncertainty
- is systematic, structured and timely
- is based on the best available information
- is tailored and aligned with the Commission's external and internal context and risk profile
- takes human and cultural factors into account
- is transparent and inclusive
- is dynamic, iterative and responsive to change
- facilitates the continual improvement and enhancement of the Commission.

In implementing risk management, the Commission will utilise the risk management process identified in AS/NZS ISO 31000:2009 *Risk management—Principles and guidelines*. The risk management policy and procedure, as a cornerstone of the GRC Framework, will link closely to the Commission's compliance policy and program. The risk procedure will be used for the assessment and prioritisation of compliance obligations and for the ongoing compliance monitoring process. Key risks identified through the compliance program will be recorded on the relevant operational or strategic risk register.

### Legislative/policy basis

*Financial Accountability Act 2009*

*Financial and Performance Management Standard 2009*

*AS/NZS ISO 31000:2009 Risk management—Principles and guidelines*

*Queensland Government Risk Management Guidelines 2011*

## **Supporting or related documents**

Risk Management Procedure  
Strategic and Operational Risk Registers  
Risk Treatment Template  
Governance, Risk and Compliance Framework  
Compliance Policy

## **Responsibilities**

**Chief Executive Officer** is responsible for:

- ensuring the establishment and maintenance of suitable systems for internal control and risk management
- consultation on strategic and significant operational risks
- strategic risks identified as impacting on whole-of-government being submitted for consideration at Strategic Cabinet meetings.

**Executive Management Team (EMT)** is responsible for:

- identification of strategic risks
- driving risk management awareness, integration, policies and strategies and promoting a risk management culture across the Commission, and governance over robust internal processes capable of managing the Commission's risks
- considering strategic risks, determining any mitigation treatments and maximising positive business opportunities, and reviewing the progress of risk mitigation strategies for strategic risks that are being managed by Business Groups.

**General Manager, Strategic Governance and Risk** is responsible for:

- coordinating overall risk management activities within the Commission; developing and maintaining this policy and procedure
- providing advice to management on all aspects of risk management, including whether risk documentation is consistent with the risk management policy and procedure
- coordinating workforce training in risk management processes and techniques
- in conjunction with Corporate Services, maintaining the Commission's Strategic Risk Register on behalf of the EMT
- reporting to the Audit and Risk Management Committee on the implementation of the risk management policy and procedure.

**Audit and Risk Management Committee** (as stated in its Charter) is responsible for:

- evaluating whether management is promoting a risk management culture by communicating the importance of risk management to employees and providing risk management training, as appropriate.
- reviewing the effectiveness of the Commission's risk management policy and procedures for identifying, assessing, monitoring and managing strategic and operational risks, including the risk of fraud and non-compliance.
- reviewing the effectiveness of the Commission's processes for identifying and escalating risks, particularly strategic risks.
- liaising with management to ensure there is a common understanding of the strategic risks to the Commission. Ensure that these risks are actively monitored, managed and documented in a risk register which is regularly updated and monitored.
- ensuring the Commission has effective business continuity plans in place in the event of a major disruption to the Commission's business operations.
- ensuring that insurance arrangements are appropriate for the Commission's risk management.

**General Managers** are responsible in their respective business groups for:

- identifying operational risks
- ensuring systems for the management of strategic and operational risks are implemented and maintained
- assessing the adequacy and effectiveness of the treatments and controls for identified risks, particularly for high and extreme risks
- ensuring that emerging strategic risks are identified, treatment options are considered and these risks are referred to the EMT for determination of any actions.

All Staff are responsible for:

- complying with the Commission's Risk Management Policy, Procedure and supporting documents
- dealing appropriately with risks faced in the regular performance of their duties
- advising their supervisors of areas of risk that they identify
- implementing approved internal controls.

**Next review date**

12 months from the date of approval.

**Contact area or person**

Policy owner: General Manager, Strategic Governance and Risk

**Approval**

Signed:

-----  
**Gayle Leaver**  
A/Chief Executive Officer  
Queensland Water Commission

Date:

**Version history**

Date	Action	Description/comments
16 May 2011	Version 2	Revised Commission policy
9 August 2011	Version 2.1	Updated to incorporate GRC framework reference
8 September 2011	Version 2.2	Realignment with Procedure and incorporating feedback
5 October 2011	Version 2.3	Removal of Internal Audit from the Responsibilities Section
12 October 2011	Version 2.4	Updated following feedback from EMT