Risk Management Policy

Version 3.4
March 2024

1. Purpose

The purpose of this policy is to ensure the NSW State Emergency Service (NSW SES) implements and maintains Risk Management processes with defined objectives that provide a framework to identify, manage and report risks to:

- Identify and increase the likelihood and impact of positive events.
- Decrease and mitigate the likelihood and impact of negative events.
- Promote an environment where informed decisions to identify and manage the NSW SES risks are made in an open and transparent manner.

2. Scope and application

This policy applies to all NSW SES members and legislation under which NSW SES operates.

The policy is supported by the following risk management resources:

- Risk Management Manual
- Risk Appetite Statement
- Risk Registers

This policy is based on best practice public sector compliance which adheres to:

- AS ISO 31000:2018 Risk Management – Guidelines
- AS ISO 37301:2023 Compliance Management Systems – Requirements with guidance for use
- NSW Audit Office Lighthouse Strategic Early Warning System.
- TPP20-08 Internal Audit and Risk Management Policy for the General Government Sector

3. Policy Principles

1. NSW SES is committed to the proactive management of risk, as an integral part of sound management practice and an essential element of good corporate governance.
2. Risk management is the responsibility of all members, with some members having specific responsibilities and accountability.
3. All members must manage risks as part of any strategic, operational and project-based activities to help inform decisions and prioritise actions.
4. Risk registers must be maintained for key types of risks, including organisational strategic risks, Directorate business risks, program and project risks, fraud and corruption risks and work health and safety risks.

5. NSW SES is committed to integrating risk management into all areas of its business, including strategic and business planning.
6. All business areas, with the exception of Work, Health and Safety (WHS) specific risks must manage risk in accordance with this policy, including using agreed risk ratings, likelihood and consequence tables, action and escalation tables as defined in the Risk Management Manual. WHS specific risks are identified, evaluated and controlled according to the WHS Risk Management procedure.
7. NSW SES is committed to maintaining an appropriate balance of performance and risk for our business which is defined in the Risk Appetite Statement.
8. NSW SES is committed to continually improving its ability to manage risk by increasing the risk maturity of the organisation.
9. The Risk Management Manual will be reviewed annually to ensure it continues to meet NSW SES requirements. The independent advice of the Audit and Risk Committee will be sought on each review.
10. In accordance with TPP20-08 Internal Audit and Risk Management Policy for the General Government Sector, the Commissioner will attest each year regarding compliance with the core requirements, including Risk Management.

4. Roles and responsibilities

4.1 Commissioner is responsible for:

- Effective implementation of risk management across the NSW SES, including promoting a positive risk culture and determining and articulating the level of risk the NSW SES is willing to accept or tolerate.
- Annually attesting to compliance with the eight core requirements of TPP20-08 Internal Audit and Risk Management Policy for the NSW Public Sector.
- Ensuring a risk management framework is tailored to, and maintained for, the needs of the Agency and remains consistent with AS ISO 31000:2018.
- Ensuring managers and decision makers at all levels understand they are accountable for managing risk within their sphere of responsibility.

4.2 Deputy Commissioners and Directors are responsible for:

- Endorsing and implementing the Risk Management framework.
- Supporting the integration of risk management into planning, management, decision-making and performance reporting systems.
- Maintaining a risk register for their business area and the Directorate as a whole and actively participating in the identification, assessment and management of risk.
- Promoting a positive risk management culture by modelling behaviour where risk information is valued.
- Leading and monitoring specific risk management actions (i.e. controls and proposed risk treatments)

4.3 Zone Commanders, Senior Managers and Managers are responsible for:

- Ensuring compliance with this policy and the Risk Management framework
- Leading and monitoring specific risk management actions (i.e. controls and proposed risk treatments).
- Monitoring the risks and treatment plans for their area of responsibility, including the devolution of the risk management process to operational managers.
- Ensuring members adopt the NSW SES Risk Management framework as developed and intended.

4.4 Chief Audit Executive is responsible for:

- Implementing a risk based internal audit methodology in line with TPP20-08
- Escalating decisions to treat risks or accept levels of residual risk.
- Evaluating the effectiveness of risk management processes.
- Ensuring senior management are fully aware of the Risk Appetite Statement and what it means for them in relation to their duties.
- Providing assurance that risk exposures are correctly evaluated.

4.5 Governance Branch is responsible for:

- Managing the Risk Management framework including its coordination, maintenance and embedding of the framework.
- Ensuring NSW SES risk registers are managed and monitored.
- Providing advice and assistance to help business units implement and maintain robust risk management processes, and coordinate risk management training.
- Develop reporting to senior management and the Audit & Risk Committee.

4.6 Audit & Risk Committee is responsible for

- Overseeing the Risk Management framework.
- Informing NSW SES Commissioner and SLT of the adequacy and effectiveness of the NSW SES Risk Management processes and internal control system.
- Reviewing NSW SES risk profiles and Risk Registers.
- Reviewing compliance with the NSW SES Risk Management Manual.

5. Related documents

Document	Purpose
TPP20-08 *Internal Audit and Risk Management Policy for the NSW Public Sector*	Prepared by NSW Treasury to assist agencies to fulfil their legislative obligations under s 11 of the *Public Finance and Audit Act 1983*, which requires that departments and statutory bodies establish and maintain an effective internal audit function. The Policy also supports effective and efficient management by promoting the use of best practice standards and frameworks particularly risk management.
Government Sector Finance Act (2018)	Provides the framework for financial and accounting activities within the NSW Government. It is aimed at enhancing accountability and efficient use of public Moneys.

Document	Purpose
AS ISO 31000:2018 *Risk Management - Guidelines*	ISO 31000 consists of a set of principles, frameworks and processes aimed at improving decision making about risks and their management by reducing uncertainty and increasing the likelihood that organisational objectives will be achieved. It is not a compliance standard, but instead provides principles-based guidance on best practice.
TPP12-03 *Risk Management Toolkit for NSW Public Sector Agencies*	Support agencies to develop and implement their risk management framework and processes. The Toolkit provides detailed and practical advice on the various elements of ISO 31000, templates and some worked examples based on a hypothetical agency.
NSW Treasury Risk Maturity Assessment tool	A toolkit based on the principles and guidelines in: • AS ISO 31000: 2018 Risk Management – Guidelines • TPP20-08 Internal Audit and Risk Management Policy for the General Government Sector
NSW SES Risk Management Manual	The Manual provides the structure to identify and manage risks to strategic objectives, plans, operational activities, programs, projects and other functions.
WHS Risk Management Procedure	This procedure provides NSW SES workers with information on how to identify hazards, analyse, evaluate and control WHS risks.

6. Support and advice

You can get advice and support about anything in this policy from:

- Your Manager or Zone Commander.
- The Policy Owner – Senior Manager Governance and Policy.
- The Policy Sponsor – Deputy Commissioner Corporate Services.

7. Document control sheet

Title	Risk Management Policy
Current Version #	3.4
Directorate	Office of the Commissioner
Branch/Zone/Unit/	Governance
Policy Owner	Senior Manager Governance and Policy
Policy Sponsor	Director Organisational Strategy Planning & Performance
Effective date	1 March 2024
Next Review Date	1 March 2027
Rescinds	NSW SES Risk Management Policy V 3.3
Key Words	Risk Management, consequence, likelihood, risk matrix, risk

Version History

Version #	Version creation date	Author/Position	Summary of changes
V0.1	Sept 2011	IAB Consultant	Initial draft
V1.0	Sept 2011	IAB Consultant	Final
V2.0	August 2013	Organisational Risk Officer	Revision
V3.0	August 2016	Manager Audit & Risk	Revision
V3.3	May 2020	Manager Audit & Risk	Revision
V3.4	Jan 2024	Manager Audit & Risk	Updates to document references and general minor grammar and format changes

Approval

Name	Title	Date	Version signed off
Senior Manager Governance & Policy	Policy Owner	08/03/2024	3.4
Deputy Commissioner Corporate Services	Policy Sponsor/Deputy Commissioner	08/03/2024	3.4