



The Public Trustee

Risk Management Policy

Document Information

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Revision History

Date	Updated By	Summary Of Changes
1/02/2011	Brendan Gooch	Document Created
30/10/2013	Caroline Hannigan	Update to include speed of onset and assurance mapping
17/03/2013	Caroline Hannigan	Update of assessment tools for onset and assurance mapping. Expansion of the management of project risk.
24/03/2015	Toni Farrell	
21/15/2015	Toni Farrell	Incorporating Executive Director feedback
21/05/2015	Toni Farrell	Incorporating ARMC recommendations
26/10/2015	Toni Farrell	Annual review of document

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1 Purpose

To define the policy relating to the management of risks associated with all Public Trustee activities through a logical and systemic process that informs decision making and contributes to the ongoing effectiveness and efficiency of organisational performance.

2 Background

Pursuant to the *Financial Accountability Act 2009* Part 4 s 61 (b), every accountable officer is required to establish and maintain appropriate systems of internal control and risk management.

This policy has been developed with reference to the *Australian/New Zealand Standard for Risk Management (AS/NZS ISO 31000:2009)*.

3 Policy Statement

The Public Trustee is committed to ensuring efficient and effective performance as a public sector organisation. The Public Trustee aims to apply the resources available to it soundly and appropriately in compliance with legislative requirements and sound management principles.

The objective of this Policy is to maintain a risk management culture within the Office and to assist staff to implement sound risk management practices. Risk-management involves identifying exposures to potential losses, measuring these exposures, and deciding how to protect the Office from harm given the nature of the risks and the Public Trustees strategic objectives and available resources.

4 Definition of Risk

As defined in the AS/NZS ISO 31000:2009, the definition of risk is 'the effect of uncertainty on objectives'. Risk treatment options should ensure that the uncertainty of the Public Trustee meeting its objectives is avoided, reduced, removed or modified and/or retained.

5 Risk Management Principles

There are 11 principles that should be considered when implementing the risk management framework. These are:

1. **Creates and protects value** – risk management needs to contribute to the achievement of the Public Trustee's objectives through the continuous review of processes and systems;
2. **Be an integral part of organisational processes** - risk management needs to be integrated with the Public Trustee's governance framework and become a part of its planning processes, from both an operational and strategic perspective;
3. **Be a part of decision making** – risk management assists decision makers to make informed choices, identify priorities and select the most appropriate action;
4. **Explicitly addresses uncertainty** – by identifying potential risks, the Public Trustee can implement controls and treatments to maximise the chance of gain while minimising the chance of loss;

5. **Be systematic, structured and timely** – the process should be consistent across the Public Trustee to ensure efficiency, consistency and the reliability of results;
6. **Based on the best available information** – it is important to understand and consider all available information relevant to an activity and to be aware that there may be limitations on the information. This information should then inform the risk management process;
7. **Be tailored** – the risk management framework needs to include the Public Trustee's risk profile, as well as take into consideration its internal and external operating environments;
8. **Take into account human and cultural factors** – risk management needs to recognise the contribution that people and culture have on achieving the Public Trustee's objectives;
9. **Be transparent and inclusive** – engaging stakeholders throughout the risk management process recognises that communication and consultation is key to identifying, analysing and monitoring risk;
10. **Be dynamic, iterative and responsive to change** – the process for managing risk needs to be flexible. The environment that the Public Trustee operates in, requires consideration of the context for managing risk as well as continuing to identify emerging risks and allowances for risks that no longer exist;
11. **Facilitate the continual improvement** – by demonstrating the continual achievement of the Public Trustee's objectives.

In applying risk management principles it is expected that Public Trustee officers at all levels will:

- Maximise opportunities to enhance service delivery and create value
- Contribute to effective corporate governance by supporting the flow of timely and effective information to and from key decision makers

6 Risk Management Accountabilities

Monitoring and managing 'enterprise-wide risks' associated with the achievement of key strategic objectives is a requirement of the *Financial Accountability Act 2009* and the *Financial and Performance Management Standard 2009*. These requirements place responsibility on the Public Trustee of Queensland and all employees to '*manage the strategic and operational risks ... in accordance with the risk management system established*' and to mitigate risks from unacceptable costs or losses.

Day to day management and monitoring of risks associated with strategic and operational objectives is facilitated by managers and supervisors through strategic and business planning and performance reporting. These processes are designed to provide ongoing assurance and highlight weaknesses where further action could be required.

The Public Trustee Risk Management Procedures provides a systematic and structured approach to integrating risk management into the broader governance arrangements associated with the operational requirements of the Office.

7 Roles and Responsibilities

Executive Management Team (EMT):

- Support the implementation of a risk management framework;
- Review reports detailing all identified significant risks and relevant treatments and/or control strategies; and
- Ensure that sound risk management principles are applied to processes.

Directors/Managers:

- Responsible for ongoing upkeep of operational Risk Registers for their program areas, utilising TeamRisk. TeamRisk tracks all identified risks and associated treatments and/or control strategies, and
- Submission of periodic risk reports identifying extreme and high risks and associated strategies for mitigation (risk treatment plans).

Audit and Risk Management Committee (ARMC):

- Oversight of the Risk Management process, as set out in the ARMC Terms of Reference;
- Review reports in terms of compliance with, and quality of application of, the Public Trustee's Risk Management Process; and
- Exception reporting to the Executive Management Team for endorsement of proposed improvement and audit strategies.

Risk Champion (GED):

- Manage the consolidation of TeamRisk reporting to the EMT and the ARMC;
- Work with program risk champions to implement the approved changes to risk registers within the TeamRisk software; and
- Coordinate the quarterly review of the Material Business Risk Register.

Risk Champion (Programs):

- Manage and undertake the quarterly risk register update at the program level.

8 References / Related Documents

- *Australia/New Zealand Risk Management Standard – AS/NZS ISO 31000:2009*
- *Guidelines for Managing Risk in the Australian Public Sector*
- *Financial Accountability Act 2009 Part 4*
- *Financial and Performance Management Standard 2009, Part 2, Division 4, General Resource Management, s 28*
- *QAO Report 1: 2015–16, Results of audit: Internal control systems 2014–15*
- *QAO Report to Parliament No. 6 for 2007: Beyond Agency Risk*
- *QAO Better Practice Guide – Risk Management October 2007*
- *NAO Report by the Comptroller and Auditor General: Supporting Innovation: Managing Risk in Government Departments*

9 Policy review and evaluation

The policy is to be reviewed every twelve months, or when legislative changes necessitate, by the Public Trustee and endorsed by the ARMC at the end of year meeting.