



The Public Trustee of Queensland

Risk Management Policy

Document Information

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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
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1 Purpose

This policy sets the direction in the management of risk for Public Trustee activities, informing sound decision making to ensure the effectiveness and efficiency of organisational performance and continuous improvement to achieve our strategic and operational objectives.

2 Application

This policy applies to employees and contractors of the Public Trustee.

3 Policy statement - why we manage risk

The Public Trustee is committed to achieving our vision and purpose. This requires the Public Trustee to address the challenges and risks to our Strategic Plan and operations.

Effective risk management enables the Public Trustee and its staff to have increased confidence that they can deliver required services, identify and manage risks and make informed decisions about opportunities and challenges.

4 Risk definition

As defined in the AS/NZS ISO 31000:2009, risk is 'the effect of uncertainty on objectives'. Any element of uncertainty contains a risk. Risk relates to both challenges to, and opportunities for the Public Trustee.

The implementation of risk control and treatment strategies ensure that the uncertainty of the Public Trustee meeting its objectives is avoided, reduced, removed or modified and/or retained.

5 Legislative basis

The Public Trustee is a statutory body under the *Financial Accountability Act 2009* (the Act). Part 4 s 61 (b) of the Act and s 28 of the *Financial and Performance Management Standard (2009)* requires a statutory body and any accountable officer 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)*;
- *The Financial Accountability Act (2009)* and the *Financial Management and Performance Management Standard (2009)*;
- *Queensland Government's 'A Guide to Risk Management' (July 2011)* (the Guide);
- *The Public Trustee – Financial Management Practice Manual Chapter Ten: Risk Management*

6 Our risk management principles

Employees at all levels are expected to apply risk management principles by:

- Maximising opportunities to enhance service delivery and create value; and
- Supporting the flow of timely and effective information to and from key decision makers.

The Public Trustee’s risk management principles draw from AS/NZS ISO 31000:2009 and the Guide, and are set out in the Appendix to this policy.

7 Our roles and responsibilities

The Public Trustee of Queensland and the Executive Management Team support the implementation and use of a contemporary risk management framework for the Public Trustee and expect that all officers will apply sound risk management principles to their everyday duties.

The chain of responsibility is formed by:

The Audit and Risk Management Committee (ARMC)	→ oversees the risk management process with the support of the Senior Director Governance and Risk
The Public Trustee of Queensland	→ as the Chief Executive, is accountable for ensuring risk management practices are in place
Executive Management Team (EMT)	→ elevate risks classified as “high” or above to the attention of the Public Trustee of Queensland
	→ ensure business units within their Program areas identify and manage risk appropriately
	→ review, amend and endorse the Material Business and Strategic Risk Register (MBSRR)
	→ ensure that sound risk management principles are applied to processes
Directors and Managers	→ are responsible for all levels of risk within their areas and ensure that within those areas processes are in place for them to perform this role adequately
Governance and Risk	→ 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
	→ co-ordinate the quarterly review of the MBSRR

Risk Champions	→ an assigned individual within a program who supports and facilitates the risk management process in the Risk Champion’s program
Staff	→ consider risks as part of their everyday work and help integrate risk awareness in the corporate culture

8 Integrated risk management framework

Risk management involves incorporating risk management practices and processes at each management level into all strategic and business planning and decision-making processes.

An integrated approach aims to:

- apply the Public Trustee’s risk management process to all major decisions;
- develop a common language for the analysis and reporting of risks;
- develop an Office-wide approach to the management of risk;
- ensure that decision-making is open and transparent;
- identify, understand and manage significant risks;
- implement a systemic approach to the management of risk;
- use resources and operational capacities efficiently.

The Public Trustee’s overall risk management framework incorporates and contributes to:

Strategic and Operational Plans	Risk Management Policy and Procedure	Fraud and Corruption Control Plan	Procurement Procedures and Plan	Crisis Management Plan
Information Technology Disaster Recovery Plan	Risk management training and awareness	Workplace Health and Safety	Business Continuity Policy and Plan	Financial Management Practice Manual

9 Policy review and evaluation

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

The Public Trustee’s Risk Appetite Statement and Risk Tolerance are reviewed as required, but at least annually.

10 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*

- *Queensland Government – A Guide to Risk Management July 2011*
- *QAO Good Practice Guide – Risk management maturity model*
- *The Public Trustee of Queensland - Risk Management Procedure*

Appendix – risk management principles

AS/NZS ISO 31000:2009 identifies 11 principles that for effective risk management should be adopted at all levels of the organisation. Risk management should:

Create and protect value

Risk management contributes to the achievement of the Public Trustee's objectives through the continuous review of processes and systems.

Be an integral part of organisational processes

Risk management is integrated with the Public Trustee's governance framework and planning processes, from both an operational and strategic perspective.

Be part of decision making

Risk management assists decision makers to make informed choices, identify priorities and select the most appropriate action.

Explicitly address uncertainty

Risk management identifies potential risks, and implements controls and treatments to maximise gain while minimising loss.

Be systematic, structured and timely

The process is consistent across the Public Trustee to ensure efficiency, consistency and the reliability of results.

Be based on the best available information

Risk management requires understanding and consideration of all available information relevant to an activity whilst being aware of potential limitations on the information. This information informs the risk management process.

Be tailored

The risk management framework includes the Public Trustee's risk profile and risk appetite, with consideration to its internal and external operating environments.

Take human and cultural factors into account

Risk management recognises the contribution that people and culture have on achieving the Public Trustee's objectives;

Be transparent and inclusive

The risk management process engages stakeholders throughout the risk management process, promoting that communication and consultation is vital to identifying, analysing and monitoring risk.

Be dynamic, iterative and responsive to change

The environment in which the Public Trustee operates requires flexibility and consideration of the context for managing risk, as well as continuing to identify emerging risks and allowances for risks that no longer exist.

Facilitate continual improvement of the organisation

The risk management framework is developed having regard to the continual achievement of the Public Trustee's objectives.

The Guide endorses further principles that are specific to risk management in Queensland government agencies. These principles are:

Commitment from the Public Trustee and the Public Trust Office Investment Board for risk management.

Integration with other governance processes such as strategic planning, operational planning and executive management functions.

Strong organisational culture and awareness of risk at all levels of the Public Trustee, encouraging a risk-informed workforce and culture.

Supported by a program of education, training and development devoted to risk management at key levels in the Public Trustee.

Process designates clear ownership of risk accountabilities, responsibilities, duties and actions.

Process is proactive with cross-agency communication of risks.

Process **draws on both current experiences and past** learnings.