

# Risk Management Policy

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## Purpose of this policy

Risk is the effect of uncertainty on our objectives. The Department of Planning and Environment (department) aims to create a positive organisational culture that promotes risk management as part of effective corporate governance which supports informed and well-judged decision making. Every function has a degree of risk and the department recognises that identifying risks and managing them is critical to the achievement of our goals.

All department staff are responsible for contributing to an enterprise-wide risk management process by:

- Understanding that risk management is a hands-on process. It is the recognition of risks, and the coordinated and economical application of resources to reduce the likelihood of them occurring or minimising their impact;
- identifying, reporting and/or managing risks in a timely manner;
- encouraging and supporting other staff in identifying, reporting and managing risks; and
- complying with the department's policies and procedures designed to address particular types of risk.

This policy outlines the department's approach to risk management and prescribes a minimum set of risk management standards for all business areas across the department Cluster.

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## To whom this policy applies

This policy applies across all departmental operations and to all departmental staff, consultants and contractors. It also applies to the operations and staff, consultants and contractors of all department Cluster entities who have staff employed in or through the department.

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## Policy statement

The department is committed to efficiently and effectively managing risks for the achievement of its strategic and operational objectives. For this purpose, the department will:

- establish an enterprise-wide risk management program that systematically identifies, assesses, treats and monitors risk in accordance with the ISO 31000:2018 Risk Management Standard and the NSW Treasury Internal Audit and Risk Management Policy for the General Government Sector TPP20-08.
- conduct strategic risk assessments annually to inform the development of management strategies, new and improved controls, and risk treatment plans.
- integrate risk management processes into strategic, business and program/project planning activities.
- ensure that risks which could impact significantly upon the department, life and property are assessed, monitored and treated.
- identify all key compliance obligations (relevant laws, regulations and central agency policy) and, where required, risk ratings and risk treatment plans through the risk management processes.

- ensure staff have the necessary resources, tools and procedures to undertake their role in relation to risk management.
- develop and maintain registers at the Enterprise level, at all areas reporting to a Group Deputy Secretary or Coordinator General, and for key Directorates, Divisions, Branches and major Programs, capturing risks, related controls, treatment plans and accountabilities.
- report regularly across business areas on risk management activity, including monitoring and reviewing risks and controls, and reporting progress on the implementation of risk treatment plans.
- develop and maintain standard risk criteria for use within the department to provide a consistent basis for assessing and managing risk.

Within the department, we:

- promote and support the understanding of risk management and an effective risk management culture at all levels of the business including programs and projects.
- understand and oversee risks so they can be managed within the department's risk appetite.
- identify clear ownership of risks so they can be effectively managed.
- assess the impact of changes to structures, people, processes and systems against existing department, Group, Directorate, Division, Branch or Program risk profiles.
- maintain relevant and accurate information about risks, losses, and treatments to allow for accurate analysis and reporting.

The department will manage risk in accordance with the department's Risk Management Procedures and department's Risk Management Guide. These documents are aligned with ISO 31000 and the requirements of NSW Treasury Policy TPP20-08

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## Review timeframe

Governance Division will review this policy no later than 3 years from the date the document is approved. The document may be reviewed earlier in response to post-implementation feedback, or changes to legislation.

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## Related documents

Other policy documents that should be ready in conjunction with this policy:

- [NSW Treasury Risk Management Toolkit for NSW Public Sector Agencies \(TPP 12-03\)](#)
- [NSW Treasury Internal Audit and Risk Management Policy for the General Government Sector \(TPP20-08\)](#)

## Policy metadata

Table 1. Policy metadata

Category	Description
<b>Status</b>	Active
<b>Date of approval</b>	June 23 2020
<b>Approver</b>	Deputy Secretary
<b>Group</b>	Legal and Governance
<b>Policy owner</b>	Executive Director Governance
<b>Division</b>	Governance
<b>Branch</b>	Risk and Resilience
<b>Document location</b>	DPE Intranet
<b>Next review date</b>	May 2023
<b>Associated procedure</b>	Department's Risk Management Guide
<b>Superseded document</b>	DFSI Enterprise Risk Management Policy OEH Enterprise Risk Management Policy DPE Managing Risk Policy DFSI Risk and Resilience Policy SOPA Risk Management Policy
<b>Further information</b>	<a href="mailto:phillip.meredith@environment.nsw.gov.au">phillip.meredith@environment.nsw.gov.au</a>
<b>Document Reference</b>	DOC 20/589435

## Version control

Table 2. Version Control

Version	Date issued	Change
1	23 June 2020	New policy document

Version	Date issued	Change
2	18 May 2021	Update to align with TPP20-08
2.1	3 May 2022	Updated to reflect new branding and name change.

## Appendices

### Appendix 1 - Roles and responsibilities

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Everyone in the department has a responsibility to manage risk. The following table provides a summary of the responsibilities of key staff and committees.

Table 3: Roles and responsibilities

Role	Responsibilities
Secretary	<p>Has responsibility and accountability for risk management across department</p> <p>Provides leadership and support for effective risk management, approving the department’s Risk Management Policy and procedures and ensuring these are communicated, implemented, and kept current</p> <p>Promotes a positive risk culture, determining and articulating the level of risk department is willing to accept or tolerate</p>
Direct Reports to the Secretary	<p>Support the Secretary in the effective management of risk and the promotion of a positive risk culture</p> <p>Ensure Group business plans and performance monitoring appropriately considers risk to support the achievement of outcomes</p> <p>Provide adequate resourcing for the implementation of the department’s Risk Management Policy</p>
Audit Risk Committee	<p>Review whether management has in place a current and appropriate risk management framework</p> <p>Undertake other responsibilities for risk management as set out in the ARC Charter</p>
General Counsel	<p>Executive sponsor for risk management in the department</p>
Deputy Secretary, Executive Director, Director and Program Owner	<p>Implement the department’s Risk Management Policy in their Directorate/ Division / Branch / Program</p> <p>Accountable for managing their Directorate / Division / Branch / Program risks and maintaining effective internal controls and managing treatment plans</p> <p>Ensure appropriate resources are assigned to manage risks effectively and that risk information and risk register quality is maintained to an acceptable standard</p>

Role	Responsibilities
Executive Director, Governance	<p>Responsible for resourcing the department's Risk Management Framework and accountable for its fit-for-purpose design</p> <p>Reports to and advises the Secretary, Audit and Risk Committee and Senior Executives on risks, controls and treatment plans</p>
Chief Risk Officer	<p>Designs the department's Risk Management Framework and is responsible for the day-to-day activities associated with coordinating, maintaining and embedding the Framework in the department.</p> <p>Develops risk reporting to the Audit and Risk Committees and other committees as required.</p> <p>Supports the department, Groups, Directorates, Divisions, Branches and Programs to embed effective risk management practice and maintain an appropriate internal control environment.</p> <p>Coordinates continuous improvement of the department's Risk Management Framework through a strategic risk management plan.</p>
All employees	<p>Apply the department's Risk Management Policy in accordance with their functional role and responsibilities.</p> <p>Raise and/or escalate risks, concerns and/or behaviours.</p>