

Victorian Government Risk Management Framework resources



The Victorian Government Risk Management Framework (VGRMF) applies to departments and public bodies covered by the *Financial Management Act 1994* (the Act). It is mandated by the Standing Directions 2018 that fall under the Act (Directions), specifically Direction 3.7.1 – Risk Management Framework and Processes.

The VGRMF describes the minimum risk management requirements agencies must meet to demonstrate that they are managing risk effectively, including shared and state significant risk. You can find out if your agency is subject to the Standing Directions under the Act [here on the Department of Finance and Treasury website](#).

We also encourage other organisations operating in or associated with the public sector to adopt the framework so that risk is being managed effectively and consistently across the sector.

To help you meet the requirements, this handout brings together a list of our key resources to assist you with the process. [The Risk Maturity Benchmark](#) will also help you assess your maturity and improve your frameworks, processes and culture over time.

Key resources	Links
Victorian Risk Management Framework and Insurance Management Policy	Victorian risk management framework and insurance management policy Department of Treasury and Finance Victoria (dtf.vic.gov.au)
Standing Directions	Standing Directions 2018 Under The Financial Management Act 1994 Department of Treasury and Finance Victoria (dtf.vic.gov.au)https://www.dtf.vic.gov.au/planning-budgeting-and-financial-reporting-frameworks/victorian-risk-management-framework-and-insurance-management-policy
Guidance on the attestation process	Attesting to VGRMF requirements
A suite of resources that provide practical guidance for managing risk on key risk topics such as the risk process, framework, risk culture and risk appetite.	Practical guidance for managing risk
How to evaluate your risk controls and strengthen this aspect of your risk process	Control Effectiveness Guide

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Key resources	Links
Managing insurable risk	<u>Minimising your exposure to insurable risk</u> <u>Retaining and transferring financial risk</u>
<hr/> <p data-bbox="172 488 759 584">Risk Maturity Benchmark, our online risk maturity self-assessment service is available to all VGRMF agencies,</p> <p data-bbox="172 600 730 696">If you are a VGRMF agency and don't have access to the Risk Maturity Benchmark, please let us know at contact@vmia.vic.gov.au.</p> <hr/>	<u>Risk Maturity Benchmark</u>

Mandatory requirements

Risk management requirements

The Victorian Government Risk Management Framework (VGRMF) sets out a range of requirements as well as mandatory requirements which are listed below. The Risk Maturity Benchmark is a tool that explores that the full range of risk requirements and suggestions.

The responsible body must be satisfied that:		Links to suggested resources and workshops
VGRMF 1	The agency has a risk management framework in place consistent with AS ISO 31000:2018 Risk Management – Guidelines.	AS ISO 31000:2018 Overview of the standard and changes in the 2018 version
VGRMF 2	The risk management framework is reviewed annually to ensure it remains current and is enhanced, as required.	Developing a foundation level framework for your organisation
VGRMF 3	A positive risk culture in the agency can be demonstrated.	Creating an organisational culture that takes a positive attitude to risk Risk Culture Enabler Workshop
VGRMF 4	The agency defines its risk appetite.	Defining your organisation's risk appetite Risk Appetite Foundations Workshop
VGRMF 5	It is clear who is responsible for managing each risk.	Managing shared risk Risk Foundations Workshop

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VGRMF Requirements for Attestation June 2022

The responsible body must be satisfied that:		Links to suggested resources and workshops
VGRMF 6	Shared risks (previously known as inter-agency risks) are identified and managed through communication, collaboration and/or coordination by the impacted agencies.	Managing shared risk
VGRMF 7	The agency contributes to the identification and management of state significant risks, as appropriate.	Managing shared risk Climate Change Foundations Workshop Cyber Resilience Foundations Workshop
VGRMF 8	Strategic and business planning and decision-making processes embed risk management and demonstrate consideration of the agency's material risks.	How can risk management help you create and protect value? Making decisions in situations of uncertainty
VGRMF 9	Adequate resources are assigned to risk management.	Being an effective risk manager for the organisation
VGRMF 10	The agency risk profile and risk appetite must be reviewed at least annually.	Defining your organisation's risk appetite Risk Appetite Foundations Workshop

Insurance requirements.

The responsible body must be satisfied that as part of its annual insurance renewal process:	Links to suggested resources
Determine the most appropriate insurance products and levels of cover for the organisation's present and future risk exposures, in consultation with VMIA.	Insurance tools and templates Retaining and transferring financial risk https://www.vmia.vic.gov.au/about-us/our-history
Maintain appropriate deductibles for each insurance product that reflects the organisation's risk appetite and capability for retaining financial risk	Minimising your exposure to insurable risk
Arrange all its insurance with VMIA, unless exempted by the responsible Minister or where VMIA cannot offer insurance for a specific risk.	Victorian Managed Insurance Authority Act 1996
Ensure claims management practices for retained financial risks are in place and that the agency maintains relevant claims data and have this information available to VMIA on request.	Managing claims
Provide adequate claims management capability, resources, structures, and processes for the management of retained financial risks.	Managing claims
Work towards minimising exposure to insurable risk.	Minimising your exposure to insurable risk Insurance Foundations Workshop

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