

Guide to writing your risk management policy

A policy guides decisions about how to use resources to achieve outcomes. It defines those outcomes in definite and measurable terms so that it can be implemented consistently, whether that's through a dedicated risk management strategy, or a range of strategies, procedures and activities.

We've unpacked steps for developing a risk management policy with your executive team. We've also listed key questions to help drive the discussions about what should be written into your policy.

Steps for developing and implementing a policy

1. Convene a workshop of the executive team.
2. Use the questions on the next page to drive the discussion and elicit the information you need for your policy.
3. Draft a policy for review by the executive team.
4. Test the policy with decision makers across the organisation who'll be responsible for implementing it.
5. Update the policy based on the results of testing.
6. Present the policy to the Audit and Risk Committee for endorsement.
7. Release the policy to the organisation, providing change management support on how decision makers should use it.
8. Monitor its use.
9. Act when policy isn't being followed.

Review and update the policy annually.

**VMIA is the Victorian
Government's insurer
and risk adviser**

Level 10 South
161 Collins Street
Melbourne VIC 3000

P (03) 9270 6900
E contact@vmia.vic.gov.au
ABN 39 682 497 841

vmia.vic.gov.au
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Key questions	Links to useful information
What does creating and protecting value mean for our organisation and the people, places and systems in our care?	Creating and protecting value
How will taking and creating a risk help us to achieve our objectives?	Identifying, analysing and evaluating risk Defining your organisation's risk appetite
How will it help us improve the organisation's performance?	The link between organisational performance and risk maturity
How will our frameworks and processes help decision makers to manage risk effectively?	Designing processes Building your framework Foundation-level frameworks
How will we go about improving our frameworks and processes?	The link between organisational performance and risk maturity
What sort of culture of decision making do we want to foster?	Create a culture that takes a positive attitude to risk
How will we manage change both within the organisation and in our external context?	Making decisions in situations of uncertainty
How can we support our responsible body to perform their role in setting risk appetite?	Defining your organisation's risk appetite
How can we help our responsible body attest confidently?	Attesting to VGRMF requirements
How will we work with others on shared risk?	Sharing risk
How will we minimise our insurable risk?	Minimising insurable risk
How will we know when the policy is breached and what will we do?	
What are the responsibilities of everyone in the organisation when it comes to managing risk?	
What are the legal obligations of people in various roles in the organisation?	
How will we make sure everyone in the organisation understands their role and responsibilities when it comes to managing risk?	