

Risk Management Policy

Template for a risk management policy

vmia 

1. Purpose of this policy

This policy will guide decisions about how to manage risks to our objectives. This includes decisions about:

- Strategy, procedures and other elements of our risk management framework
- How we will embed risk management into decision making across the organisation
- What sort of culture we want our organisation to have when it comes to managing risk
- Governance and compliance with mandatory requirements and other obligations
- How managing risk will help us perform better
- How we'll grow to achieve the risk maturity that's right for us.

2. Scope

This policy applies to all decision makers in the organisation, whether they work on the executive team or in frontline roles. It also applies to our volunteers, suppliers and to businesses contracted to provide services to our clients and public.

3. What is risk management?

Risk management is the coordinated activities of assessing, controlling, monitoring and reviewing risk in the pursuit of an organisation's objectives. Good risk management sets an appropriate balance between realising opportunities and minimising losses. Effective risk management must be integrated into strategy, planning and operations.

4. Risk management principles

Risk management:

- Is integrated into organisational processes and decision making
- Is systematic, structured, and comprehensive
- Is based on the best available information
- Is customised to our operating environment
- Takes people and cultural factors into account
- Is dynamic, iterative and responsive to change
- Is transparent and inclusive
- Facilitates continual improvement.

5. Where do we stand on risk?

Use the following questions to spell out the intentions, ambitions and appetite of your responsible body and executive team when it comes to risk:

- What does creating and protecting value mean for our organisation and the people, places and systems in our care?
- How will taking, and creating a risk help us to achieve our objectives?
- How will risk management help us improve the organisation's performance and resilience?
- How will managing risk effectively help us to absorb or adapt to change in our context?
- How will we minimise our insurable risk?

Your answers here should be concrete, specific and direct the decisions of your decision makers.

6. Frameworks and processes

Use the following questions to spell out the intentions and ambitions of your responsible body and executive team when it comes to frameworks and processes:

- How will our frameworks and processes help decision makers to manage risk effectively?
- How will we go about improving our frameworks and processes?

7. Positive risk culture

Use the following questions to spell out the intentions and ambitions of your responsible body and executive team when it comes to culture:

- What sort of culture of decision making do we want to foster?
- What programs do we have in place to create a culture that's alert to risk?
- How can our leadership shape that culture?
- What will we do to make sure we have the culture that we want?
- How will we manage change both within the organisation and in our external context?

8. Shared risk

Use the following questions to spell out the intentions and ambitions of your responsible body and executive team when it comes to shared risk:

- How will we work with others on shared risk?
- How will our executive team influence partners and potential partners in managing shared risk?

9. Supporting our responsible body

Use the following questions to spell out the intentions and ambitions of your responsible body and executive team when it comes to supporting your responsible body:

- How can we support our responsible body to perform their role in setting risk appetite?
- How can we help our responsible body attest confidently?

10. Understanding our roles and responsibilities

Use the following questions to spell out the intentions and ambitions of your responsible body and executive team when it comes to roles and responsibilities:

- What are everyone's responsibilities in the organisation when it comes to managing risk?
- What are the legal obligations of people in various roles in the organisation?
- How do we define the responsibilities of people in key roles across the organisation?
- How will we make sure everyone in the organisation understands their role and responsibilities when it comes to managing risk?

11. Reviewing the effectiveness of the policy

How you'll make sure that:

- risk management is contributing to your organisation's performance
- risk is being managed according to the policy
- the risk management outcomes defined in this policy are being achieved through the risk management strategy.

12. Other elements of our risk management framework

List the other elements of your framework. A foundation-level framework will have:

- a risk management strategy
- risk management procedure
- risk appetite statement
- risk register.

13. Legislation and other policy that we must comply with

This risk management policy is consistent with:

- Victorian Government Risk Management Framework
- Australian and New Zealand Standard AS ISO 31000:2018 Risk Management – Guidelines
- Insert other legislation and policies relevant to your organisation.

Document number	Enter reference
Policy approver	Board of directors
Review committee	Audit and Risk Committee
Policy owner	Chief Executive Officer
Date of approval	Enter date
Date of effect	Enter date