



# RISK MANAGEMENT FRAMEWORK AND POLICY STATEMENT

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## 1.0 Policy Statement

The Suburban Land Agency (the Agency) Risk Management Framework and Policy Statement (the Framework) provides the foundation and organisational arrangement for how risk is managed across the Agency.

## 2.0 Purpose

This Framework will assist the Agency in achieving its objectives (determined in the Statement of Intent) and ensure risk management processes are embedded consistently across the Agency into significant activities and functions.

## 3.0 Scope

The Framework provides:

- a risk management policy statement stating the Agency’s commitment to risk management;
- an outline of the principles of risk management to be applied by the Agency;
- an overview of the roles and responsibilities for managing risk;
- detailed description of the Agency’s risk appetite; and
- details of internal and external communication and reporting mechanisms.

Oversight of risk management processes are undertaken by the Agency Board Audit and Risk Committee. Day-to-day management of risk is the responsibility of all staff with oversight provided by the Executive Branch Manager, Governance and Corporate Services.

## 4.0 Roles & Responsibilities

The following table outlines the roles and responsibilities undertaken in this policy.

Position/Business Area/Committee	Responsibility
Board	Responsible for approving the policy.
Board Audit and Risk Committee	Review of the Policy as per section 7.0 to ensure continued reflection of the Agency’s business operations and/or priorities.
Chief Executive Officer	Has the overall responsibility for implementation and monitoring of performance against the policy established by the Board.
Agency Executive Team	Sets the tone to build and maintain accountability, an effective risk management culture that support risk management processes, practices and capabilities and is committed to the implementation and maintenance of the approach defined in this Framework
Executive Branch Manager, Governance and Corporate Services	Provides oversight of the risk management processes across the Agency and is a conduit for risks that need to be escalated upwardly for consideration.
All Agency staff	Responsible for the day-to-day management of risk to ensure the best outcomes for the organisation and its stakeholders.



## 5.0 Policy Requirements

### Policy Statement

It is the responsibility of all Agency staff to demonstrate their commitment to robust risk management and assessment by adopting and implementing risk management in line with this Framework.

Risk is inherent in all the Agency’s functions and the elimination of all risk is not practical or appropriate. Therefore, risk management principles are to be integrated in all aspects of Agency’s work. A strategic and systematic approach to risk management, aligned with the Agency’s Statement of Intent objectives and strategies will enable sound judgments and better decision-making. Such an approach supports the cost-effective use of resources and maximise potential opportunities while minimising adverse consequences.

The Agency’s business planning processes, including strategic and business planning, together with organisational policy development and project management will consider and incorporate robust risk management processes. Risks that are considered unacceptable, along with their treatment strategies, are to be incorporated into the relevant business planning and/or project management processes.

Risk management in the Agency will be monitored by the Executive team with recommendations provided by the Board Audit Risk Committee (BARC), internal auditors and the ACT Auditor-General’s Office as appropriate.

The Framework provides the components needed for the Agency to develop a risk management plan and associated activities to operate a more effective management of risk.

### Risk Management Framework

The Agency’s Risk Management Plans (the Plan) and associated activities which will be guided by this Framework are being developed with relevant business groups in the Agency to address the Agency’s risks identified in the Agency’s Risk Register. The Agency already undertakes important activities in support of an effective risk management framework such as internal audits, development/maintenance of the Agency’s Corporate Risk Register and Risk Appetite Statement, policies and plans and supporting staff risk management resources that will be incorporated into the new plans.

#### *Risk management*

Risk management is an integral part of good corporate governance. The *Risk Management Guidelines* - ISO 31000:2018 (Second edition - 2018-02) (the Standard) defines risk as the effect of uncertainty, either positive or negative, on business objectives. Risk management involves coordinated activities to direct and control an organisation regarding risk.

Risk is measured in terms of a combination of the consequences of an event and its likelihood. Risk consequences can be characterised as including one or more of the following:

- Strategic management - the overall direction and management and includes planning, decision making and reporting;
- Core business - the core functions/activities undertaken in order to attain the strategic objectives. This can include risks to the reputation of the Government, the Directorates, Agencies or its officers.
- Resource management - the management of key resources (i.e. people, assets, information and finance).

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**Whole of ACT Government Practices**

The ACT Insurance Authority (ACTIA) is delegated under the *Insurance Authority Act 2005* with the responsibility of driving best practice risk management across the ACT Government. It supports this through the development of the *ACT Government Risk Management Policy 2019* (the Policy) and a range of risk management tools, guidance and resources in order to assist entities develop and implement robust risk management practices. Risk management tools and resources such as the Risk Matrix, Risk Register and Risk Treatment Action Plans used by the Agency are based on those developed by ACTIA.

**Risk Management Principles**

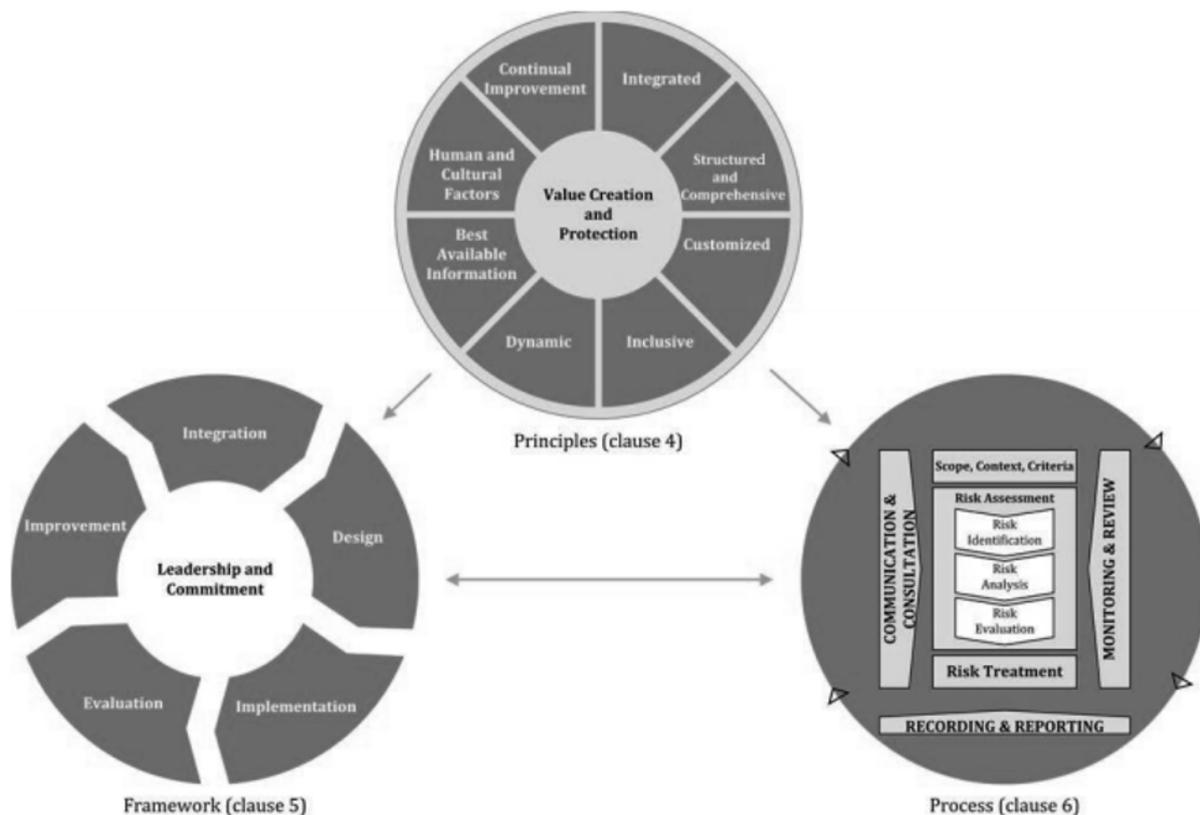
Risk principles place an emphasis on risk management customisation and continuous improvement and highlights the importance of leadership and the integration of risk management across all facets of an organisation. Even though the Agency’s risk management process continues to include familiar activities such as context setting, treating risk, assessing, monitoring and reporting risk, it acknowledges the iterative nature of the risk management process, steering away from representing the process as a series of linked activities with connecting arrows.

The Standard outlines eight risk management principles which provide guidance on the characteristics of effective and efficient risk management and underpins this Framework:

1. Integrated - risk management is an integral part of all organisational activities.
2. Structured and comprehensive - a structured and comprehensive approach to risk management contributes to consistent and comparable results.
3. Customised - the risk management framework and process are customised and proportionate to the organisation’s external and internal context related to its objectives.
4. Inclusive - appropriate and timely involvement of stakeholders enables their knowledge, views and perceptions to be considered. This results in improved awareness and informed risk management.
5. Dynamic - risks can emerge, change or disappear as an organisation’s external and internal context changes. Risk management anticipates, detects, acknowledges and responds to those changes and events in an appropriate and timely manner.
6. Best available information - the inputs to risk management are based on historical and current information, as well as on future expectations. Risk management explicitly considers any limitations and uncertainties associated with such information and expectations. Information should be timely, clear and available to relevant stakeholders.
7. Human and Cultural factors - human behaviour and culture significantly influence all aspects of risk management at each level and stage.
8. Continual Improvement - risk management is continually improved through learning and experience.

The risk management principles, framework and process as depicted in the Standard is included below:

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### **Risk Management Plan**

The Agency’s Risk Management Plan (RMP) sits within the Framework and aims to provide a detailed guide to support the effective implementation of an entity’s risk management framework. The Agency’s RMP aims to support the delivery of the Agency’s objectives by outlining realistic and measurable outcomes. Key elements of the RMP are to include:

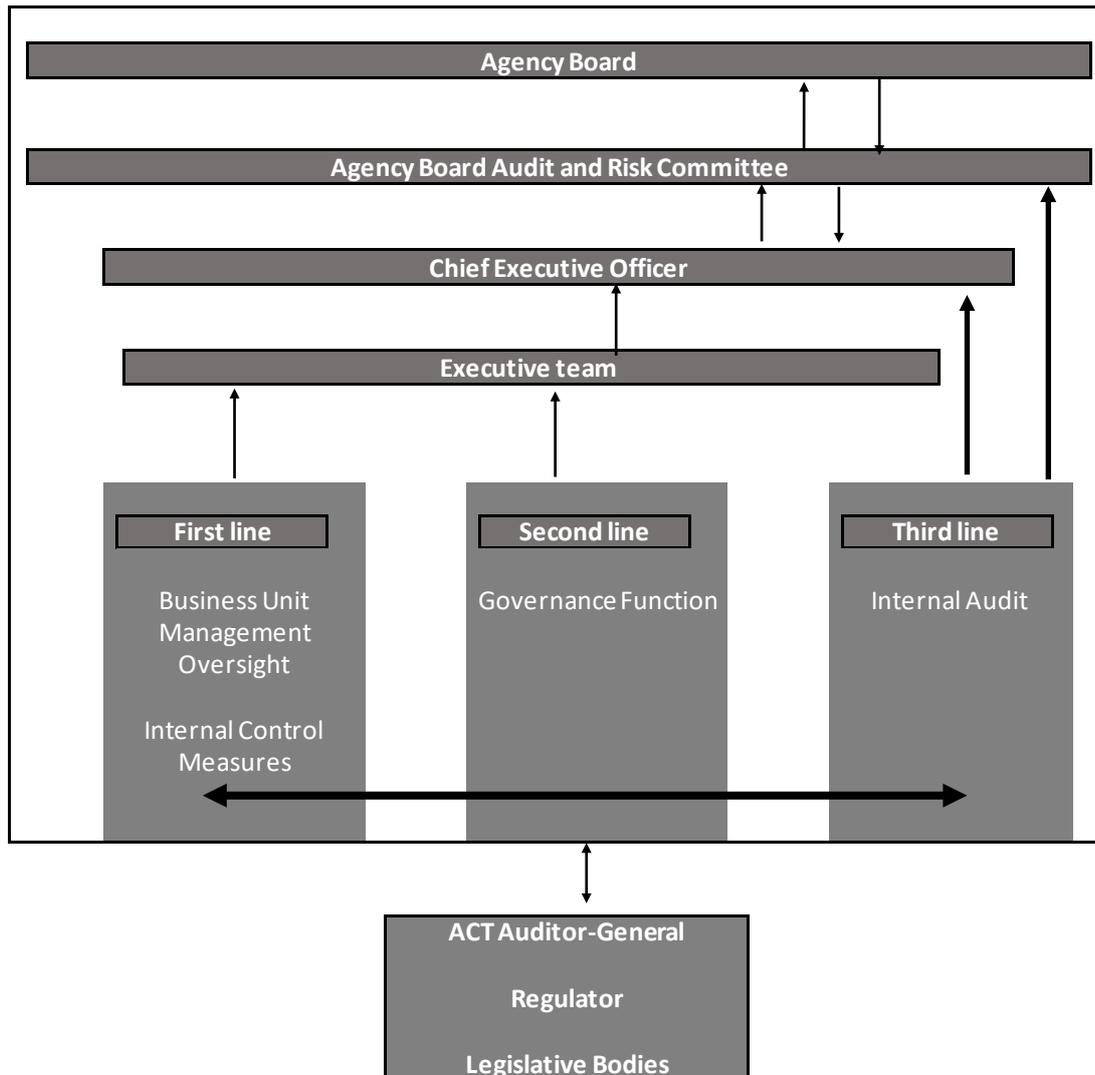
- defining the activities supported by the RMP.
- define the risk management process and the support tools and resources available.
- confirm risk management accountabilities and responsibilities.
- define risk reporting processes.
- define relevant measures of risk management success.

### **Governance Arrangements**

The Australian National Audit Office’s Better Practice Guide defines Public Sector Governance as the “set of responsibilities and practices, policies and procedures, exercised by an agency’s executive to provide strategic direction, ensure objectives are achieved, manage risks and use resources responsibly and with accountability.”

An important attribute of the Policy is effective risk governance, which includes an internal management structure and oversight for managing risk. The ‘Three Lines of Defence’ model, which is depicted in the Policy and included below is used in articulating roles and responsibilities related to governance, risk and controls in the Agency. The model can help organise risk management and controls and guide the development and operationalisation of the Agency’s RMP.

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The first line of defence focuses on the day to day management and control of risks and includes roles undertaken by the Agency’s staff and contractors. The functions related to the second line of defence are to provide assurance that controls are properly designed, are in place and operating effectively. The Executive Branch Manager, Governance and Corporate Services oversees this role. The third line of defence helps provide assurance to the Agency Board/BARC and Executives that governance and risk management efforts are consistent with expectations and help support achieving strategic objectives. External bodies such as the ACT Auditor-General sits outside the model but also play an important role in providing independent assurance around financial statements and performance audits.

**Managing risks within the Agency**

The risk priorities of the Agency are:

- *Safety* – as the highest priority, ensuring that work health and safety risk is identified, managed and actively monitored;
- *Effectiveness* – striving to deliver quality outcomes the first time; and
- *Efficiency* – delivering value for money to the ACT community.

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Risks associated with these priorities are captured in the Agency’s Risk Register (the Register) under the following categories:

- *Strategic* – ACT and Commonwealth Government policy, priorities and strategies; external conditions, activities and environment; and meeting community and government expectations;
- *Operational* – Management of financial and non-financial targets, business and financial systems and processes, work health and safety, organisational and workforce planning, projects and land development, and effective governance; and
- *Fraud and Corruption* – Management of information including compliant records management, procedures, procurement, resources and contracts.

**Risk appetite for identified risk and key activities**

The Agency utilises ACTIA’s Risk Management Matrix, which is shown at [Attachment C](#), to help determine the consequences/likelihood of consequences of identified risks. Risks are captured in the Register and rated accordingly from a scale of extreme to low. A high-level Agency-wide risk profile can be determined and used to reconcile with the Agency’s Risk Appetite Statement.

The Agency’s Risk Appetite Statement at [Attachment A](#) provides a guide to decision makers on the type of key risks/activities and the amount of risk the Agency is willing to accept. This can support decisions about risk and risk taking in the context of the overall risk appetite, contributing to achieving strategic objectives.

to help define its Risk Appetite Statement the Agency has adopted ACTIA’s Consequence Criteria and Categories of Risk table. The Agency’s categories are primarily based on this table. Additional categories have been incorporated to better suit the Agency’s operational context. This is stipulated at [Attachment B](#).

Consideration should be given to the following categories when developing and reviewing risk management plans:

- Workplace Health and Safety (WHS);
- Assets, business processes and systems;
- Compliance/regulation;
- Products, services and technology (includes information and records management);
- Cultural heritage and environmental;
- Financial, people and general business management activities;
- Milestones, reputation and image.

The following table reflects the key processes the Agency aspires to follow to manage its risk.

Process	Description
Tasks to be completed	<ul style="list-style-type: none"> <li>• Output from risk assessments to be held in Risk Registers.</li> <li>• Nominated risk owners to be identified.</li> <li>• Risk Treatment Action Plans for risks rated as ‘extreme or high’ to be developed and implemented to ensure that objectives and budgets are met.</li> <li>• Risk treatment actions to be allocated to nominated task owners and tracked and monitored for completion and measurable (or observable) effectiveness.</li> <li>• Regular risk mapping exercises to be undertaken to identifying any new or emerging risks that might affect the achievement of strategic and business plan objectives and budgets.</li> <li>• Risk management training resources and tools are made available to staff to allow risk management activities to be carried out to contribute to the effective</li> </ul>

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Process	Description
	<p>implementation of the Framework. This will be articulated as part of the Agency's training program, which includes training as outlined in the Agency's Statement of Intent and as determined by the Agency's CEO and Executive Branch Manager, Governance and Corporate Services.</p> <ul style="list-style-type: none"> <li>Established communication activities ensure staff are aware of relevant roles and responsibilities, improves their risk management capability and knowledge, and fosters a shared understanding of risks that the Agency faces. A variety of internal Agency information dissemination channels are to be used, including all Agency staff emails and YOURSLA. <ul style="list-style-type: none"> <li>A Senior WHS Manager and Risk Officer have been employed to assist and provide guidance to staff in the management of their risks throughout the steps of the risk management process.</li> </ul> </li> </ul>
Completion timeframe	<ul style="list-style-type: none"> <li>Conduct reviews of existing risks each year or if a major restructure has occurred.</li> <li>Projects are to conduct reviews/risk assessment of existing risks on a regular basis.</li> <li>All staff are to complete the EPSDD Fraud, Corruption and Ethics Awareness training as part of their onboarding.</li> <li>Risk related awareness training as outlined in the Agency's Statement of Intent and determined by the Agency CEO and Executive Branch Manager, Governance and Corporate Services is completed by all staff. Ensure that staff receive periodic refresher courses after initial training is undertaken.</li> <li>The Agency's induction program for new starters includes an overview of the Framework.</li> </ul>
Responsibility for completion	<ul style="list-style-type: none"> <li>Executives, Directors, Assistant Directors and Managers.</li> <li>Development Directors, Project managers and Development Managers.</li> <li>Executive Branch Manager, Governance and Corporate Services.</li> <li>All staff.</li> </ul>
Reporting requirements	<ul style="list-style-type: none"> <li>Report identified risks to the Executives, Directors, Assistant Directors and Managers.</li> <li>Project Managers will report identified project risks to the identified risk owner, Development Directors, Project managers and Development Managers or to the appropriate governing Project Committee or Executive.</li> <li>The Governance Team will liaise with related training providers for data of staff that have completed training. This information will be provided to relevant Executives for any follow up action.</li> </ul>

### ***Risk performance measures***

An important component of managing risk within the Agency is gaining assurance about the quality and effectiveness of risk management strategies and processes including the Framework and support plans.

To help ensure the Framework is effective the Agency is to:

- measure its performance against realistic and agreed benchmarks; and
- review whether the Framework, policy and plan are current, relevant and effective.

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An attribute of enhanced risk management is to include an emphasis on continual improvement through the development and setting of performance goals, review and modification. Accordingly, the Agency is to develop relevant measurable values that reflect how successful the Agency’s activities are in managing identified risks. This work can provide early warning signs that identify potential events that could impede the Agency achieving its strategic objectives.

The Agency’s risk performance measures may include, but are not limited to:

- establish a Framework that reflects best practice, where its principles help formalise the Agency’s commitment through the development of a robust risk management plan to manage its risk;
- cultivating a positive risk culture, through engaging Executive commitment, increased staff knowledge and awareness of risk through adequate training and support;
- adopt best practice risk assessments that identify risks, risk sources/hazards, evaluate the effects should the risk eventuate, identify controls and rate the risk;
- integrate risk management activities across the Agency, such as project management, WHS and internal audits; and
- increased awareness of the Code of Conduct, values, ethics and fraud control.

***Assurance and continuous improvement***

ACT Government entities must report on their risk management and internal audit policies and practices in annual reports. Agencies are required to confirm that they understand, manage and control key risk exposures and that a responsible body or the BARC verifies those arrangements.

***Monitoring and Reporting of Risk Management***

The ongoing review of risk is essential to the effective management of risk. Monitoring risk will help determine the effectiveness and appropriateness of risk management strategies, systems and treatments. Ideally the review and monitoring of risk is to be carried out in line with changes in the Agency’s internal/external operating environment, align with any changes to strategic objectives, risk appetite and tolerance thresholds.

The benefits of the regular monitoring and review of risk include:

- controls are effective and efficient in design and operation;
- lessons are learnt from events, changes, trends, successes and failures;
- changes in the Agency’s external and internal working environment are considered;
- emerging risks are identified;
- adequacy of the risk management framework, policy and plan and whether they remain relevant and appropriate given the organisations’ external and internal context; and
- change in the Agency’s risk profile is appropriately acted on.

Timely risk reporting is integral to effective risk management and needs to be tailored to assist and inform decision makers across the Agency.

The table below provides information of the key tasks that forms part of the monitoring and review process, which should be included when developing risk reports:

- risks of concern (can include risk rated as low, high or extreme);
- new or emerging risks;
- progress against performance measures;
- effectiveness of controls; and
- any audit recommendations against identified/new risks.

Process	Description
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<b>Tasks to be completed / completion timeframe</b>	<p><b>Risk governance</b> - the Agency is to report the following in its annual reports:</p> <ul style="list-style-type: none"> <li>○ membership of the BARC, with details of the number of meetings held by the committee and the number of meetings attended by committee members.</li> <li>○ internal audit arrangements, including Audit and Risk Committee Charter and operations, and links with risk review processes;</li> <li>○ process for developing the entity's risk management plan;</li> <li>○ approach adopted to identify areas of significant operational or financial risk at entity and Branch/Business Unit level;</li> <li>○ arrangements in place to manage and monitor those risks; and</li> <li>○ processes for identifying and responding to emerging risks.</li> </ul> <p><b>Risk profile</b> – all risks rated 'extreme' or 'high' and risk controls that are less than 'adequate' will require a Risk Treatment Action Plan to be developed.</p> <p>The risk owner is to ensure the Risk Registers and Risk Treatment Action Plans are up-to-date. Performance measures and targets are to be specified for risk management and for achieving compliance with the Risk Management Framework and Policy.</p>									
<b>Completion timeframe</b>	<p>The reporting requirements for each level identified within this framework are outlined below:</p> <table border="1" data-bbox="391 969 1401 1375"> <thead> <tr> <th data-bbox="391 969 786 1025">Risk level</th> <th data-bbox="786 969 1002 1025">Reporting to</th> <th data-bbox="1002 969 1401 1025">Frequency</th> </tr> </thead> <tbody> <tr> <td data-bbox="391 1025 786 1323">Operational/Project/Business Unit</td> <td data-bbox="786 1025 1002 1323">Agency Board</td> <td data-bbox="1002 1025 1401 1323">Yearly (by Branch/Business Units)  Six-monthly for Branch/Business Units with operational risks that have potential to affect the Agency as a whole.</td> </tr> <tr> <td data-bbox="391 1323 786 1375">The Agency</td> <td data-bbox="786 1323 1002 1375">Annual Report</td> <td data-bbox="1002 1323 1401 1375">Annually</td> </tr> </tbody> </table>	Risk level	Reporting to	Frequency	Operational/Project/Business Unit	Agency Board	Yearly (by Branch/Business Units)  Six-monthly for Branch/Business Units with operational risks that have potential to affect the Agency as a whole.	The Agency	Annual Report	Annually
Risk level	Reporting to	Frequency								
Operational/Project/Business Unit	Agency Board	Yearly (by Branch/Business Units)  Six-monthly for Branch/Business Units with operational risks that have potential to affect the Agency as a whole.								
The Agency	Annual Report	Annually								
<b>Responsibility</b>	<p>The Chair of the Agency Board and CEO of the Agency are required to authorise annual reports. Risk owners have overall accountability for ensuring proper monitoring and reviews occur and that each Risk Register and their Risk Treatment Action Plans are kept up to date.</p>									

#### **Framework compliance audits**

Regular internal audits of risk management are to be completed to ensure effective management of risk and compliance with the Framework by all areas. Audit reviews by independent external parties may be undertaken if deemed appropriate.

The ACT Auditor-General is responsible for undertaking independent audits of management performance and the financial statements of public sector bodies. This may include periodic reviewing and reporting on the level of compliance of Agencies with governance frameworks including risk management.

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### **Continual improvement of the Framework**

Continuous improvement is strategically integrated with the Agency’s corporate objectives to ensure that the Agency continues to evolve towards best practice. Some of the processes that support continuous improvement and review of the Framework include:

- regular assessment of risk management processes to identify opportunities for improvement;
- regular reviews of other comparable models, frameworks and standards to ensure that the Agency’s Framework continues to reflect contemporary best practice;
- ongoing training and development for relevant teams and staff to ensure that they are equipped with a sound knowledge and skills base;
- inclusion of, and measurement against, performance measures relating to the Agency's risk management and other key governance processes in the Agency's Statement of Intent;
- Directors, Assistant Directors and Managers ensure that the Framework and associated business processes continue to meet local needs as risk management matures and improves;

### **Compliance with Agency policies and relevant Territory legislation**

Compliance with Agency policies and applicable legislation is a serious matter. Failure to comply may result in non-compliance with the Agency’s legislative responsibilities under the *Financial Management Act 1996* and other applicable legislation. Managers and staff are accountable for decisions made as delegates to the CEO for the fulfilment of their responsibilities. Non-compliance will be taken as a serious matter and may result in disciplinary action, be reflected in management performance reviews or, where the matter is serious, escalated to the relevant authorities.

## **6.0 Evaluation**

<b>Outcome Measures</b>	<b>Method</b>	<b>Responsibility</b>
The Agency’s risk management practices are consistent with Board directions.	Scheduled review and analysis of the Agency’s risk register in consultation with relevant business groups.	Governance Team
Bi-annual reporting on the status of the Agency’s risk profile as depicted in the risk register	Analyse the Agency’s risk register, newly identified trends and present findings to the Executive team and the Board Audit and Risk Committee	Governance Team
The Agency’s Risk Management Framework and Policy Statement is relevant	Review of the Framework as per section 7.0 to ensure continued relevance.	Governance Team

## **7.0 Review**

This Framework will be reviewed as required to ensure relevance and recency. At a minimum it will be reviewed biennially. However, if there are major changes in business operations and/or priorities, this position will be re-assessed and updated accordingly. Changes to the Framework must be approved by the Agency Board.

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## 8.0 Related Legislation, Policies and Standards

- *Financial Management Act 1996.*
- *ACT Insurance Authority Act 2005.*
- *Insurance Authority Act 2005*
- *City Renewal Authority and Suburban Land Agency Act 2017*
- *Public Sector Management Act 1994*
- *Work Health and Safety Act 2011*
- ACTPS Code of Conduct, Values and Signature Behaviours
- *ACT Government Risk Management Policy.2019*
- *ACT Government Risk Management Policy 2019, Implementation Guide – February 2019. City Renewal Authority and Suburban Land Agency Act 2017 - Republication No 5, 1 January 2019.*
- *Environment, Planning and Sustainable Development Directorate, Fraud and Corruption Plan 2019-2021.*
- *Risk Management Guidelines - ISO 31000:2018 (Second edition -2018-02).*

## Definition of Terms

Term	Definition
Audit and Risk Committee	Section 50 of the <i>City Renewal Authority and Suburban Land Agency Act 2017</i> states that the Suburban Land Agency (the Agency) Board must establish an audit committee. This committee is to be chaired by an Agency Board member.
Risk Management Guidelines - ISO 31000:2018 (Second edition -2018-02)	The standard provides guidelines on managing risk. It is a generic and flexible standard that is not specific to any government or industry sector. The Standard identifies elements or steps in the risk management process that can be applied to a wide range of activities at any stage of implementation.
Consequence	The impact a risk event will have on objectives if it occurs. Note: an event can lead to a range of consequences.
Control	A measure that maintains and/or modifies risk.
Event	Occurrence of or change of a particular set of circumstances. Note 1: An event can be one or more consequences and can have several causes. Note 2: An event can consist of something not happening. Note 3: An event can sometimes be referred to as an “incident” or an “accident”.
Hazard	Source of potential harm and can be a "risk source". Hazard means a situation or thing that has the potential to harm a person.
Inherent risk	The current or original risk rating which considers current controls prior to the addition of risk treatments.

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Level of risk	Magnitude of a risk or combination of risks expressed in terms of the combination of consequences and their likelihood (may also be referred to as risk severity).
Likelihood	Chance of something happening.
Program	A program manages a set of related projects and activities in order to deliver outcomes and benefits related to organisational strategic objectives. A program is likely to have a lifespan of several years during which, a number of projects are initiated, executed and closed. The program co-ordinates the interdependencies amongst the various projects and activities to deliver an outcome greater than the sum of its parts.
Project	A project is a temporary one-time effort to achieve explicit objectives within defined time, cost and performance parameters. The project brings about change and involves a group of inter-related activities that are planned and then executed in a certain sequence to create a unique product, service, undertaking or result within a certain timeframe.
Residual risk	Risk remaining after a risk treatment has been implemented. Note: Residual risk can be known as 'retained risk'.
Risk	Effect of uncertainty on objectives. Risk can have a negative or positive impact.
Risk appetite	Amount and type of risk that an organisation is willing to pursue or retain.
Risk assessment	The overall process of risk identification, risk analysis and risk evaluation.
Risk Control Effectiveness Rating	<p>A measure that defines how effectively the risk management controls are managing the risk. Additionally, this rating is used to measure how effective further risk treatments have been in addressing the shortcomings of current controls when the current control had been rated as "room for improvement" or "inadequate."</p> <p>The measurement used are:</p> <ul style="list-style-type: none"> <li>• <b>adequate</b> - nothing more to be done except review and monitor the existing controls. Controls are well designed for the risk, are largely preventative and address the root causes and Management believes that they are always effective and reliable. Reactive controls only support preventative controls.</li> <li>• <b>room for improvement</b> - most controls are designed correctly and are in place and effective however there are some controls that are either not correctly designed or are not very effective. There may be an over-reliance on reactive controls. Some more work to be done to improve operating effectiveness or Management has doubts about operational effectiveness and reliability.</li> <li>• <b>inadequate</b> - significant control gaps or no credible control. Either controls do not treat root causes, or they do not operate at all effectively. Controls, if they exist are just reactive. Management has</li> </ul>



	no confidence that any degree of control is being achieved due to poor control design and/or very limited operational effectiveness.
Risk criteria	Terms of reference against which the significance of a risk is evaluated.
Risk description	Structured statement of risk usually containing four elements: sources, events, causes and consequences.
Risk identification	Process of finding, recognising and describing risks.
Risk Leader	The person responsible for promoting risk management within the agency or project.
Risk management	Coordinated activities to direct and control an organisation with regard to risk.
Risk Management Framework and Policy	The set of components needed to design, implement and operate an effective risk management process.
Risk Management Plan	Document that specifies the approach, tasks and assignment of responsibilities to be applied to the management of risk affecting an aspect of the Agency's business.
Risk matrix	Tool for ranking and displaying risks by defining ranges for consequence and likelihood.
Risk Owner	Person or entity with the accountability and authority to manage risk.
Risk profile	Identifies, assesses and evaluates key risks facing the enterprise against a number of facets including probability and impact. The risk profile understands how risks are identified, measured and managed, and how these processes are integrated into an overall risk profile. Note: the set of risks can contain those that relate to the whole organisation, part of the organisation, or as otherwise defined.
Risk register	Documented record of information about identified risks. A risk register is the tool used to record the results of the risk assessment.
Risk source	Element which alone or in combination has the intrinsic potential to give rise to risk.
Risk strategy	A high-level statement that sets out the broad policy as to how risk will be taken and managed by the organisation to achieve its strategic objectives. The risk strategy defines the way in which an organisation undertakes risk management and aids decision making, and the effective use of scarce resources.
Risk treatment	Process of selection and implementation of measures to modify risk (with aim to reduce or eliminate risk).
Risk treatment owner	The officer/manager responsible for managing the treatment of risks. This includes ensuring that the treatment strategy outlined is implemented and is doing what it was designed to do -manage risk.

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Risk Treatment Action Plan	A document that supports identified risks detailing strategies and actions for how a Branch/Business Unit plans to respond to the potential risk.
Stakeholder	Any person and/or entity / organisation that can be affected by or perceive themselves to be affected by a decision or activity.

## Document Governance

Position/Business Area/Committee	Role	Responsibility
Board	Document approver	Approving the Agency's Risk Management Framework and Policy Statement.
Chief Executive Officer supported by Executive Team	Document sponsor	Responsible for authorising and enforcing the risk management policy and maintaining a positive culture within the Agency.
Executive Branch Manager, Governance and Corporate Services	Document Custodian	Responsible for designing and developing the policy
All Agency staff	Document owners	Responsible for implementation of the Framework
Governance Team	Document Creator	Responsible for drafting and making amendments to the Policy

## Version History

The following table details the published date and amendment details for this document

Version	Date	Amendment details
1.0	24/10/2019	First publication of the Risk Management Framework and Policy Statement.
2.0	21/10/2020	Review of the Policy in line with the updated Agency risk register and incorporated the Agency Risk Appetite Statement into the Risk Management Framework and Policy Statement.

## Attachments

**Attachment A:** Agency's Risk Appetite Statement.

**Attachment B:** Agency Categories of Risk and Consequences

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**Attachment A: Agency's Risk Appetite Statement**

<b>Zero Tolerance – absolutely opposed to risk taking</b>		
Z1	Partner and supplier selection	We have zero tolerance for engaging with partners and suppliers without performing appropriate due diligence and assessment against defined procurement criteria. We ensure that the procurement criteria are aligned with the Agency's procurement strategy and policy requirements.
Z2	IT strategy and security	We have zero tolerance for internal or external breaches of IT security resulting in disruption or damage to the network or misuse of our data.
Z3	Privacy	We have zero tolerance for privacy breaches relating to staff, business or commercial information.
Z4	Health & Safety	We have zero tolerance for consciously undertaking actions, or failing to take appropriate actions, that: <ul style="list-style-type: none"> <li>do not align with our Work Health &amp; Safety Framework; or</li> <li>result in significant incident or injury to internal or external stakeholders.</li> </ul>
Z5	Environmental impact	We have zero tolerance for undertaking decisions which do not consider the long-term environmental impact.
Z6	Fraud & Corruption	We have zero tolerance for fraudulent or corrupt behaviour or activities.
Z7	Regulatory or legislative breaches	We have zero tolerance for material breaches of regulatory or legislative requirements relating to staff, operational or commercial activity.

<b>No Appetite – least possible risk taking</b>		
N1	Reputation	We have no appetite for undertaking business without a plan to manage challenges to the Agency's brand, reputation and social licence.
N2	Program management	We have no appetite for individual projects not complying with the agreed scope / quality of work, time and cost estimates.
N3	Construction Risk	We have no appetite for design and construct risk on complex or unusual construction tasks.
N4	Funding	We have no appetite for commercial financing
N5	Budget variances	We have no appetite for material budget variances.
N6	Probity	We have no appetite for any activities or arrangements which may compromise probity or independence requirements.
N7	Governance	We have no appetite for employees to wilfully act outside their roles, responsibilities and delegations of authority.
N8	Contractual breaches	We have no appetite for any activities which result in a material breach to Government, supplier or third-party contracts.
N9	Productive stakeholder engagement	We have no appetite for projects being undertaken without comprehensive stakeholder engagement and communications strategies and without the appropriate resources to deliver those strategies.



<b>Limited Appetite – calculated risk taking</b>		
L1	Project Selection	We have limited appetite for undertaking projects which do not align to the ACT Government’s or Suburban Land Agency’s corporate strategy. Projects undertaken will: <ul style="list-style-type: none"> <li>• primarily relate to increasing housing supply;</li> <li>• be in line with relevant Government policies (e.g. affordable housing); and</li> <li>• meet financial targets.</li> </ul>
L2	Exit Strategy	We have limited appetite to retain an asset once it has delivered the objectives of the business case.
L3	Business interruption	We have limited appetite for business disruption due to preventable or foreseeable incidents or failures to critical systems. We expect business continuity and disaster recovery plans to be in place for all critical systems with defined recovery times. Plans are to be tested on an agreed schedule.
L4	Workforce capability and management	We have limited appetite for undertaking projects where expertise and capability is limited, does not exist or is unavailable.

<b>Appetite for – engage with risk and pursue opportunities</b>		
A1	Strategy development	We have an appetite for establishing a clear corporate strategy with appropriate performance measures. We actively review and update the strategy based on key changes in Government policy and social / economic environment.
A2	Government Policy	We have an appetite to support Government policy.
A3	Affordability	We have an appetite to pursue innovative financial options to improve housing affordability.
A4	Reputation	We have an appetite for maintaining a strong social licence to operate in order to deliver complex, challenging and often contentious projects in order to achieve the objectives of the Agency.
A5	Portfolio acquisition and growth	We have an appetite to grow and broaden the Agency’s portfolio to support the business strategy, Government’s land development agenda and Government policy.
A6	Development risk	We have an appetite for investment and development risk in accordance with the Agency’s Strategic Direction and Business Plans.
A7	Multi-agency agreements	We have appetite for engaging with other Government agencies that contain clearly defined roles, responsibilities and accountabilities.
A8	Risk management	We have an appetite to follow strong risk management processes in the Agency’s business and on projects.
A9	Sustainability	We have an appetite for establishing the Agency as a leader in delivering long-term sustainable projects by considering social, environmental and economic impact of the Agency’s activities.
A10	Health and wellbeing	We have an appetite to provide an inclusive, diverse, healthy and safe workplace. We expect all staff to respect and comply with the ACT Public Service Code of Conduct.



<b>Appetite for – engage with risk and pursue opportunities</b>		
A11	Performance culture	We have an appetite for an innovative high-performance culture with empowered and accountable people.
A12	Succession planning	We have an appetite for formal succession plans for critical or key roles to ensure retention of business knowledge, relationships and processes.
A13	Certification & verification	We have an appetite to proactively develop and follow certification and verification processes to ensure all business objectives are consistently met.
A14	Productive stakeholder engagement	We have an appetite to establish relationships and formal partnerships with relevant internal and external stakeholders (including Government, industry, and community) in a way that is collaborative, purposeful, proactive, timely, accountable and inclusive.
A15	Design Excellence	We have an appetite to lead industry innovation in design excellence

**Attachment B: Agency’s Categories of Risk and Consequences**

	Category	Insignificant	Minor	Moderate	Major	Catastrophic
		Managed by relevant Project Manager / Director	Managed by relevant Agency Executive	Managed by Agency CEO	Managed by Agency CEO, reported to BARC / Board	Managed by Agency CEO, immediate notification to Agency Board
1	WHS	Project specific opportunity for improvement identified.	Opportunity for improvement to several similar Projects identified	Opportunity for Improvement applicable to broader industry identified	Opportunity for improvement to National Standards / Codes identified	Opportunity for improvement to International Standards identified.
2	Assets	Loss or destruction of assets up to \$2,000	Loss or destruction of assets \$2,000 to \$10,000	Loss or destruction of assets \$10,000 to \$100,000	Loss or destruction of assets \$100,000 to \$5M	Loss or destruction of assets greater than \$5M
3	Compliance/ regulation	Non-compliance with work policy and standard operating procedures which are not legislated or regulated	Numerous instances of non-compliance with work policy and standard operating procedures which are not legislated or regulated	Non-compliance with work policy and standard operating procedures which require self-reporting to the appropriate regulator and immediate rectification.	Restriction of business operations by regulator due to non-compliance with relevant guidelines and / or significant non-compliance with policy and procedures that threaten business delivery.	Operations shut down by regulator for failing to comply with relevant guidelines and /or significant non-compliance with internal procedures could result in failure to provide business outcomes and service delivery.
4	People	Injuries or ailments not requiring medical treatment.	Minor injury or First Aid Treatment Case.	Serious injury causing hospitalisation or multiple medical treatment cases.	Life threatening injury or multiple serious injuries causing hospitalisation.	Death or multiple life-threatening injuries.
5	Environment	Limited effect to something of	Transient, minor effects	Moderate, short-term	Significant, medium-term	Long term environmental



	Category	Insignificant	Minor	Moderate	Major	Catastrophic
		Managed by relevant Project Manager / Director	Managed by relevant Agency Executive	Managed by Agency CEO	Managed by Agency CEO, reported to BARC / Board	Managed by Agency CEO, immediate notification to Agency Board
		low significance		environmental harm	environmental harm	harm
6	<b>Financial</b> The higher value of-	1% of Expenditure Budget or <\$5K	2.5% of Expenditure Budget or <\$50K	> 5% of Expenditure Budget or <\$500K	> 10% of Expenditure Budget or <\$5M	>25% of Expenditure Budget or >\$5M
6A	<b>Financial Revenue Component</b>	1% of Revenue Budget or <\$5K	2.5% of Revenue Budget or <\$50K	> 5% of Revenue Budget or <\$500K	> 10% of Revenue Budget or <\$5M	>15% of Revenue Budget or >\$5M
7	<b>Products and Services</b>	No disruption to services	Minor disruption to services for up to 1 month	Total cessation of service for up to 1 days and subsequent disruption of 1 to 2 months	Total cessation of service for up to 7 days and subsequent disruption of 2 to 3 months	Total cessation of service for more than 1 week and disruption over subsequent months involving a major facility
8	<b>Technology (includes information and records management)</b>	Interruption to electronic records and data access less than ½ day.	Interruption to electronic records and data access ½ to 1 day	Significant interruption (but not permanent loss) to data and electronic records access, lasting 1 day to 1 week	Complete, permanent loss of some electronic records and/or data, or loss of access for more than one week and/or systems breach to business administrative systems with identifiable/classified information stored but non-client welfare threatening.	Complete, permanent loss of all electronic records and data
9	<b>General business management activities</b>	No impact on business outcomes and strategic objectives.	Minor impact on business outcomes and strategic objectives. Non-essential or subsidiary services experience minor disruptions.	Moderate impact on business outcomes and strategic objectives. A number of objectives not met, minor or subsidiary services impaired.	Significant impact on business and strategic objectives. Key service delivery impaired.	Strategic business outcomes processes fail and business objectives not met. Unable to deliver necessary services.
10	<b>Milestones</b>	Delays up to 2 weeks	Delays between 2 weeks to 3 months	Delays of 3 months to 6 months	Delays of 6 months to 12 months	Delays greater than 12 months
11	<b>Reputation &amp; Image</b>	Internal Review	Scrutiny required by internal committees or internal audit to prevent escalation.	Scrutiny required by external committees or ACT Auditor General's Office, or inquest, etc.	Intense public, political and media scrutiny. e.g. front-page headlines, TV, etc.	Assembly inquiry or Commission of inquiry or adverse national media.
12	<b>Cultural &amp;</b>	Low-level	Mostly repairable	Permanent	Significant	Irreparable damage



	Category	Insignificant	Minor	Moderate	Major	Catastrophic
		Managed by relevant Project Manager / Director	Managed by relevant Agency Executive	Managed by Agency CEO	Managed by Agency CEO, reported to BARC / Board	Managed by Agency CEO, immediate notification to Agency Board
	<b>Heritage</b>	repairable damage to commonplace structures	damage	damage to items of cultural significance	damage to structures or items of cultural significance	to structures or items of cultural significance
<b>13</b>	<b>Business Process &amp; Systems</b>	Minor errors in systems or processes requiring corrective action, or minor delay without impact on overall schedule.	Policy procedural rule occasionally not met, or services do not fully meet needs.	One or more key accountability requirements not met. Inconvenient but not client welfare threatening.	Strategies not consistent with Government's agenda. Trends show service is degraded.	Critical system failure, poor or incorrect policy advice or ongoing non-compliance. Business severely affected.