

Risk Management Policy

Policy

SRW will develop and implement plans, systems and processes that have regard to ISO31000:2009: Risk Management (or as amended) to ensure that risks associated with functions performed and services provided are identified, assessed, prioritised and managed.

This will be achieved through the implementation of SRW's Risk Management System, which must include the following requirements:

- Specify a Risk Appetite Statement to identify the areas and amounts of risk that SRW can tolerate;
- Maintain an enterprise-based register of significant risks;
- For each risk recorded in the register, document the scenarios that can cause the risk to occur.
- Identify important controls used by the corporation to manage each scenario;
- Determine a residual risk rating for each risk listed within the register;
- Document a response to each risk, which may include to either:
 - accept the residual risk; or,
 - take actions to further mitigate the residual risk; or,
 - take steps to avoid the risk.
- Ongoing monitoring of risks, by:
 - Assessing new risks;
 - Re-evaluating residual risk ratings; and,
 - Testing the effectiveness of important controls.
- Maintain suitable insurance policies;
- Consideration of inter-agency and statewide risks.

Roles & Reporting

Board

Corporation Board will:

- Approve the Risk Appetite Statement;
- Approve the Risk Management policy;
- Approve the risk rating tables; and,
- Accept residual risk.

Management will report to the Board:

- The occurrence of risks:
 - Immediately if the consequence is Major or Catastrophic
 - At the next Board meeting if the consequence is Minor or Moderate
- At each Board meeting, a Managing Director Risk Attestation for

Corporate risks, that advises:

- If a risk has occurred
- If a risk rating has been re-assessed; and
- Any significant change that has been made to a risk mitigation strategy
- A Risk Review, which for the year ending 31 March, and reported no later than the June Board meeting, will provide:
 - A summary schedule of all risks recorded by the risk register, noting the risk owner, residual and target ratings;
 - Since the last Annual Risk Review, any:
 - new risks added to the risk register;
 - risks removed from the risk register;
 - amendment to the residual and target ratings; and
 - risk occurrence resulting in a Minor or worse outcome, including an assessment of the adequacy of risk management strategies.

At least once a year (scheduled no later than June), management will recommend a risk presentation schedule of Corporate risks to the Board for approval.

Audit & Risk Policy Committee

Audit & Risk Policy Committee will:

- Monitor the adequacy of the risk management systems;
- Monitor the control assessment framework; and
- Provide annual assurance so that the Board Chair can provide necessary attestation within the Corporation Annual Report

Management will report to the Audit & Risk Policy Committee:

- Executive Risk Committee minutes
- Control Assurance Framework report
- Draft Annual Risk Review; and
- A copy of the Risk Management System (scheduled at the same time as the Annual Risk Review)

Managing Director

Managing Director will:

- Document and maintain strong oversight of SRW's Risk Management Systems;
- Ensure that all reporting obligations to the Board and the Audit and Risk Policy Committee are met.

Definitions

Risk	The effect of uncertain positive and negative impacts on objectives
Scenario (or risk incident)	Change to circumstances that give rise to risk.

Significant risk	The effect must be both plausible and the outcome at least Moderate (refer consequence rating table within schedule 1)
Plausible	It is not far-fetched (like a meteor landing on the Maffra office); and While it may not have happened before to SRW, it is both reasonable and believable that the event could happen (like a large earthquake or pandemic).
Controls	Any measure or action that reduces risk, including policy, procedure, practice, process, technology, technique, method, or devices that manages risk.
Residual risk	The risk remaining after implementing all controls, permanent treatments and avoidance.
Corporate risks	The Board will categorise those risks within the register that warrant regular reporting from management
ANCOLD	Australian National Committee on Large Dams

Definitions are generally in line with ISO31000:2009: Risk management

Effective Date & Review Date	This policy takes effect from 12 June 2014 It is due for review by 30 June 2017.
Who is Affected	This policy applies to all SRW staff.
Rationale	To outline our policy for managing enterprise risks, so that SRW identifies and manages risk by establishing sound risk management practices for a business of our size and risk profile.
Contact	For more information on this policy, contact the Chief Financial Officer
Related Documents	<ul style="list-style-type: none"> • Statement of Obligations • Directions issued under the <i>Financial Management Act 1994</i> • Victorian Government Risk Management Framework • SRW Risk Management System • Other SRW policies such as Asset Management Policy, Dam Safety policy, Fraud Prevention Policy, Board Agenda Policy, etc.
Communications	This policy will be made available on SRW's website.