

# Risk management policy

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## 1. Policy statement

Roads and Maritime Services will establish, implement and maintain an organisation-wide risk management framework and process that is tailored to achieving RMS's strategic objectives and business needs and integrated with its systems and processes. RMS's risk framework and process will reflect current best practice and standards.

RMS will confirm in writing (attest) annually to NSW Treasury as part of the requirements of *TPP 09-05 - Internal Audit and Risk Management Policy for the NSW Public Sector* which includes compliance with the current Standard *ISO/FDIS 31000 Risk management - Principles and guidelines*.

**This policy must be read in conjunction with RMS's [Risk Management Procedure – PN 224P](#).** This Procedure is mandatory and details the requirements for business areas.

## 2. Context

Risk management makes an important contribution to the way RMS is managed. It is aligned with the objectives and strategies of the organisation and is integrated into planning, performance reporting and management systems, being a key element of RMS's Governance Framework. It helps RMS to achieve its results, as outlined in RMS's Corporate Plan. Information about the most critical risks is used as the basis for making significant decisions in all areas of the business.

Risk management is about managing the effects of uncertainty on objectives. Risk can either be negative (ie: something to avoid) or positive (ie: an opportunity to take). Achieving desired results involves the assessment and management of both types of risk.

In 2005, the former RTA established a formal enterprise risk management framework and system to ensure a consistent approach to risk identification, assessment, management and reporting and to provide formal assurance to the Executive and Audit and Risk Committee that the Framework is effective and risks are being effectively managed.

This policy is one element of RMS's Risk Management Framework and it provides a statement of RMS's approach to risk as well as key responsibilities in the management of risk. It reflects the requirements of both the International Standard *ISO/FDIS 31000 Risk management - Principles and guidelines* and NSW's Treasury's *TPP 09-05 - Internal Audit and Risk Management Policy for the NSW Public Sector*.

## 3. Scope and coverage

This Policy applies to all staff, skill hire and professional contractors, as well as divisions, branches, sections and business units.

For more specialist advice, please refer to RMS's other risk management policies which include, but are not limited to, occupational health and safety, insurance, project management and business continuity.

## 4. Purpose and intended outcomes

Effective risk management will contribute to RMS's achievement of its community and business results. Under this policy, RMS will apply a tailored and structured approach to risk

management to ensure that the most critical risks across all business areas of RMS are identified and well understood, effectively managed and monitored.

## 5. Responsibilities

*The Chief Executive* - Ultimate responsibility for approving RMS's Annual Risk Attestation Process to NSW Treasury in accordance with *TPP 09-05 - Internal Audit and Risk Management Policy for the NSW Public Sector*, ie: confirm that RMS has established, implemented and maintained an effective organisation-wide risk management framework and process that is appropriate to RMS.

*The Executive* - Endorse annually RMS Risk Profile and determine the basis for which risks are prioritised and monitored within the organisation. Actively promote a culture of risk management by modelling behaviour and building staff awareness regarding risk assessment and management.

*Individual Directors* - Lead and monitor the implementation of RMS's risk management system to ensure it is operating effectively and risks are being identified, assessed and managed at all levels of the business.

*General Managers* – Ensure that risk management is integrated with the business planning and performance reporting processes and is incorporated in the everyday delivery of business outcomes for the Branch.

*Managers* - Ensure their business area's compliance with this Policy and RMS's [Risk Management Procedure \(PN 224P\)](#). Actively promote a culture of risk management and lead and monitor specific risk management actions.

*Staff* - Identify risk issues and concerns (and escalate to management, if necessary) and implement specific risk management action.

*Governance Branch* – Establish, maintain and lead the implementation of an appropriate and effective organisation-wide risk management framework including monitoring, reporting and the provision of assurance.

*Audit and Risk Committee* - Provide independent assurance to the Chief Executive and Executive of whether management has in place an appropriate risk management framework and associated procedures.

## 6. Evaluation

Governance Branch will facilitate a review of this Policy and the associated procedures at least every three years to ensure that it continues to meet organisational needs and complies with relevant standards and policies. The Governance Branch will also monitor the effectiveness of this policy by reporting annually on the appropriateness of RMS's Risk Management Framework and the level of RMS's risk maturity to RMS's Audit and Risk Committee and the Executive.

## 7. RMS Delegations Manual impact

This policy does not impact on RMS's Delegations Manual.

## 8. Definitions

Refer to RMS's [Risk Management Procedure.\(PN 224P\)](#)

## 9. Related information

### Reference documents:

- [PN 224P – Risk Management Procedure](#)

**Specialised risk policies include but are not limited to:**

- PN 066 – Occupational Health and Safety
- PN 179 – PN 185 – RTA Insurance Program
- PN 094 – RTA Business Continuity Management
- ILC-MI-TPO-201-G01 – Risk Management for Projects

**Record or file numbers related to this policy** – 9M4952, Vol 1

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