

# **Risk Management Policy**

**30 September 2022**

Version 01

## Document information

<b>Document name:</b>	Risk Management Policy	<b>Type of document:</b>	Policy
<b>Status:</b>	Active	<b>Version number:</b>	01
<b>Date originally created:</b>	September 2022	<b>File reference:</b>	ADM/2022/162
<b>Superseded policy:</b>	N/A	<b>Compliance:</b>	All staff
<b>Related policies/ documents:</b>	Risk Management Framework	<b>Publication date:</b>	September 2022
<b>Review date:</b>	Annually	<b>Policy owner:</b>	Chief Operating Officer
<b>Distribution:</b>	Public	<b>Feedback:</b>	Legal, Governance and Risk Branch

### NSW Ombudsman

Level 24, 580 George Street  
Sydney NSW 2000

**Phone:** (02) 9286 1000

**Toll free (outside Sydney Metro Area):** 1800 451 524

**Website:** [ombo.nsw.gov.au](http://ombo.nsw.gov.au)

**Email:** [nswombo@ombo.nsw.gov.au](mailto:nswombo@ombo.nsw.gov.au)

© State of New South Wales

# Contents

<b>1.</b>	<b>Purpose</b> .....	<b>1</b>
<b>2.</b>	<b>Policy principles</b> .....	<b>1</b>
2.1	Risk management methodology.....	1
2.2	Risk appetite .....	1
2.3	Risk information and reporting.....	1
2.4	Risk culture.....	2
<b>3.</b>	<b>Roles and responsibilities</b> .....	<b>2</b>
3.1	Ombudsman.....	2
3.2	Chief Executive Board (CEB) and Executive .....	2
3.3	Audit and Risk Committee (ARC) .....	2
3.4	First line – Extended Leadership Team (ELT) .....	2
3.5	First line – Staff .....	3
3.6	Second line - Governance and Risk (G&R) .....	3
3.7	Third line - Internal audit .....	3
<b>4.</b>	<b>Ombudsman approval</b> .....	<b>3</b>

# 1. Purpose

The NSW Ombudsman's Office's Risk Management Policy supports good governance practice in managing risk and facilitates compliance with the Office's legislative and regulatory obligations. It enables us to make better informed decisions, pursue new opportunities, and supports the achievement of our purpose, values, mission, and strategy. The key objectives of this policy are to better identify and manage uncertainties, opportunities and threats, support effective risk-based decision making, and meet compliance and governance requirements.

The Office's approach to risk management is aligned to AS ISO 31000:2018 *Risk Management – Guidelines*, as required by NSW Treasury *Internal Audit and Risk Management Policy for the General Government Sector (TPP20-08)*, and best practice guidelines.

This policy supports our Risk Management Framework and is endorsed by the Ombudsman, who leads the strategic management of risk across our office. Risk management is a mandated part of all business operations within the Office.

# 2. Policy principles

The Office recognises that risk is inherent in all that we do, and we are committed to managing the risks associated with the activities and operations of our office. Risk is the effect of uncertainty on our objectives. Risk management refers to coordinated activities which direct and control an organisation in relation to risk.

Risk management is the responsibility of everyone in the office. The following principles detail the Office's approach to risk management.

## 2.1 Risk management methodology

Risks must be identified, assessed, and managed at the strategic, branch and unit level to ensure the full spectrum of risks is captured. Risk management should be applied consistently across the Office and integrated into decision-making, business cases, strategic planning, and organisational planning.

## 2.2 Risk appetite

Risk appetite is the amount of risk that the Ombudsman is prepared to undertake in the achievement of its objectives, including the opportunities and trade-offs for risk taking. There must be timely escalation and response to circumstances that take the Office beyond risk appetite parameters. Our risk appetite is formally defined in the Office's Risk Appetite Statement and are tracked on an annual basis through metrics and tolerances.

## 2.3 Risk information and reporting

Risk decision-making should be underpinned by data and insights. All risk information should be captured in our Governance, Risk and Compliance (GRC) System which facilitates reporting to the relevant governance forums and committees.

## 2.4 Risk culture

It is crucial for the Office's Executive and Extended Leadership Team to establish and cultivate a positive risk culture. This will enable risk to be effectively identified and managed, drive ownership of risks, and create a transparent, inclusive environment where information can be shared without reprisal.

Breaches of and departures from this Policy will be addressed accordingly using relevant Office principles and processes, including but not limited to:

- Remediation of the breach or departure; and
- Commitment to ensuring that such or similar breaches or departures are not repeated.

## 3. Roles and responsibilities

Risk governance describes the culture and reporting mechanisms implemented by the Office to ensure consistent and effective risk management. By establishing authority and accountability, and defining roles and responsibilities, risk governance enables the oversight of risk and provides guidance on risk escalation and management.

All staff play an important role in the management of the Office's risks. The NSW Ombudsman is committed to providing appropriate support, resources, and training for staff to minimise risks and identify opportunities so that together, we can achieve our common objectives.

The Office's risk management roles and responsibilities are set out below in accordance with the Three Lines Model.

### 3.1 Ombudsman

The Ombudsman is ultimately responsible and accountable for risk management in the Office. The Ombudsman determines our risk appetite in consultation the Executive and approves and ensures that our Risk Management Policy and Framework are embedded.

### 3.2 Chief Executive Board (CEB) and Executive

The CEB and Executive work with the Governance and Risk unit to identify, assess, mitigate, and manage risks facing the Office both at a strategic level, and within their area. They consult with the Ombudsman in relation to our risk management activities and risk appetite and provide assurance to the Ombudsman on the effectiveness of the Office's risk management and control environment.

### 3.3 Audit and Risk Committee (ARC)

The ARC is an independent committee which oversees, monitors, and provides advice to the Ombudsman in relation to our governance, risk, and control frameworks. They are responsible for reviewing and seeking assurance on our risk management activities, external accountability, legislative compliance and ethics, and internal and external audit.

### 3.4 First line – Extended Leadership Team (ELT)

The ELT are responsible for the management of operational risks and oversee the implementation of related controls within their work area. They monitor and escalate risks, issues and breaches of policies or frameworks.

### 3.5 First line – Staff

All staff are responsible for actively identifying, reporting, and escalating risks or issues that arise in their area and are responsible for the implementation of controls to manage these risks. All staff are responsible for adhering to relevant risk management policies and procedures and ensuring the consideration of risk in their operational decision making.

### 3.6 Second line - Governance and Risk (G&R)

G&R is responsible for the development, implementation and review of the Office’s risk management practices and policies, and reporting to the Ombudsman and relevant committees, as required.

The Senior Governance and Risk Officer, who is also the Chief Risk Officer (**CRO**), performs a review of this policy, and provides assurance of its effectiveness to the ARC, annually.

### 3.7 Third line - Internal audit

Provide independent and objective assurance of the overall adequacy and effectiveness of governance, risk management, and control within the Office.

## 4. Ombudsman approval



Paul Miller  
**NSW Ombudsman**