

OVERVIEW

The *Australian New Zealand Risk Management Standard (AS/NZ 4360:2004)* defines risk management as “**the culture, processes and structures that are directed towards the effective management of potential opportunities and adverse effects**”.

Risk arises in all aspects of organisations operations and at all stages within the life cycle of those operations. It offers both opportunity and threat, and must therefore be managed appropriately.

This policy confirms Triathlon WA’s commitment to adopting a strategic, consistent and structured enterprise-wide approach to risk management in order to achieve an appropriate balance between realising opportunities for gains and minimising losses. It should be read in conjunction with the *Australian Standard on Risk Management (AS/NZ 4360 2004)* which provides the overall framework for a risk management system.

Risk management involves establishing an appropriate risk management infrastructure and culture, and applying logical and systematic risk management processes to all stages in the life cycle of any activity, function or operation that includes risk. By minimising losses and maximising gains, risk management enables Triathlon WA to best meet its organisational objectives.

2. POLICY INTENT

Risk Management is an integral part of sound management practice and an essential element of good corporate governance, as it improves decision-making and enhances outcomes and accountability.

The aim of this policy is to ensure that Triathlon WA make informed decisions with respect to the activities that are undertaken ensuring appropriate consideration of risks and opportunities.

2.1. Policy Objectives

The application of this policy and related procedures will provide the basis and framework for:

- more confident and rigorous decision-making and planning;
- better identification of opportunities and threats;
- pro-active rather than re-active management;
- more effective allocation and use of resources;
- improved incident management and reduction in loss and the cost of risk, including commercial insurance premiums;
- improved stakeholder confidence and trust;

- a clear understanding by all staff of their roles, responsibilities and authorities for managing risk;
- improved compliance with relevant legislation;
- better corporate governance; and
- the development of a more risk aware organisational culture through enhanced communication and reporting of risk.

3. DEFINITIONS

Triathlon WA will adopt a consistent terminology in relation to risk to ensure effective communication and stakeholder awareness of risk and risk management.

In the context of this policy:

“Consequence” means the outcome of an event expressed qualitatively or quantitatively, being a loss, injury, disadvantage or gain. There may be a range of possible outcomes associated with an event;

“Risk Management Plan” means the system within which risk information will be contained and maintained and the policy and procedural guidance to assist staff with embedding the risk management process into strategic and operational activities

“Likelihood” means a qualitative description of probability or frequency;

“Loss” means any negative consequence, financial or otherwise;

“Risk” means the chance of something happening that will have an impact on the achievement of Triathlon WA’s objectives. Risk is measured in terms of consequences and likelihood;

“Risk analysis” means a systematic use of available information to determine how often specified events may occur and the magnitude of their consequences;

“Risk appetite” means the amount of risk that Triathlon WA is prepared to accept or be exposed to at any point in time;

“Risk assessment” means the overall process of risk analysis and evaluation;

“Risk evaluation” means the process used to determine risk management priorities by comparing the level of risk against predetermined standards, target risk levels or other criteria;

“Risk identification” means the process of determining what, where, when, why and how something could happen;

“Risk management” means the culture, processes and structures that are directed towards realising potential opportunities, whilst managing adverse effects;

“**Risk management process**” means the systematic application of management policies, procedures and practices to the tasks of establishing the context, identifying, analysing, evaluating, treating, monitoring and communicating risk;

“**Risk rating**” means the rating resulting from the application of Triathlon WA’s assessment matrix on the likelihood and consequence of a risk occurring; and

“**Risk treatment**” means selection and implementation of appropriate options for dealing with risk.

4. POLICY PRINCIPLES

4.1. Risk Overview

- Risk management will be incorporated into the strategic and operational planning processes at all levels within Triathlon WA.
- Risk and the management of risk will be categorised identified and monitored according to the risk categories defined in the *Risk Management Framework*.
- Risk assessments will be conducted on all new commercial activities, ventures and projects prior to commencement to ensure alignment with risk appetite and organisational objectives.
- Risks will be identified, reviewed and monitored on an ongoing basis at nominated levels within Triathlon WA. Where necessary, technical expertise should be obtained to ensure risk identification and mitigation is robust.
- Risks will be assessed against Triathlon WA’s agreed risk assessment matrix according to agreed definitions of likelihood and consequence.
- All identified risks will be recorded in Triathlon WA’s risk management system.
- All risks will be assigned an owner who is responsible for managing, monitoring and ensuring that adequate controls and treatments are being applied so that risks are brought within tolerable levels.

4.2. Risk Management Approach

- Risks will be managed within Triathlon WA’s *Risk Management Plan* which is based on the *Australian New Zealand Risk Management Standard (AS/NZ 4360:2004)* and forms an integral link to this policy.
- Risks will be recorded within the Risk Register

4.3. Roles and Responsibilities

4.3.1. The Board has ultimate responsibility for approving and monitoring the effectiveness of the risk management framework, and assessing whether the organisation has in place adequate risk management and internal control mechanisms.

4.3.2. The Board delegates to Management the responsibility for undertaking risk reviews and the design and implementation of appropriate risk management systems. The Audit and Risk Committee is responsible for overseeing the processes for the identification and Assessment of risks, reviewing the outcomes of risk management processes and for advising the Board as required.

4.3.3 The Executive Director is responsible for ensuring that a risk management process is established, implemented and maintained in accordance with this Risk Management Policy, and is ultimately responsible for the management of risks in the business.

4.4. Risk Review

The Executive Director will review the risk register on a quarterly basis. Risks which have a post-treatment assessment of Significant or High will be reported to the Board on a Monthly basis to review the adequacy of treatments being undertaken.

A formal review of the risk register will be undertaken on an annual basis. An initial review will be undertaken by the Executive Director in conjunction with the TWA senior management team which will then be formally reviewed by the Audit & Risk Management Committee for recommendation to the Board.

5. ESSENTIAL SUPPORTING DOCUMENTS

This Policy should be read in conjunction with WASF's Risk Management Plan and Risk Register

6. RELATED DOCUMENTS

- The following other documents may offer reinforcement and explanation to the above policy document: AS/NZ 4360:2004 Compliance Policy and Compliance Procedure

Version Control

Version	Date	Revised by	Comments
1.0	February 2010	H. Lethlean	New policy approved
2.0	March 2013	H. Lethlean	No changes
3.0	January 2016	P. Minchin	a) Inclusion of accessing technical expertise where required b) Risk Review process updated
4.0	April 2020	A.Apps	4.4 High Risks to be reviewed on monthly basis