

## BP8044 - Risk Management Policy

Policy Owner	Executive Manager People, Culture and Safety
Policy Author	Head of Risk and Business Resilience
Supporting Legislation and Documents	ISO 31000:2018 Risk Management – Principles and Guidelines
Documents Directly Related	Northern SEQ Distributor-Retailer Authority Participation Agreement, Statement of Obligations (Part 4.6) <a href="#">BP8041</a> - Governance Policy <a href="#">Pr9306</a> - Risk Management Procedure <a href="#">Pr11441</a> - Control Management Framework <a href="#">Pr10731</a> - Risk Assessment and Scoring Criteria Tool <a href="#">Pr11278</a> - Critical Infrastructure Risk Management Plan Active Risk Manager, Risk Management Database

### 1. Policy Statement

Unitywater will utilise a consistent enterprise-wide approach to manage risk in an integrated, systematic and practical manner based on AS/NZS ISO 31000:2018 Risk Management – Principles and Guidelines as outlined in the Enterprise Risk Management Procedure and Risk Management Framework.

### 2. Purpose and Objectives

Unitywater recognises that risk management is an essential and integral part of good management and corporate governance, assisting it to achieve its business objectives by appropriately considering risks and opportunities to allow for informed decisions both during the development and execution of business plans.

Risk management will allow for balanced, informed and transparent decision-making recognising that risk management is dynamic, iterative and responsive to change.

In managing risk, Unitywater will:

- a. Develop, implement and maintain an enterprise-wide risk management framework that facilitates the effective and efficient management of risks across Unitywater.
- b. Encourage a culture of personal responsibility and accountability for risk management including clearly defined accountabilities and responsibilities for the effective management of risks and compliance obligations at all levels of the organisation and ensuring that accountability for risk management remains with the risk owners.
- c. Ensure transparency in decision-making and ongoing risk management processes.
- d. Ensure risks are identified, assessed, captured and adequately monitored and reported and the effectiveness of controls systematically improved where necessary.
- e. Manage risks in accordance with the Board approved risk appetite.

### 3. Policy Scope/Coverage

This policy applies to all team members and contractors of Unitywater and is supported by the Risk Management Procedure ([Pr9306](#)) which provides guidance on application of this policy.

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### 3.1.1 Strategy

Risk management is a continuous process that supports the development and implementation of Unitywater's Strategic Ambition. It aims to methodically address all risks associated with all activities of the organisation. In all types of undertaking including both normal operations and projects, there is the potential for events that constitute opportunities for benefit (upside), threats to success (downside risks) or an increased degree of uncertainty.

The Executive Leadership Team and the Board are committed to managing risk in the pursuit of tactical and operational objectives. To support the development of an effective and efficient risk culture, the Board has endorsed the implementation of appropriate risk architecture, strategy and protocols.

#### 3.1.1.1 Risk Management Context

Unitywater embraces risk-aware decision-making and building ongoing risk management maturity. Unitywater recognises risk and opportunity are integral to both our everyday business activities and to achieving our Strategic Ambition and is committed to managing risk proactively at all levels of the business.

#### 3.1.1.2 Risk Appetite

The risk appetite statements have been identified by Unitywater's Board and define the risk tolerance and reporting requirements.

### 3.1.2 Governance

The Unitywater risk profile is maintained in the Active Risk Manager® (ARM) Risk Management database. The database is configured to reflect the organisation's risk management framework which is formed by the ARC on behalf of the Board.

The detailed processes associated with the identification, recording and reporting of risk are detailed in the Unitywater Risk Management Procedure ([Pr9306](#)). This guidance material details procedures for risk assessment, mitigation and controls and associated risk analysis and reporting.

#### 3.1.2.1 Risk Management Framework

The Unitywater Risk Management Framework diagram below highlights the essential structures which support Unitywater's risk management activity. As the framework indicates, while policies, governance and standards are all integral to the overall framework, the Unitywater risk culture must also be recognised as a pillar.



Figure 1: Risk Framework

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The risk management documents and tools within this structure include:

- Risk management policy
- Risk management procedure
- Risk management work instructions
- Risk register / assurance maps
- Risk reporting.

### 4. Roles and Responsibilities

Responsibility for risk management is shared across the organisation. The key types of roles and their primary responsibilities are identified in Figure 2 below and further outlined in Appendix A. These roles and responsibilities are overlapping, not exclusive and all roles will have some contribution to each role type.



Figure 2: Roles and Responsibilities

### 5. Definitions

Key definitions are identified in the table below.

Term	Meaning
Risk	The effect of uncertainty on objectives <sup>2</sup> .
Risk Management	The coordinated activities to direct and control Unitywater regarding risk
Risk Management Framework	The set of components that provide the foundations and organisational arrangements for designing, implementing, monitoring, reviewing and continually improving risk management throughout the organisation.

<sup>2</sup> Adapted from definition in ISO 31000:2018 Risk Management – Principles and Guidelines

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### Appendix A: Roles and Responsibilities

Unitywater Role	Risk Management Role
The Board	The Board is accountable for ensuring the business has an effective risk management system, and for determining the appropriate level of risk Unitywater is willing to accept in the conduct of its business (risk appetite).
Audit and Risk Committee (ARC)	ARC (a committee of the Board) is accountable for overseeing the development, implementation and monitoring of Unitywater's risk management program. It is also responsible for providing advice to the Board on the effectiveness of the program.
Chief Executive Officer and the Executive Leadership Team	The Chief Executive Officer and the Executive Leadership Team must proactively lead the business in developing a risk savvy operating and strategic environment. They are accountable for: <ul style="list-style-type: none"> <li>implementing and maintaining sound risk management (aligned to the Unitywater Risk Management Framework)</li> <li>creating and ensuring the ongoing accuracy of their divisional risk register / assurance map, as well as receiving and reviewing risk management reports in preparation for reporting to the ARC</li> <li>creating and maintaining an environment where all individuals within Unitywater actively take responsibility for risk management.</li> </ul>
Management	Managers at all levels are also responsible for: <ul style="list-style-type: none"> <li>identifying, monitoring and mitigating risks</li> <li>creating an environment where managing risk forms the basis of all activities</li> <li>ensuring team members follow risk policy and guidelines.</li> </ul>
Individuals	All team members are responsible for and will practice risk management within their functional areas in compliance with the guidance provided by the Unitywater Risk Management Framework and Risk Procedure. This includes: <ul style="list-style-type: none"> <li>identifying, monitoring and managing risks</li> <li>implementing assigned risk mitigation actions, sharing and escalating matters when activities are outside the agreed risk tolerance levels</li> <li>supporting the creation of a no-surprise culture</li> <li>ensuring decisions are made in a risk-informed manner</li> <li>advising the Document Owner if this policy is not consistent with current practices</li> <li>where possible, minimise printing and/or avoid creating duplicate copies of this policy</li> <li>ensure current versions are sourced from the <a href="#">Document Centre</a>.</li> </ul>
Risk champions	To support individual team members in complying with their responsibilities, Unitywater will train 'Risk Champions' within each Business Unit. These individuals can assist team members in all aspects of risk management.
Internal Audit	Internal auditing provides independent assurance of the effectiveness of internal controls and the Risk Management Framework.

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Unitywater Role	Risk Management Role
<p>Head of Risk and Business Resilience</p>	<p>The Head of Risk and Business Resilience is responsible for:</p> <ul style="list-style-type: none"> <li>• Facilitating the development, review and continuous improvement of the risk management framework.</li> <li>• Ensuring a consistent enterprise approach is taken in the management of risk across Unitywater quarterly reporting on risk management performance to the ELT and ARC.</li> <li>• As Document Owner is responsible for: <ul style="list-style-type: none"> <li>○ Conducting and/or delegating regular reviews to ensure this policy and related resources (e.g. procedures, forms, website content) remain fit for purpose, consistent and current.</li> <li>○ Approving this policy for publication (and/or seeking Board approval where required).</li> <li>○ Ensuring all relevant stakeholders and team members have been consulted and feedback is captured and actioned (where applicable).</li> <li>○ Ensuring appropriate communication and/or training is provided to relevant team members when implementing a new, amended or obsolete document (where applicable).</li> <li>○ Monitoring compliance with internal/external requirements (e.g. monitor legislation changes and assess/update this policy when required).</li> </ul> </li> </ul>