

# PO\_OM\_002 Risk Management Policy

## Policy purpose

Energy and Water Ombudsman Queensland (EWOQ) is committed to ensuring its employees understand the concept of risk management and its practical application to identify and minimize risks to organisational objectives. The principles detailed in this document is collectively referred to as the Risk Management Policy.

## Scope

This policy applies to all our employees (permanent, temporary or contract), assets and facilities. It incorporates the best practices of the international standard for risk management, *ISO31000:2018 Risk Management – Guidelines*, together with guidance from Queensland Treasury's *A Guide to Risk Management 2020* and aligns with the Queensland *Financial and Performance Management Standard (2019)*.

## Policy statement

EWOQ is committed to robust risk management practices to achieve its functions under the *Energy and Water Ombudsman Act 2006*, to satisfy its obligations as a statutory body and to act in accordance with the requirements of the *Financial Accountability Act 2009*.

EWOQ has taken an enterprise-wide approach to risk management.

It is EWOQ's policy to identify, assess, and manage all categories of risk in a proactive way, integrating risk management in the day-to-day running, monitoring, maintenance, and development of EWOQ. Risks are considered in all key strategic decisions and third-party relationships.

In implementing this Policy, EWOQ seeks to provide assurance to relevant stakeholders that the identification and management of risk plays a key role in the delivery of EWOQ's objectives, strategies and performance measures.

Our human rights obligations under the *Human Rights Act 2019* have been considered in this policy, and our decision making and actions respect, protect and promote those rights.

## Risk management framework

EWOQ's risk management framework is based on the principles of effective risk management contained within *ISO31000:2018 Risk Management – Guidelines*. We apply those principles by:

- Integrating risk management across all areas of EWOQ
- Practicing a coordinated approach for the management of risks
- Embedding consistent processes for the identification, assessment, evaluation and monitoring of risks
- Maintaining and regularly reviewing the EWOQ Risk Register
- Designing and implementing effective risk treatment plans for risks that have a residual risk level above our specified risk tolerance limits
- Efficiently and effectively assigning capabilities and resources to manage both opportunities and threats across EWOQ's functions

- Regularly monitoring the effectiveness of the Risk Management Framework

## Governance and reporting

EWOQ has an Audit and Risk Management Committee (ARMC) that is engaged to provide independent advice and support to the Energy and Water Ombudsman (the Ombudsman) concerning EWOQ’s risk, control and compliance frameworks, amongst other things. They will receive periodic reports on our strategic risk profile.

Members of our Executive Management Group (EMG) are the risk owners for EWOQ’s strategic risks. They are responsible for the identification and management of those risks, as well as managing our operational risks where appropriate.

Each business unit has a separate operational risk register and they are responsible for maintaining and reviewing this on a quarterly basis.

Our Leadership Group (LG) supports the risk management role of the EMG and is responsible for the day-to-day management of risk where required. Risk owners are named in our risk register, and their risk responsibilities are included on their Performance Development Agreement Plan (PDAP).

## Risk statement

*Risk appetite* refers to the level of risk that EWOQ is prepared to pursue or retain to achieve our objectives. The EMG is responsible for determining the level of risk exposure considered acceptable.

EWOQ will take considered risks where there is a high degree of confidence that controls are in place to minimise the likelihood of adverse consequences and where there is a high likelihood of capturing expected and considered benefits or opportunities.

EWOQ has low or no appetite for risk associated with ethical behaviour, fraud and corruption, workplace health and safety, security of confidential and personal information as well as compliance with legislation and regulation. There is a low appetite for risks that negatively impact on high quality service delivery to our customers and stakeholders and that reduce public confidence in our service. There is a low risk appetite for unmanaged risk.

*Risk tolerance* levels for specific risks and projects will be set by risk owners, and available on the risk register. Risk tolerance levels align with EWOQ’s broader risk appetite.

## Definitions

Consequence	The outcome of an event (for example, a loss, injury, disadvantage or gain) which affects the agency’s ability to achieve its objectives
Control	Any action taken to manage risk.
Likelihood	The chance of something happening
Operational Risk	Those risks that arise in day to day operations, and which require specific and detailed response and monitoring regimes. If not treated and monitored, operational risks could potentially result in major adverse consequences for the agency.
Residual Risk	Risk remaining after new controls or treatments are taken into account.

Risk	The chance of something happening that will have an impact on the achievement of the agency's objectives. Risk is measured in terms of consequences and likelihood, and covers threats and opportunities.
Risk Management	The coordinated activities to direct and control an agency with regard to risk.
Risk Rating	The rating resulting from the application of the agency's risk assessment matrix on the likelihood and consequence of a risk occurring.
Risk Register	A system that holds all information on identifying and managing a risk.
Risk Treatment	Selection and implementation of appropriate options for dealing with risk.
Strategic Risk	Risks that may affect the agency's ability to meet its strategic objectives and require oversight by senior executives.

## Legislative links

- [A Guide to Risk Management \(treasury.qld.gov.au\)](https://www.treasury.qld.gov.au)
- [Financial Accountability Act 2009 \(legislation.qld.gov.au\)](https://www.legislation.qld.gov.au)
- [Human Rights Act 2019 \(legislation.qld.gov.au\)](https://www.legislation.qld.gov.au)
- [Energy and Water Ombudsman Act 2006 \(legislation.qld.gov.au\)](https://www.legislation.qld.gov.au)

## Associated documents

- [Financial Management Practice Manual](#)

## Document control

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Version No.	Description of changes	Prepared by	Date
2.0	New template and separation for policy and procedure	Eleanor Bray	7/09/2023