

Risk management policy

POL-C-019

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1. Title

Risk management policy

2. Introduction

The National Museum of Australia (the Museum) is a major cultural institution charged with researching, collecting, preserving and exhibiting historical material of the Australian nation. The Museum focuses on the three interrelated areas of Aboriginal and Torres Strait Islander history and culture, Australia's history and society since European settlement in 1788 and the interaction of people with the environment.

Established in 1980, the Museum is a publicly funded institution governed as a statutory authority in the Commonwealth Arts portfolio. The Museum's building on Acton Peninsula, Canberra opened in March 2001.

3. Scope

3.1 Description

This policy sets the parameters for all Museum staff to incorporate a formal risk management approach in their normal business processes.

3.2 Purpose

The purpose of this policy is to set out the requirement for all Museum staff to adopt the risk management approach contained within the Museum's risk management framework.

3.3 Rationale

The Museum is committed to having a high level of risk awareness in the organisation to enable risk to be managed effectively. A comprehensive and systematic risk management approach can assist business unit managers with:

- achieving the Museum's strategic and business priorities
- more rigorous decision making and business planning
- better identification of opportunities and threats
- more effective allocation of resources
- improved stakeholder confidence and trust
- a clearer understanding by all staff of their roles and responsibilities in managing risk
- improved compliance with relevant legislation
- better corporate governance.

4. Principles or guidelines

Risk arises in all aspects of Museum work undertaken by staff, volunteers and contractors, both on and off site. It offers both opportunity and threat, and must therefore be managed effectively. The aim of a formal risk management approach is not to make the Museum a risk-averse organisation, but one that effectively identifies, assesses, treats and monitors its risks at both strategic and operational levels, resulting in a more effective and efficient use of resources.

To provide a structure to assist staff in implementing an effective risk management approach, the Museum's risk management framework has been developed taking into account the following

principles from Australia/New Zealand Standard ISO 31000:2009, as well as industry best practice. The framework has been tailored to suit the context of Museum work and business planning. The following principles underpin the framework:

1. risk management creates and protects value
2. risk management is an integral part of all organisational processes
3. risk management is part of decision making
4. risk management explicitly addresses uncertainty
5. risk management is systematic, structured and timely
6. risk management is based on the best available information
7. risk management is tailored
8. risk management takes human and cultural factors into account
9. risk management is transparent and inclusive
10. risk management is dynamic, iterative and responsive to change
11. risk management facilitates continual improvement of the organisation.

The components of the Museum's risk management framework are:

- risk management policy
- risk management instruction manual
- strategic risk management plan
- divisional risk management plans
- business unit risk management plans
- project specific risk management plans
- template for the preparation of risk management plans.

Preparation and review of risk management plans

The Strategic Risk Management Plan is prepared by Executive and reviewed in March and November each year by Council's Audit, Finance and Risk Committee.

Divisional risk management plans are prepared and reviewed annually by the relevant Assistant Director or the Chief Operating Officer.

Business unit risk management plans are prepared annually by each business unit manager as part of their budget formulation process.

Project specific plans are prepared during the planning stage of any exhibitions, major public programs, de-installations and other similar activities.

The risk management framework is reviewed periodically to ensure that it continues to meet the requirements of the Museum as well as any changes in the external environment.

5. Definition of terms

Risk

Risk is the effect of uncertainty on objectives (a deviation from the expected – the effect may be positive or negative). Risk is often expressed in terms of likelihood of the risk event occurring, and the consequences if it occurs.

Risk assessment

Risk assessment is the process of identifying, analysing and evaluating a risk.

Risk management

Risk management is the set of coordinated activities to direct and control an organisation with regard to risk.

Stakeholder

A stakeholder is a person or organisation that can affect, or be affected by, a decision or activity. These may be external or internal to the Museum.

6. Definition of responsibilities**Council**

Responsible for the twice yearly review of the Strategic Risk Management Plan.

Director

Responsible for ensuring that an effective risk management system is in place in the Museum.

Assistant Directors

Responsible for ensuring that formal risk management is incorporated by all business units within their division. Prepare and review their relevant divisional risk management plans annually, as well as monitoring and reviewing the Strategic Risk Management Plan.

Chief Operating Officer

Similar to the responsibilities of the Assistant Directors, but also has overall responsibility for the coordination of risk management.

Manager, Risk and Safety

Responsible for developing and providing information, tools, advice and training to assist all Museum staff to incorporate and maintain a risk management culture in Museum operations.

Manager, Strategic Development and Policy

Coordinates the program of internal audit of risk management.

Manager, Security

Administers the Fraud Control Plan.

Business unit managers

Must use the information and tools provided to implement formal risk management in their projects and normal business. Responsible for ensuring that they prepare their business unit risk management plans as part of the annual budget allocation process. They must also ensure that risk management plans are prepared during the planning phase of specific projects, including construction work, installations, and public events. Business unit managers must also ensure that their contractors adopt a risk management approach commensurate with the Museum's framework.

7. References

Australia/New Zealand Standard ISO31000:2009, Risk Management – principles and guidelines.

8. Implementation

The Museum's Risk Management Framework is available to all staff via Museum Central. The information is regularly reviewed to ensure that it reflects changes in business practices and as part of a continual improvement of risk management information.

While the responsibility for managing risk remains with each business unit manager, the Strategic Risk Management unit provides an internal consultancy to assist with this process.

Training and education will be made available to relevant staff to provide them with the information and skills necessary to incorporate risk management into their work. This will include induction training, ongoing training, specific activities aimed at highlighting risk management, as well external courses. The Museum may use promotional material such as computer-mouse mats and 'how-to' guides.

8.1 Coverage

This policy covers all Museum-related work

8.2 Other related policies

Fraud control policy
Health and Safety Management Arrangements (HSMA)

8.3 Exclusions

None

8.4 Superseded policies

This policy supersedes:

Former policy title	Version number	Version date	Council approval date
Risk management	1.0	14 Oct 2008	28 Apr 2005
Risk management	1.0c	6 Jan 2010	Assistant Director approval Jan 2010
Risk management	2.0	Apr 2011	Chief Operating Officer approval Mar 2011

8.5 Monitoring

This policy will be reviewed in September 2013.