The Victoria Police Manual is issued under the authority of the Chief Commissioner of Police in s.60, Victoria Police Act 2013. Non-compliance with or a departure from the Victoria Police Manual may be subject to management or disciplinary action. Employees must use VPM Professional and ethical standards to inform the decisions they make to support compliance.

Risk Management

Context

In pursuing strategic, functional or operational objectives, Victoria Police faces uncertainties that can have an impact (negative, positive or both) on the ability to achieve those objectives. The effect of these uncertainties on objectives, is called risk.

Risk management is the coordination of activities to understand, and if appropriate, control, treat and monitor risk. Effective risk management protects and creates value by enabling informed decision making, setting and achieving objectives and improving performance. As a Victorian Public Sector organisation, Victoria Police is expected to ensure consideration of material risks in its decisions and appropriately manage the risks in view of the relevant obligations, constraints and overall objectives. Through improved risk management, Victoria Police can make better decisions and increase the chance of achieving service delivery and community safety performance objectives.

Contents

Policy and legislation

Victoria Police Executive Command recognises that risk management, as an integral part of culture, policies, systems and processes, is required to ensure community safety. Executive Command is committed to maturing Victoria Police's risk management framework and expects all employees to manage risks in their area of responsibility by making timely and informed decisions.

Risk management obligations include the requirement that all risk considerations must be shown in documentation and must be reflected in the organisation's overall governance, strategic planning, performance management, financial management and service delivery processes and outcomes.

These obligations are legislated under the *Financial Management Act 1994*, where the Minister for Finance has issued risk management and insurance standing directions. Victoria Police is mandated by the Ministerial Standing Direction *3.7.1 – Risk Management Framework and Processes,* to apply the Victorian Government Risk Management Framework (VGRMF).

The VGRMF describes the minimum risk management requirement to demonstrate risks are managed effectively. It adopts the *ISO 31000:2018 Risk management - Guidelines*, an internationally accepted basis for best practice risk management.

Responsibilities and procedures

1. All employees

1.1 *Risk assessments*

- Risk assessment is the process for identifying, analysing (understanding cause and impact/consequences) and evaluating the risk to determine if further action is required.
- All employees must:
  - conduct risk assessments as part of their normal activities. This may include risks associated with strategic, operational, project or business activity objectives and should refer to the policies and procedures relevant to the objectives
  - make sure they are comfortable that the risks are addressed or have plans in place to manage and/or mitigate risks
  - escalate risks to their line manager if it is beyond their scope of authority for action
  - document, report and monitor risk information, treatment plans and associated decisions, where applicable.
- The frequency, amount of effort and detail involved in risk assessments, treatments or controls, monitoring and documenting should be commensurate with the scale, size and severity of the risk.

1.2 *Referring to the Risk Management Framework*

For guidance on conducting a risk assessment and the risk management process, employees should refer to the Victoria Police Risk Management Framework. They can also refer to resources on the risk management intranet page for support and advice to apply the policy or framework.

2. Chief Commissioner, Executive Command and Command

2.1 *Leadership and commitment*

The Chief Commissioner is ultimately accountable for managing Victoria Police's risks and in accordance with the standing directions must formally attest to Victoria Police's compliance with its risk management obligations. Executive Command own and lead engagement with risk management by establishing:

- Victoria Police's Risk Management Framework and implementing all components, ensuring alignment with Victoria Police's objectives, strategy and culture
- governance structures - internal and oversight arrangements for managing risks and that organisational indicators are used to measure the organisation's risk management effectiveness
- consultation and reporting channels to escalate risks, where applicable, to the portfolio Minister, the Department of Justice and Community Safety and/or the State Significant Risk Interdepartmental Committee
- risk appetite - the type and amount of risk we are willing to accept to guide the development of risk evaluation criteria

- a positive risk culture through identifying and reinforcing appropriate behaviour.

2.2 *Integrating and managing risks*

- Executive Command and Command (Deputy Commissioners, Deputy Secretaries, Assistant Commissioners, Executive Directors, Directors and Commanders) are responsible for the integration of risk management into all organisational and respective Department activities. They must demonstrate leadership and a commitment to effective risk management by:
    - identifying, assessing and managing all risks within their areas of responsibility. This includes integrating with their planning and decision-making processes
    - recording and reporting risk appropriately, to ensure documentation provides a current and comprehensive view of their areas' risks (for example, by maintaining a current risk register)
    - collaborating across the organisation where there are interdependencies, overlap or conflict in objectives and/or control ownership to ensure the effective management of risks
    - allocating the necessary resources, and assigning authority and responsibility at appropriate levels, to manage risk
    - contributing to the identification and management of State significant risks or risks shared with other government departments or agencies relevant to their portfolio
    - monitoring and reviewing risks and the risk management process to check control effectiveness, consider impacts of changing circumstances and capture lessons learnt from event failures, near misses and successes for continuous improvement.
- There are mechanisms in place to support Command and their respective teams to fulfil their risk management obligations and enable Victoria Police to attest. These include:
    - Victoria Police governance structures
    - policy functions
    - the internal audit program
    - a dedicated risk function (Central Risk Team) to implement the Victoria Police Risk Management Framework and **VPM Risk management**.

2.3 *Organisational Risk Reporting*

Members of Victoria Police Command can be assigned specific organisational risks – risks that are most significant to Victoria Police. The responsibilities for assigned organisational risks are:

- overseeing the management of the risk by working with interrelated areas across the business and establishing indicators (using data) to monitor risk status
- reporting regularly, as required by Executive Command and the Audit and Risk Committee (ARC), to communicate the current risk status and progress of controls and treatments
- utilising the Governance Committees to assist in the monitoring and management of significant organisational risks aligned to the respective Committee
- escalating significant risks impacting relevant public entities, or of state significance, to enable the Chief Commissioner to advise the portfolio Minister.

3. Audit and Risk Committee

The ARC is responsible for overseeing and advising on risk management accountability and internal controls affecting Victoria Police. The ARC is not responsible for managing risk. Their role focuses on:

- reviewing and assessing the effectiveness of the organisation's risk management framework
- reviewing and providing oversight of the organisation's risk appetite and risk culture to ensure it is consistent with the organisation's expectations
- considering the organisation's risk profile and insurance arrangements
- reviewing, monitoring and verifying compliance with Ministerial Standing Direction 3.7.1 and reporting to the Chief Commissioner on the level of compliance attained.

4. Corporate Governance Committees

Corporate governance committee structures provide governance and advance the organisation's areas of focus as outlined in the Annual Plan. They support and reinforce a positive risk culture by being a forum that enables better understanding, assessment and monitoring of organisational risks related to their respective area of focus.

5. Investment, Governance and Assurance Department

5.1 *Policy Owner*

The Executive Director of the Investment, Governance and Assurance Department (ED IGAD) is the policy owner for Risk Management and is responsible for:

- ensuring the risk management policy is current and compliant with the VGRMF
- managing the risk management framework review process and improvement plans
- coordinating, on behalf of the Chief Commissioner, the annual attestation for risk management.

5.2 *Risk Management Framework Custodian*

Reporting to the ED IGAD, the Risk and Assurance Division's Central Risk Team (CRT) is responsible for the documentation, implementation and maintenance of the Risk Management Framework. Specifically, CRT is responsible for:

- providing strategic risk management advice to Executive Command and ARC, managing a centralised risk register for organisational risks and coordinating organisational risk reporting, to ensure a comprehensive understanding of Victoria Police's risk profile
- providing risk management support and advice to Departments to help them better understand their risks and enhance their risk management practices
- developing and organising resources and forums/training/workshops to help employees understand and manage risk.

Related documents

- Victoria Police Risk Management Framework
- Standing Directions 2018 (updated December 2019)
- Victorian Government Risk Management Framework August 2020
- ISO Standard 31000:2018 Risk Management - Guidelines
- Risk Management intranet page for Practice Guides and additional resources

Further advice and information

For further advice and assistance regarding this Policy, contact the Central Risk Team, Risk and Assurance Division, Investment, Governance and Assurance Department via the CENTRAL-RISK-TEAM PBEA or phone: (03) 8335 6127.

Update history

DATE UPDATED	SUMMARY OF CHANGE	FORCE FILE NUMBER
18/07/11	First issued	
16/01/13	Updated to reflect organisational governance and structural changes	FF-074790
21/07/14	Updated to reflect revised Risk Management Framework	FF-078745
22/07/16	Updated to enhance requirements around maintaining risk registers	FF-0992191
30/08/16	Updated to reflect updated governance structure	FF-0992191
25/10/16	Inclusion of new Risk Management and Safety Systems and updated to new format	FF–106468
11/01/2020	Rewritten as part of the Risk Management Framework review to comply with the updated VGRMF (August 2020). It also reflects the current approach to risk management at Victoria Police and removes references to Risk Management & Safety Systems (RMSS) which has been decommissioned.	FF-140921
26/03/2024	Updated the department name from "Governance and Assurance Department" to "Investment, Governance and Assurance Department"; Removed hyperlinks.	N/A