

Sample Risk Management Policy Outline

The Policy developed by each public sector entity should incorporate:

1. Preliminaries

This section may include table of contents, abbreviations and acronyms, definition of terms, foreword, preface and acknowledgment.

2. Chapter 1: Introduction and Background

The section may include an introduction and background of the entity.

In developing the chapter make reference to the legal mandate, vision, mission, core values, strategic objectives and organizational structure.

3. Chapter 2: Overview of Risk Management

The section should include:

- a) An introduction and background of risk management in the public sector.
- b) Purpose/Objectives and Benefits: Outline the purpose of the risk management policy.
- c) Rationale for risk management
- d) Scope of application
- e) Methodology in the development of the policy(optional)
- f) Principles of Risk Management
- g) Risk management policy statement
- h) Risk culture statement(s)
- i) Risk categories
- j) Risk appetite statement(s)

4. Chapter 3: Risk Management Governance Structure

This Chapter should include:

- a) Risk management governance structure of the organization.
- b) Roles and responsibilities - Indicate who is involved in risk management and what their responsibilities are, from the Cabinet Secretary to the Principal Secretary, the Board, Audit Committees, the Chief Executive Officer/Accounting Officer, PFM Standing/Risk Management Committees, line Managers, Risk Managers, Internal Audit, other assurance providers, staff and other relevant stakeholders.
- c) Entities are encouraged to refer to the Public Sector risk management guidelines for practical guidance on the process

5. Chapter 4: Risk Management Process

This Chapter should describe the steps involved in the risk management process. Entities are encouraged to make reference to the Public Sector Risk management guidelines for practical guidance on the risk management process.

6. Chapter 5: Review and approval

This Chapter should state how often the risk management policy will be reviewed. Entities are encouraged to customize templates to operationalize various sections of the policy.