

BASKETBALL NSW

RISK MANAGEMENT FRAMEWORK

INCLUDES:

BASKETBALL NSW RISK APPETITE

BASKETBALL NSW RISK POLICY

BASKETBALL NSW RISK PROCEDURE

BASKETBALL NSW RISK MATURITY MODEL

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1. Executive Summary

The Risk Management Framework of Basketball NSW (BNSW) is designed to establish protocols for identifying, analysing, and managing risks to ensure the organisation's operational continuity and resilience. The framework aims to enhance safety, promote financial stability, build trust and confidence, ensure compliance with legal standards, maintain business continuity, and strengthen decision-making processes. By prioritising risk governance, culture, capability, and organisational resilience, Basketball NSW aims to embed proactive risk management practices throughout its operations.

Objectives:

The risk management framework of Basketball NSW aims to enhance safety, ensure financial stability, build trust and confidence, maintain compliance, ensure business continuity, enhance resilience, optimise decision-making, and establish sound risk governance practices. The framework focuses on aligning these objectives with the organisation's strategic goals.

Risk Management Strategy:

The key areas of focus for implementing the risk management framework include risk governance, risk culture, risk capability, risk management practices, and organisational resilience. These areas are crucial for assessing the maturity of risk management practices within Basketball NSW.

Prevention, Preparedness, Response, and Recovery (PPRR) Strategy:

This model plays a significant role in embedding risk management practices by encouraging thorough analysis of each risk dimension and outlining strategies for prevention, preparedness, response, and recovery in case of disruptions.

Risk Appetite Statement:

The risk appetite statement defines areas of risk associated with strategic objectives and outlines the approach to managing risks within acceptable tolerance levels. It emphasises the importance of managing identified risks and implementing mitigation strategies effectively.

Risk Policy:

The risk policy outlines the responsibilities of the board, CEO, management, and other stakeholders in managing risks effectively. It emphasises the importance of risk identification, assessment, monitoring, and reporting to achieve strategic objectives.

Risk Procedure:

This document provides a structured approach for proactive risk management across Basketball NSW. It outlines the risk management principles, risk identification processes, risk assessment criteria, risk grading, and actions required based on risk levels.

Risk Management Capability Maturity Model:

This model assesses the organisation's maturity in risk governance, risk culture, risk capability, risk management framework & practices, and organisational resilience. It categorises the maturity levels from "SIMPLE" to "ADVANCED" to evaluate the effectiveness of risk management practices.

In conclusion, the Risk Management Framework outlined by Basketball NSW serves as a comprehensive guide for all stakeholders involved in enhancing the organisation's risk management practices. By implementing this framework effectively, everyone working within Basketball NSW can contribute to the success and advancement of the sport, ensuring a safe, resilient, and successful environment for all participants and enthusiasts. Through collaborative efforts in adhering to the principles and processes outlined in this framework, BNSW can continue to thrive as a leading entity in the sporting realm, fostering a culture of excellence and innovation for the benefit of all involved.

2. Basketball NSW Risk Management Framework

Introduction

The purpose of this risk management framework is to serve as a structured approach to identifying, assessing, and mitigating risks that could potentially impact BNSW's objectives and operations. By providing a systematic process for understanding and addressing risks, this framework will help BNSW and the BNSW community proactively anticipate uncertainties, make informed decisions, and enhance overall resilience.

Through the establishment of clear policies, procedures, and guidelines, this robust risk management framework will enable BNSW to safeguard assets, optimise opportunities, and maintain continuity in the face of unforeseen events. Ultimately, the purpose of a risk management framework is to cultivate a culture of risk awareness, promote effective risk mitigation strategies, and support the sustainable growth and success of the organisation.

Objectives






The BNSW risk management framework aims to achieve:

1. **Enhanced Safety:** Ensuring the safety and well-being of athletes, staff, spectators, and all involved in sporting activities is a primary objective
2. **Financial Stability:** Managing financial risks effectively to ensure financial resilience and stability.
3. **Trust and Confidence:** Building BNSW's reputation as a progressive sports leader.
4. **Compliance:** Ensuring that the BNSW meets all compliance standards, legal, regulatory and guidelines requirements.
5. **Business Continuity:** Ensuring that sporting activities continue smoothly even in the face of disruptions.
6. **Sound Decision-Making:** Implementing a structured risk assessment approach to BNSW decisions balancing risks against potential rewards to choose the best course of action.

7. **Enhanced BNSW Resilience:** Building resilience to withstand challenges, adapt to changing circumstances and manage emerging risks.
8. **Sound risk governance:** Annual maturity assessments, quarterly board reporting, regular policy, procedure and plan reviews and ongoing maintenance of the Governright Risk Register.

Risk Management Strategy

The key focus areas for implementing the risk management framework in Basketball NSW involves a comprehensive approach encompassing risk governance, risk culture, risk capability, risk management framework, BNSW resilience and agility. These focus areas are the key areas for measuring the maturity of risk management maturity within BNSW.

<p>RISK GOVERNANCE</p> 	<p>Risk governance establishes the structure for ownership, responsibilities, and reporting protocols essential for managing risks effectively across all levels within BNSW.</p>
<p>RISK CULTURE</p> 	<p>Building a positive risk culture will instil shared attitudes and behaviours that promote open discussions on risks, fostering a transparent and proactive risk identification process.</p>
<p>RISK CAPABILITY</p> 	<p>By focusing on enhancing risk capability through people, systems, and processes, BNSW ensures the presence of necessary resources to manage risks aligned with its vision</p>
<p>RISK MANAGEMENT FRAMEWORK & PRACTICES</p> 	<p>Effective risk management practices further strengthen the connection between risks and strategic goals, leveraging tools for risk analysis, treatment development, and shared risk management</p>
<p>BNSWAL RESILIENCE AND AGILITY</p> 	<p>BNSW resilience and agility are achieved through continuous evaluation and adaptation to evolving risk landscapes, enabling BNSW to proactively address emerging risks and uncertainties.</p>

Risk Management Framework Approach

BNSW has implemented this Risk Management Framework to embed risk management practise across the BNSW. It systematically incorporates supporting BNSW's best practice to ensure that BNSW is meeting its risk management framework objectives.



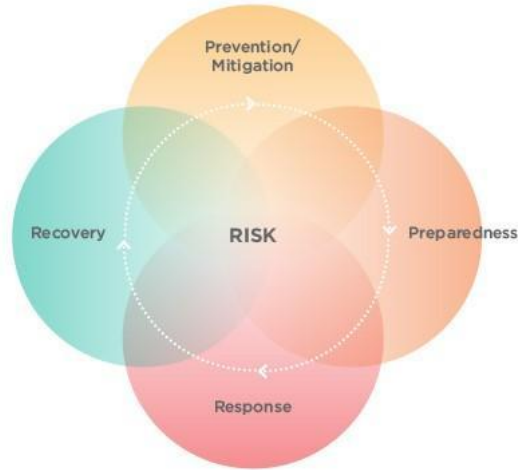
The Risk Management Framework plays a crucial role in embedding risk management practices across Basketball NSW in various ways:

1. **Risk Maturity Annual Assessment:** By conducting regular risk maturity assessments, the BNSW can gauge its current risk management capabilities and identify areas for improvement. This ongoing evaluation helps in understanding the BNSW's risk landscape and fostering a culture of continuous improvement and will be completed in June of each year..
2. **Risk Tolerance Statement:** A clear risk tolerance statement establishes boundaries on acceptable levels of risk for the BNSW. By defining these limits, stakeholders can make informed decisions aligned with the BNSW's risk appetite, thus guiding risk-taking behaviours and actions.

3. **Risk Management Policy:** The risk management policy outlines the principles, responsibilities, and processes governing risk management within Basketball NSW. This policy serves as a roadmap for integrating risk management into the BNSW's activities, ensuring a consistent approach across all operations.
4. **Risk Management Procedure:** The risk management procedure provides a systematic and structured approach to identifying, assessing, and responding to risks effectively. By following established procedures, stakeholders can navigate potential risks in a proactive and coordinated manner, promoting a culture of risk awareness and resilience.
5. **Governright Risk Register:** Maintaining a Governright Risk Register serves as a central repository for documenting and tracking identified risks, their potential impacts, and mitigation strategies. This tool facilitates transparency, accountability, and visibility into the BNSW's risk profile, enabling informed decision-making at all levels.
6. **Business Continuity Plan:** The Business Continuity Plan outlines strategies and procedures to ensure essential functions can continue during and after a disruptive incident. By having a robust plan in place, Basketball NSW can minimise downtime, protect critical operations, and enhance overall resilience in the face of unexpected disruptions.
7. **Incident Response Plan:** The Incident Response Plan establishes protocols for responding to and managing incidents effectively. By having a clear plan of action in place, the BNSW can mitigate potential damages, maintain stakeholder trust, and swiftly address unforeseen events that may impact operations.
8. **Event Risk Assessment Procedure:** The Event Risk Assessment Procedure outlines steps for identifying and evaluating risks associated with various sporting events. By conducting thorough risk assessments, Basketball NSW can proactively address safety concerns, comply with regulations, and ensure the smooth execution of events while prioritising the well-being of participants and attendees.

Incorporating these elements within the Risk Management Framework empowers BNSW to cultivate a risk-aware culture, enhance decision-making processes, and strengthen resilience in the face of uncertainties, thus fostering sustainable growth and success within the BNSW.

The Prevention, Preparedness, Response and Recovery (PPRR) strategy



The use of the PPRR model across the BNSW Risk Management Framework plays a significant role in embedding risk management practices across BNSW by encouraging the analysis of each risk from all angles of the risk

1. **Prevention:**

- o BNSW maintains a thorough risk register In Governright with controls in place to either eliminate or reduce the impact of identified risks on the BNSW's operations.
- o By focusing on the assessment of key risks, BNSW develops strategies aimed at preventing injuries, incidents or disruptions from occurring or escalating, thereby fostering a culture of risk prevention.

2. **Preparedness:**

- o Through business impact analysis and incident response plans, BNSW identifies and prioritises critical activities that are vulnerable to disruption, enabling the BNSW to develop specific response plans that ensure a well-considered and prompt reaction to potential risks.

3. **Response:**

- o The Incident Management Plan within the PPRR framework outlines detailed response protocols that guide Basketball NSW in managing incidents effectively. This structured approach helps in containing incidents and limiting disruptions to normal operations.

4. **Recovery:**

The Business Continuity Plan incorporated within the PPRR framework includes recovery strategies that outline steps to bring operations back to their regular state, thereby reducing downtime and facilitating a swift return to normalcy after an incident.

Glossary

Term	Description
Asset Protection	Measures taken to safeguard physical, financial, and intellectual assets of the BNSW
Business continuity plan	A document containing the information required to ensure that BNSW is able to resume critical business activities should a crisis/disaster occur.
Business continuity planning	A process that helps develop a plan document to manage the risks to a NNSW, ensuring that it can operate to the extent required in the event of a crisis/disaster.
Business impact analysis	The process of gathering information to determine basic recovery requirements for BNSW's key business activities in the event of a crisis/disaster.
Communication protocols	Guidelines and methods for effective and timely communication within BNSW during a crisis.
Consequence	Outcome of an event. A consequence can be certain or uncertain and can have positive or negative or direct or indirect effects on objectives.
Control	Measure that maintains and / or modifies risk. Controls include, but are not limited to, any process, policy, device, practice, or other conditions and / or actions which maintain and / or modify risk.
Essential Services	Core functions and services critical for BNSW to operate effectively.
Evacuation Plan	Procedures for safely relocating individuals from a building or area during an emergency.
Event	Occurrence or change of a particular set of circumstances. An event can have one or more occurrences and can have several causes and several consequences.
Incident Response	Immediate actions taken to address and manage an unforeseen event or emergency.
Key business activities	Those activities are essential to deliver outputs and achievement of BNSW business objectives.
Key risk indicator	A metric used to measure the likelihood of a risk event or the effectiveness of controls that prevent a risk event. They provide an early signal of increasing risk exposures.
Likelihood	Chance of something happening. In risk management, 'likelihood' is used to refer to the change of something happening, whether defined, measure or determined objectively or subjectively, qualitatively or quantitatively, and described using general terms or mathematically.
Recovery Strategy	Plans and processes designed to restore operations to a normal state following a disruptive incident.
Recovery Time Objective (RTO)	The time from which BNSW declares a crisis/disaster to the time that the critical business functions must be fully operational in order to avoid serious financial loss.
Residual risk	The risk remaining after risk treatment; also known as retained risk. Can include unidentified risk.
Resources	The means that support delivery of an identifiable output and/or result. Resources may be money, physical assets, or most importantly, people.
Risk	The effect of uncertainty on objectives. An effect is a deviation from the expected. It can be positive, negative or both, and can address, create or result in opportunities and threats. Objectives can have different aspects and categories and be applied at different levels.
Risk analysis	Process to understand the nature of the risk and to determine the level of risk.
Risk appetite	The types and amounts of risk that an agency is willing to accept in the pursuit of its strategic and business objectives.
Risk Assessment	Evaluation of potential threats and vulnerabilities that may impact the BNSW's operations.

Risk criteria	Terms of reference against which the significance of risk is evaluated. Based on organisational objectives and internal and external contexts. Risk criteria can be derived from standards, laws, policies and other requirements.
Risk culture	Risk culture refers to the system of beliefs, values and behaviours throughout an organisation that shapes the collective approach to managing risk and making decisions. A positive risk culture is one where every person in the agency believes that thinking about and managing risk is part of their job.
Risk evaluation	The process of assessing risk analysis results to determine whether the risk and/or its magnitude is acceptable or tolerable. Risk evaluation assists the decision about risk treatment and needs to consider the risk appetite and risk tolerance of the organisation.
Risk event	An occurrence or change of a particular set of circumstances. May have one or more occurrences and can have several causes. An event can consist of something not happening and may also be referred to as an 'incident'.
Risk identification	The process of finding, recognising and describing risks. Involves the identification of risk sources, events and potential consequences. Can involve historical data, theoretical analysis, informed and expert opinions and stakeholder needs.
Risk profile	A description of any set of risks. The set of risks can contain those that relate to the whole organisation or part of the organisation.
Risk management	The process of defining and analysing risks, and then deciding on the appropriate course of action in order to minimise these risks, whilst still achieving business goals.
Risk management framework	Set of components that provide the foundations and organisational arrangements for designing, implementing, monitoring, reviewing and continually improving risk management throughout the organisation.
Risk management process	Systematic application of management policies, procedures and practices to the activities of communicating, consulting, establishing the context, and identifying, analysing, evaluating, treating, monitoring and reviewing risk.
Risk maturity	The benchmarking of an agency's risk management framework relative to leading practice
Risk source	Element which alone or in combination has potential to give rise to risk.
Risk strategy	A risk management strategy (may be referred to as the risk plan or risk policy) that outlines and describes the key elements of the risk management framework. It specifies the approach, the management components and resources to be applied to the management of risk.
Risk tolerance	The organisation's readiness to bear the risk after risk treatment in order to achieve objectives. Risk tolerances are based on the maximum level of acceptable risk and may be expressed in various ways depending on the nature of the risk.
Risk treatment	Process to modify risk, may include deciding to take, retain, avoid, remove, change or share the risk. Risk treatments that deal with negative consequence may also be referred to as risk mitigation.
Stakeholders	Individuals or groups who have an interest or are affected by the activities and outcomes of BNSW.

BASKETBALL NSW BOARD

RISK APPETITE

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Basketball NSW Risk Appetite Statement

1. Purpose

The Board of Directors of BNSW acknowledges that, in pursuit of its strategic objectives, will face risks related to the following matters:

1. Health and Safety
2. Strategic Plan Delivery
3. Operational Delivery
4. Corporate Governance and Integrity
5. Brand and Reputation
6. Finance
7. Data and Digital Transformation
8. Assets and Infrastructure
9. People and Culture
10. Organisational Resilience

BNSW is committed to systematically and diligently managing these risks and emerging risks that may arise that have an impact on BNSW's strategy and operations.

This Risk Appetite Statement describes BNSW's approach to managing risk and provides the basis for setting acceptable levels of risk tolerance and identifying and implementing mitigation strategies. Risks residually rated as "Extreme" or "High" in BNSW's Risk Assessment Matrix will be subject to careful and more regular Board and Management review and, where possible, will be managed down to a residual risk rating of "Medium" or "Low".

2. BNSW Strategic Risk Objectives

BNSW risk for BNSW can be conceptualised in two ways:

Risk coming from ambition: We focus on growth and how much we can grow with the current available spaces to play, capability of our associations and demand. This is how BNSW conceptualises risk appetite.

Risk is downside mitigation: What action should we take to ensure things don't go wrong. This is how BNSW thinks about risk management.

2. BNSW Board role

This document sets out the risk appetite deemed acceptable by the BNSW Board, as one foundational element of our risk management approach for the BNSW.

Our risk appetites (yes, plural because multi-dimensional) and risk management approaches are defined by two objectives at BNSW:

- We want to grow the sport of Basketball in a controlled way ensuring best practise governance and financial viability and that our member associations are maintained and can service the participants and provide a positive customer experience to maximise retention.
- We want to ensure strong financial viability meeting agreed financial metrics each year, while recognising some of our specific programs and initiatives may achieve less than we would like and, in some instances, may fail. Where we fail, we want to fail on a small scale and fast.

Risk is not separate from our everyday decisions. It is part of every decision to a greater or lesser extent. For this reason, risk should be managed by the CEO, CFO, senior leadership team and line managers.

Therefore, the Board's risk function, supported by the Risk and Compliance Committee, should focus on effective risk governance, as most of the risk is actively managed by the CEO, their delegated risk staff, senior leadership team and line managers. The Board is not responsible for checking on or managing our risk position in operational departments with the business. That is the relevant leader's role.










The Board's role is to:

- manage the framing of our risk appetite and how we manage risk.
- ensure the implementation of the risk appetite and ongoing management of risk through quarterly reporting.

Basketball NSW will review its organisation risk appetite and risk management on an annual basis as part of its business planning process. This process will be overseen by the Board, with support from the Risk and Compliance Committee, and managed by the CEO and their delegated risk management staff.

3. Risk Appetite Scale

BNSW assesses its risk appetite in relation to risks using the follow risk appetite scale:

Risk Appetite	Description	Rating
Zero tolerance	BNSW will avoid taking on any risk	
Low	BNSW preference is to take caution and accept as little risk as reasonably possible (ALARP)	
		
Medium	BNSW takes a balanced view to risk taking	
		
High	BNSW is willing to consider options having greater than normal inherent risk	
		
Extreme	BNSW willing to take on an aggressive level of risk taking	
		

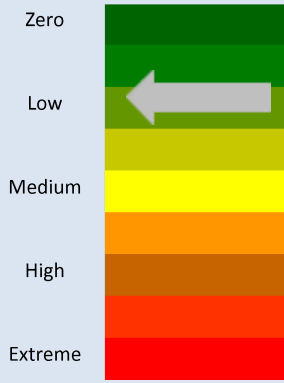
4. Risk Appetite Statements


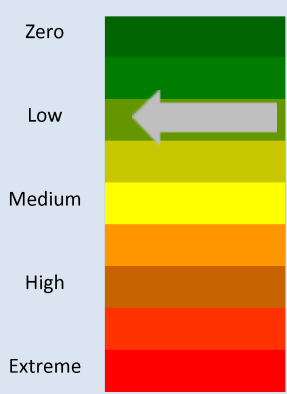

At Basketball NSW we embrace a moderate level of risk in pursuit of our mission to foster growth in participation and fandom within our community. Recognising the imperative for innovation to diversify income streams and enhance access to facilities and infrastructure, we acknowledge the inherent need to navigate uncertainties and challenges effectively.

Our commitment to moderate risk signifies our willingness to explore new avenues, experiment with novel ideas, and invest in initiatives that propel us towards our strategic objectives. While we acknowledge the potential for setbacks and uncertainties along this journey, we remain steadfast in our pursuit of sustainable growth and development.

This moderate risk appetite is grounded in a balanced approach that prioritises prudent decision-making, diligent assessment of opportunities, and proactive risk management strategies. We aim to leverage opportunities for innovation while maintaining a vigilant eye on potential threats and vulnerabilities that may arise.

As we endeavour to expand our reach, enhance engagement, and enrich the basketball experience for all stakeholders, we embrace calculated risks that align with our overarching goals and values. By fostering a culture that encourages innovation, adaptation, and continuous improvement, we strive to achieve meaningful progress while safeguarding the long-term sustainability of Basketball NSW.

Health and Safety Risk - BNSW Community	Health and Safety Risk Appetite
<p>BNSW is committed to providing the highest standards of health, safety and welfare for its athletes, staff, fans and participants.</p> <p>BNSW seeks, wherever it is reasonably practicable to do so, to avoid inherently risky activities and to manage work health and safety risks and injuries to the lowest extent possible.</p>	 <p>Zero</p> <p>Low</p> <p>Medium</p> <p>High</p> <p>Extreme</p>
Health and Safety Risk - Child Safety and Safeguarding	Child Safety and Safeguarding Risk Appetite

<p>BNSW is committed to providing a safe and respectful environment for its staff, volunteers, athletes and participants. Staff and athletes must always be protected from physical and psychological harm and BNSW is committed to eradicating all forms of discrimination, harassment and bullying.</p> <p>BNSW has a zero-tolerance approach to any form of abuse or exploitation of its staff, volunteers, athletes and participants (including children).</p>	
<p>Data and Digital Transformation - Technology Risks</p>	<p>Technology Risk Appetite</p>
<p>BNSW's technology platform is critical to its ability to service and connect with its broad range of stakeholders. It is also a critical enabler of competition management capabilities for BNSW's many associations, volunteer administrators and participants.</p> <p>BNSW's information technology security program must be robust enough to mitigate the various cyber threats to which BNSW is exposed.</p> <p>BNSW has a low appetite for accepting risks that may compromise its ability to service and connect with its stakeholders.</p>	
<p>Data and Digital Transformation - Security Risks</p>	<p>Data Security Risk Appetite</p>
<p>BNSW acknowledges its obligations in respect of personal information and is not willing to accept the risk of financial loss and reputational damage associated with the breach of data protection legislation.</p> <p>BNSW has zero tolerance for the loss, or unauthorised disclosure, of personal information or other commercially sensitive information, however it may occur.</p>	
<p>Financial Risks</p>	<p>Financial Risk Appetite</p>

BNSW is a not-for-profit BNSW that exists to service its members and administer the sport of basketball in NSW. It must remain financially sustainable to do this.

As such, BNSW has a low-risk appetite for the irresponsible use and allocation of its financial resources.



Finance - Commercial Risks

One of BNSW's key source of revenue is with commercial partners. BNSW intends to be commercially nimble, entrepreneurial and look for ways to sustainably grow and diversify its revenue base through the introduction of new products and partnerships and secure the financial underpinning of its strategic objectives.

BNSW has a medium appetite to explore and take commercial risks, within reason. the financial strength and solvency of BNSW and our cash flow viability looking forward

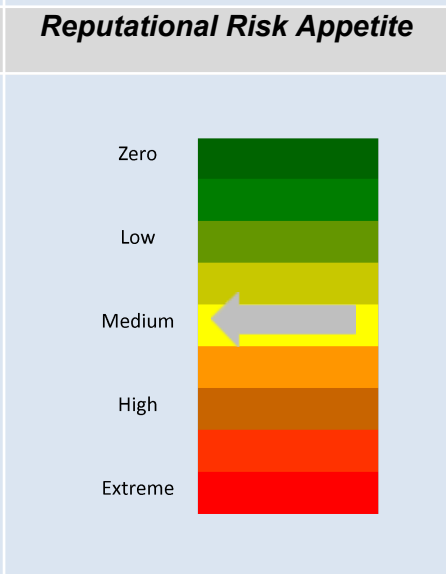


Brand and Reputational Risks

BNSW has a commitment to innovative strategies that enhance visibility and engagement, while maintaining stringent standards of integrity and transparency to safeguard the BNSW's credibility and trustworthiness within the community and beyond.

BNSW will seek to communicate clearly and transparently at all times, subject to the various codes and policies to which BNSW and its athletes are subject, and will seek to ensure that key stakeholders are appropriately informed of key matters.

BNSW has a low appetite for any activity that may compromise the brand or credibility of BNSW



Corporate Governance and Compliance - Legal Risks

Legal Risk Appetite

Any failure by BNSW to comply with legal, regulatory and legislative compliance requirements is almost certain to lead to financial and reputational damage for BNSW and the sport of basketball.

BNSW has a zero-tolerance approach to failure to comply with legal, regulatory and legislative compliance requirements to which it is subject.



Strategic Plan Delivery Risks

BNSW operates in a highly competitive environment, where multiple sports, leisure and entertainment products are competing for consumer and participant attention. BNSW needs to be agile, nimble and positioned to adapt to the changing world in which it lives and operates.

As such, BNSW is willing to accept a moderate to high level of risk in pursuit of its strategic objectives.



Operational Delivery

innovation is embraced to improve efficiency and access, while prioritising robust processes and contingency plans to mitigate disruptions and ensure the smooth functioning of essential operations



5. Risk is multi-dimensional and interwoven

Risk is multi-dimensional in that we are exposed to risks in our strategy, balance sheet, WHS, programs, leagues, systems etc. (see table below) – there are many different dimensions of our business and organisation.

This multi-dimensional risk is interwoven in that the risk appetite we set on some risk dimensions will shape the risk choices we make on other risk dimension. Should we wish to take bigger risks in some areas, then to ensure our long-term future, we need to be risk averse in other areas.

6. Risk Management approach

On each of these risk dimensions, we expect that the individual responsible for managing that particular risk will use two complementary approaches to ensure that we manage our risks within our risk appetite.

First, each responsible individual will draw on a simple likelihood – consequence matrix to inform their decision regarding whether we need to take actions to reduce a risk in line with our risk appetite. We expect individuals to make sensible judgements informed by the key concepts underpinning the matrix on a day-to-day basis. A whole-of-BNSW risk register is assembled to record typical business risks and controls.

Second, where we can further reduce risk below our risk appetite at no or relatively very little cost to the business (where cost is framed broadly as impact on our reputation as a business, improved processes and/or cultural alignment etc, we should do so.

7. Risk Treatment approach

Where the assessed residual risk exceeds the risk appetite, the individual responsible for managing that risk should seek to treat the risk. Risk treatment should be an iterative practice of formulating, planning, assessing and monitoring of risk treatment options until the risk level becomes acceptable. * Where the residual risk cannot be managed within BNSW's risk appetite, the risk should be escalated to the Board to be accepted or rejected.

When selecting risk treatment options, we should ensure risk treatments do not create unnecessary obstacles to innovation, communication and day-to-day operation. Risk treatments should be considered holistically, and weigh competing factors such as reputation cost, people welfare, BNSW's complexity and financial cost.

8. Implementation of treatments

Ultimately, the removal of an unacceptable risk source is the preferred treatment; however, if this is not feasible, the selected alternate mitigation must materially affect the likelihood or consequence of the risk, share the consequence of the risk (i.e., through insurance) and/or demonstrate appropriate consideration and due diligence if the risk is to be accepted.

Therefore, the implementation of treatments should be planned, deliberate, and involve the early communication and education of staff to ensure processes are integrated and operationalised with minimal disruption to business as usual.

BASKETBALL NSW

RISK POLICY

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NSW Office of Sport template used for the creation of this document for Basketball NSW	

Basketball NSW Risk Policy

1. Rationale

This risk management policy has been developed to assist the BNSW achieve the benefits of the identification and management of risks to which it is exposed. It articulates the BNSW's focus on and commitment to managing risk.

2. Introduction

The BNSW Board and Chief Executive Officer view risk management as integral to its strategic objectives of:

- a) providing for the conduct, encouragement, promotion and administration of the BNSW and the sport.
- b) increasing participation in the sport.
- c) growing and diversifying the BNSW's revenues.

This Policy sets the framework to manage the risks associated with achieving these core strategic objectives. It is designed to identify, assess, monitor and manage risk.

3. Risk Responsibility

Role	Responsibility
Board	<ol style="list-style-type: none"> a) the establishment and implementation of risk management systems and reviewing their effectiveness. b) Implementing the Risk and Compliance Committee, its Charter and reporting to the Board; c) overseeing the creation, implementation and maintenance of its risk management system and its internal-control framework, including information systems; d) establishing a risk profile and setting out both financial and non-financial material and/or strategic risks facing it; e) reviewing risks on a quarterly basis, including identifying new risks, changes to existing risks and retirement of previously identified risks (through a formal process); f) determining who owns risks, in accordance with function or expertise; g) regular reporting to the Board of the status of risks including relevant treatment(s); h) appraisal of risk owners' actions taken to manage risk and correct inappropriate performance; i) internal compliance and control systems for the implementation of the risk management plan; j) consideration of non-financial audits; and

	<ul style="list-style-type: none"> k) compliance with regulatory requirements and best practice.
CEO	<ul style="list-style-type: none"> a) Setting the tone for a culture of risk awareness and management within the BNSW b) Establishing risk management policies and procedures. c) Ensuring that risk management strategies align with the BNSW's overall objectives. d) Monitoring key risk indicators and overall risk exposure. e) Reporting to the Board on the BNSW's risk profile and effectiveness of risk mitigation strategies
Senior Leadership Team/ Managers	<ul style="list-style-type: none"> a) Identifying and assessing risks within their departments or teams. b) Developing and implementing risk management plans specific to their areas of responsibility. c) Monitoring key risk metrics and escalating significant risks to senior management. d) Ensuring that staff members are trained on risk management protocols. e) Reporting on risk mitigation activities and outcomes to senior management.
BNSW Staff	<ul style="list-style-type: none"> a) Participating in risk identification and reporting processes within their scope of work and during operational duties. b) Following established risk management protocols and procedures. c) Reporting any potential risks or issues to their supervisors or risk management team. d) Following safety and security guidelines to minimise operational risks. e) Engaging in ongoing risk awareness training and development activities.
Officials	<ul style="list-style-type: none"> a) Identifying and mitigating risks related to player safety, game integrity, and compliance with rules. b) Monitoring and enforcing risk management protocols during games or events. c) Reporting any safety concerns or rule violations to appropriate officials. d) Collaborating with relevant stakeholders to address risks in a timely manner. e) Participating in risk management training and education programs.
Players	<ul style="list-style-type: none"> a) Following safety guidelines and protocols to minimise personal and team risks. b) Reporting any injuries or safety concerns to team officials or medical staff. c) Adhering to rules and regulations to maintain fair play and sportsmanship. d) Participating in risk management briefings and training sessions.

- e) Supporting team efforts to identify and reduce risks associated with gameplay.

4. Risk identification

Key risks will be identified and analysed by the BNSW Senior Leadership Team who will:

- a) define risks in the context of its strategic objectives;
- b) develop risk profiles, including a description of the material risks, the risk level and actions used to mitigate the risk;
- c) regularly review and update risk profiles.

5. Risk Management, Compliance and Control

To develop a culture of risk management, the Senior Leadership Team will determine appropriate responses to manage risk, including implementing risk action plans and a risk register.

Through the CEO the BNSW will:

- a. implement a systematic process to identify, assess, treat and monitor risk(s);
- b. provide the necessary tools and resources to support the effective management of risks;
- c. review and communicate risk management best practice on a regular basis.

6. Assessment and Effectiveness

The BNSW will assess how effective its risk management plan is by undertaking structured continuous improvement processes. This will ensure continual monitoring and review of risks and controls. The appraisal of risk owners in managing risks should be included in these processes.

7. Reporting

The BNSW will ensure that its Board is regularly informed of significant risk management issues and the actions undertaken to manage risks on a regular basis. The Board will receive quarterly reports and the results of an annual maturity assessment.

8. Review

The Board will review this policy annually and as often as is necessary and will make any changes it determines necessary or desirable.

9. Access to the Policy

This Policy is available on the BNSW's website.

BASKETBALL NSW

RISK PROCEDURE

Version:	1.0
Date Adopted by BNSW Board:	26 April 2024
Effective Date:	26 April 2024
Review Frequency:	June 2026
CEO is responsible for this document.	
NSW Office of Sport template used for the creation of this document for Basketball NSW	

Basketball NSW Risk Procedure

1. Objective

Basketball NSW is committed to the formal, systematic, and structured proactive management of risks across the organisation. Risk is not something to be avoided, but to be understood and leveraged in pursuit of a successful organisation. BNSW recognises that whilst risk is inherent in all its activities, the management of risk is good business practice, creates value, is integral to sound corporate governance and in some instances, a mandatory legal requirement. In particular, effective risk management can lead to better decision making and planning as well as better identification of opportunities and threats.

2. Scope

This procedure applies to all directors, management, employees, and volunteer members of BNSW. This procedure also includes all members, officers, and staff at all levels of the organisation.

3. Overview

This procedure has been developed to guide implementation of the Risk Management Framework of Basketball NSW.

- Risk and the management of risk will be identified and monitored according to the Risk Management Framework that is approved by the Board.
- Risk assessments will be conducted on all new activities, ventures, and projects prior to commencement to ensure alignment with the BNSW risk appetite and organisational objectives.
- Risks will be identified, reviewed, and monitored on an ongoing basis as outlined in this procedure.
- Risks will be assessed against the Risk Management Matrix as outlined in this procedure.
- Potential and relevant risks that are identified will be recorded within the Risk Register.
- Potential and relevant risks will be assigned to an owner whose responsibilities are specified in this procedure.

4. Risk Management Principles

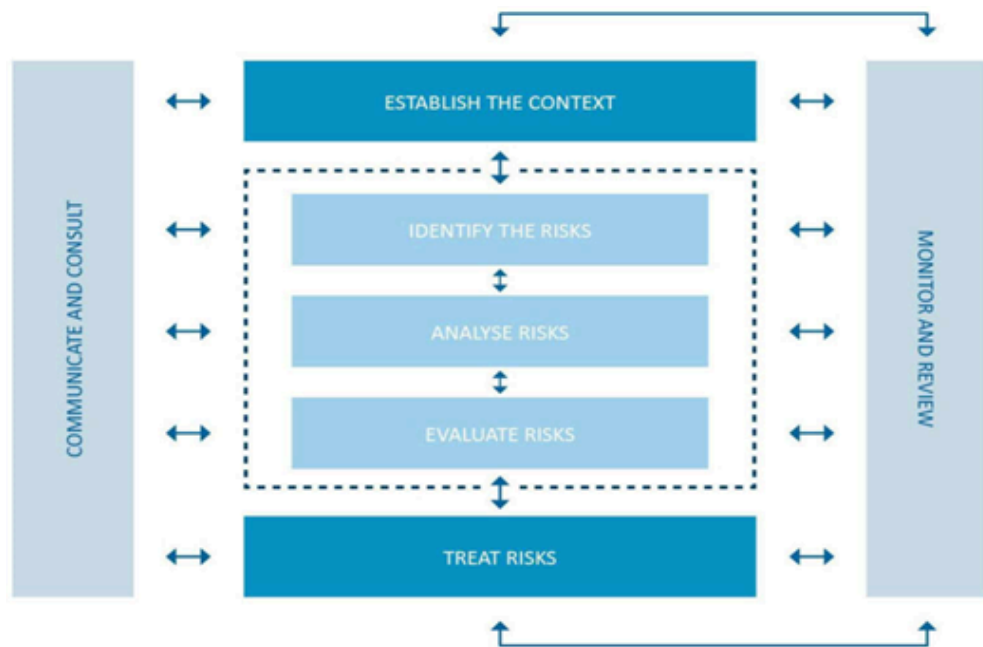
BNSW has adopted the principles detailed in AS/NZS ISO 31000:2009, and HB 246:2010 to ensure risk management is effective within the organisation. These principles are:

- Risk management creates and protects value.
- Risk management is part of decision making.
- Risk management explicitly addresses uncertainty.
- Risk management is systematic, structured, and timely.
- Risk management is based on the best available information.
- Risk management is tailored.

- Risk management takes human and cultural factors into account.
- Risk management is transparent and inclusive.
- Risk management is dynamic, iterative, and responsive to change.
- Risk management facilitates continual improvement of the organisation

5. Risk Management Process

BNSW risk management process is based upon the AS/NZS ISO 31000:2009, Risk Management Process as illustrated below.



Risks identified using the Risk Management Framework that was approved by the BNSW Board will be managed according to this process.

6. Compliance and Control

In developing a culture of risk management, BNSW’s CEO and the senior leadership team is responsible for appropriate responses to manage risk, aided by the creation of a risk register which includes the risk mitigation plans. To enable this, BNSW has implemented a systematic process to assist in the identification, assessment, treatment, and monitoring of risks and provides the necessary tools and resources to employees to support the effective management of risks.

On a quarterly monthly basis, BNSW CEO and Senior leadership Team will review the risk register, and communicate this to the Advisory Committees, seeking their input and recommendations on any updates. This will be presented to the Risk and Compliance committee at their quarterly meeting. BNSW also

assesses the effectiveness of its risk management procedure through structured processes to ensure that risks and controls are monitored and reviewed. This includes appraisal of the actions taken by risk owners to manage risks. It is the responsibility of the Risk and Compliance Board sub-committee to provide this oversight role and report on the risks identified by the CEO and Senior Leadership team to the BNSW Board.

7. Risk Reporting

BNSW CEO and senior leadership team ensures that the BNSW Board is adequately informed of significant risk management issues and the actions undertaken to manage risks on a regular basis.

The following reporting process is in place:

- Each team will regularly review the risk register with their employees, at a minimum on a quarterly basis, and update the mitigation strategies and perceived level of risk as appropriate. Changes will be formally reviewed by the Risk and Compliance Board sub-committee.
- New risks will be added to the register through a formal notification process from employees, senior leadership team, and directors to the CEO or their risk delegate and highlighted to the Risk and Audit Committee if identified as an emerging risk or outside the risk appetite.
- A list of Key Risks (as agreed by the Risk and Compliance Board sub-committee, but at a minimum containing all Extreme and High Residual Risks) to be discussed at the Risk and Compliance Board sub-committee (standing agenda item), together with any significant new or emerging risks.
- The BNSW Board will be updated on the Key Risks by the Chair of the Risk and Compliance Committee at the Board meetings quarterly per annum or by the CEO as an extreme risk occurs that has high or extreme impact. Risk and Compliance Board sub-committee minutes will be tabled at those Board meetings.
- The BNSW Board will actively engage in a risk workshop annually.

8. Risk Procedural Responsibility

The BNSW Board is responsible for overseeing the establishment and implementation of risk management systems and reviewing the effectiveness of these systems.

The role of the BNSW Board in relation to risk includes:

- Overseeing the creation, implementation, and maintenance of the risk management system of Basketball NSW and its internal control framework, including information systems.

- Establishing a risk appetite for BNSW setting out both financial and non-financial material and strategic risks, and monitoring this against the risk profile.
- Reviewing the effectiveness of implementation of the BNSW risk management systems and internal controls on an on-going basis and reviewing the outcome of any non-financial audits.
- Seeking to reach a common understanding with CEO and senior leadership team and auditors about the risk management process, key financial and regulatory risks and related controls including focusing on the key risks which are currently, or may in the future be, more significant or more likely to occur.
- Analysing the effectiveness of the risk management and internal compliance systems and the effectiveness of their implementation.
- Developing an understanding of the overall business environment, relevant laws and codes of importance and the programs BNSW has in place to provide reasonable assurance of compliance.
- Reviewing the workplace health and safety policies of BNSW and ensuring regular reporting to the BNSW Board on issues related to workplace health and safety.
- Ensuring that the CEO and CFO states in writing to the BNSW Board annually that the statement given to the BNSW Board that the financial reports present a true and fair view, in all material respects, of the financial condition and operational results and are in accordance with the relevant accounting standards, are founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the BNSW Board.
- Ensuring that the CEO states in writing to the BNSW Board annually that the risk management and internal compliance and control system is operating efficiently and effectively in all material respects.
- Reviewing insurance coverage and claims trends.
- The Board delegates some of its responsibilities to the Risk and Compliance Board sub-committee, as outlined in its charter.

Senior leaders

- Will advise the CEO or their risk delegate on matters of strategic and operational significance related to the identification and management of risk within their teams and operational activities.
- Championing the roll out of the Risk Management Framework into operations.
- Compliance with regulatory requirements and best practice.
- Implementation of internal compliance and control systems for the risk management procedure.
- Ensuring that employees are aware of and understand their responsibilities regarding operational risk management.

- Developing a risk aware culture within their area of responsibility.
- Maintenance of the risk register within their area of responsibility and in collaboration with the respective Advisory Committee.
- Advising the CEO of needs for training, development, and facilitation.

Risk Owners

- Are responsible for Identifying existing controls to help manage the risk.
- Developing mitigation strategies to reduce the impact or likelihood of the risk.
- Monitoring the implementation of the mitigation strategies and reporting on their effectiveness of the actions taken and outcomes.
- Monitoring and alerting management of significant changes in risk status according to the risk reporting procedure.
- Other stakeholders risk plans where those are stated as a strategy to mitigate the risk.

BNSW has not assumed the responsibility for the risk management procedures of other key stakeholders except where those are contractually required.

9. The Risk Management Matrix

Risk Assessment Process

The BNSW Board has approved the following risk ranking matrix, to be interpreted in combination with the Board approved Risk Appetite Statement:

Risk category
Financial – the financial strength and solvency of BNSW and our cash flow viability looking forward
Operational – risks embedded in our operational activities and enabling processes, systems and organisation structures and policies
Brand/Reputation – risks to our social licence to operate and our brand name and reputation with key stakeholders

Physical/Safety – risks associated with child safety and the safety and well-being of staff, officials and spectators of our sport

Contractual/Regulatory/Legal – risks of non-compliance to contractual and regulatory obligations under all relevant statutory and other obligations of BNSW.

Impact Assessment

			Financial	Operational	Brand/ Reputational	Physical/safety	Contractual/Regulatory/Legal	
	5	Extreme	A risk that can prove detrimental for the whole organisation.	<ul style="list-style-type: none"> - Deficit > \$1m BNSW - No revenue for 6 months - all fees returnable to associations or participants for multiple events. - unable to pay debts as and when fall due 	<ul style="list-style-type: none"> - unable to run all activities, programs, tournaments and/or events over an extended period of time. 	<ul style="list-style-type: none"> - BNSW reputation irrevocably destroyed with key stakeholders - ongoing persistent negative media (incl. social media) coverage of BNSW and BNSW activities. 	<ul style="list-style-type: none"> - incident resulting in fatality or multiple fatalities 	<ul style="list-style-type: none"> - event/entity operations cancelled due to contractual/legal or regulatory breach
	4	High	Risks which can significantly jeopardise some aspects of the organisation, but which will not result in organisational failure.	<ul style="list-style-type: none"> - Deficit >\$1m but <\$500K BNSW - some fees returnable to associations or participants for multiple events. - required to seek funds from bank cover cash timing shortfall 	<ul style="list-style-type: none"> - unable to run some activities, programs, tournaments and/or events over 3-4 months. 	<ul style="list-style-type: none"> - BNSW reputation damaged with key stakeholders - persistent negative media (incl social media) coverage of BNSW and its activities 	<ul style="list-style-type: none"> - incident resulting in significant injury or permanent disability - repeat incidences of moderate injury 	<ul style="list-style-type: none"> - financial penalties for irremediable breach of contract, law, regulation etc..
	3	Medium	Risks which will cause some problems, but nothing too significant.	<ul style="list-style-type: none"> - nil surplus - cashflow in significant decline <15% - Revenue under budget by \$X 	<ul style="list-style-type: none"> - operational issues that may impact BNSW activities but do not prevent from taking place 	<ul style="list-style-type: none"> - multiple instances of negative feedback from stakeholders (govnment, partners, associations, athletes, parents, referees, coaches etc) on isolated matters 	<ul style="list-style-type: none"> - recurring preventable incidents resulting in minor injuries - isolated incident resulting in moderate injury 	<ul style="list-style-type: none"> - compliance breach that requires significant effort to remedy

	2	Minor	Any risks which will have just a mild impact, but should be addressed in time.	- nil surplus - cashflow in moderate decline <10% - Revenue achieves budget but minimal new revenue sources and programs.	- minor operational issues that are visible to stakeholders, but have no impact on activities	- intermitant negative coverage of BNSW and BNSW activities	- multiple minor injuries to limited number of participants/volunteer/staff	- minor compliance breach detected that can be remedied or accepted by relevant parties
	1	Insignificant	Risks which do not pose any significant threat and which can be left unmediated without any fear.	- minimal surplus. balanced cashflow and strong balance sheet	- behind the scenes operational issues that are not visible to stakeholders with no impact on activities	- one-off negative public exposure - stakeholder complaints that are remedied	- minor injury to small number of participants/volunteer/staff	- control weakness identified but no compliance breach detected - third party observation or request for information

Likelihood Assessment

Level	Rating	Criteria
A	Almost Certain	<ul style="list-style-type: none"> Is almost certain to occur Risk has more than 75% chance of occurring Will occur in the next 6 months
B	Likely	<ul style="list-style-type: none"> The event will probably occur more than once Risk has 50-74% chance of occurring Will occur within 18 months
C	Possible	<ul style="list-style-type: none"> The event might occur at some time Risk has 25-49% chance of occurring
D	Unlikely	<ul style="list-style-type: none"> Could occur at some time Risk has less than 25% chance of occurring Will occur within 54 months
E	Rare	<ul style="list-style-type: none"> The event may occur only in highly exceptional circumstances Not likely to occur within next 5 years

Risk Grading

Consequence					
	1: Insignificant	2: Minor	3: Moderate	4: Major	5: Catastrophic
A: Almost Certain	Low	Medium	High	Extreme	Extreme
B: Likely	Low	Medium	High	High	Extreme

C: Possible	Low	Medium	Medium	High	Extreme
D: Unlikely	Low	Low	Medium	High	High
E: Rare	Low	Low	Medium	Medium	High

Action Required

Rating	Action Required
Low	Low risks do not require action as they are not a significant threat.
Moderate	Moderate risks require reasonable steps for prevention but they're not a priority.
High	High-level risks call for an immediate action plan.
Extreme	Extreme risks will cause significant disruption,. They are top priority. An extreme risk is an unlikely hazard with catastrophic consequences. CEO and Board should be notified. Immediate actions taken.

BASKETBALL NSW BOARD

RISK MATURITY

ASSESSMENT MODEL

Version:	1.0
Date Adopted by BNSW Board:	26 April 2024
Effective Date:	26 April 2024
Review Frequency:	June 2026
CEO is responsible for this document.	

Basketball NSW - Risk Management Capability Maturity Model – Overview

This model is being used in both the quarterly and annual risk reports to the BNSW Board





Purpose of the Maturity Model

The BNSW Risk Management Maturity Model has been designed to assist BNSW with determining both their current and target level of risk management maturity against five identified areas of focus. It is based on the 2023 Comcare Risk Management Capability Maturity Model

How to use the Maturity Model

- The model provides the framework by which BNSW measure their level of risk management maturity.
- The maturity model is progressive (i.e. where a competency has been achieved in a previous level, it is assumed in the next level of maturity and as such may not be referenced in subsequent descriptors). This provides entities with the opportunity to identify areas where existing processes can be strengthened, or where new processes can be implemented in order to enhance risk capability.
- Given the interrelated nature of risk management activities, capability descriptors may be relevant to multiple components of the maturity model.
- BNSW's risk management capability must be fit-for-purpose in respect to the its size, complexity, operating environment and strategic goals and objectives. In determining a desired target risk maturity, BNSW will evaluate the investment required to achieve the desired maturity and the intended benefits this will bring. As such, BNSW will not necessarily be striving for an 'advanced' risk maturity in one or all of the five areas of focus.

1. Areas of focus descriptors for the Risk Maturity Model

 <p>RISK GOVERNANCE</p>	<p>Risk governance encompasses the organisational structures including risk ownership, responsibilities, and accountabilities across all levels for managing risk day-to-day, as well as the defined protocols for reporting and communicating risk information.</p> <p>Effective communication requires consultation with relevant internal and external stakeholders to enable transparent, complete and timely flow of information between decision makers. Information presented in a fit-for-purpose manner will allow risk to be applied to strategic (corporate) planning.</p>
 <p>RISK CULTURE</p>	<p>Risk culture is the set of shared attitudes, values and behaviours that characterise how an BNSW considers and communicates risk in its day-to-day activities, where officials are supported to engage with calculated risks.</p> <p>A positive risk culture promotes an open discussion on current and emerging risks that considers both threat and opportunity, allowing risk to be appropriately identified, assessed, communicated and managed across all levels of the BNSW. Effective collaboration and communication enable clear accountabilities and measurement techniques to be implemented, allowing the BNSW to move towards its desired risk culture.</p>
 <p>RISK CAPABILITY</p>	<p>Risk capability focuses on maintaining an appropriate level of capability across its people, systems, tools and processes to manage risk effectively across the BNSW.</p> <p>The nature and scale of this capability must be considered in the context of the BNSW's vision for risk and its current resource profile to enable timely and efficient communication of risk information.</p>
 <p>RISK FRAMEWORK & PRACTICES</p>	<p>Effective risk management practices should include (and not be limited to): strengthening the link between risk and strategic objectives, actively leveraging risk appetite as a decision-making tool, utilising appropriate tools to identify and analyse risk, developing effective risk treatments, and enhancing management of shared risk.</p>



ORGANISATIONAL RESILIENCE & AGILITY

Organisational resilience is maintained and strengthened through regular review and evaluation of risk performance and control effectiveness. Detailed analysis of internal and external data supports the identification of trends to equip the BNSW to be better prepared for emerging risks and future unknowns by adapting risk profiles, processes and tools in accordance with the changing risk landscape.

2. Risk Maturity Model

1

Simple

- The risk management framework has been communicated across the BNSW, however it is not implemented consistently across operations and broader governance
- There are no formal arrangements in place to define the BNSW's desired risk culture
- Staff are able to develop risk management skills through access to ad hoc training
- Informal processes exist to support the management of shared risk
- Formal mechanisms to build and maintain organisational resilience have not been established

2

Established

- Accountability for managing risk is articulated within the governance framework at all business levels, and is recognised as key to effective business planning and decision making
- Formal activities are undertaken to obtain insights on the BNSW's current risk culture levels
- The risk management framework has been implemented and supports a consistent approach to risk identification, assessment, treatment, communication and reporting across current, emerging and shared risks
- The risk appetite statement is high-level, and has been linked to business strategies
- Mechanisms to build and maintain organisational resilience are conducted infrequently

3

Defined

- Formal governance structures assess the risks associated with the development or implementation of new policies/programs/services
- Leadership actively demonstrate the BNSW's desired risk culture
- Communicating and escalating risk issues is considered in the day-to-day activities of staff
- Risk terminology is understood by all staff, providing a consistent approach to managing risk
- Defined processes exist to periodically monitor and report on risk management performance across the BNSW

4

Embedded

- The risk management framework is integrated with strategic and business planning processes and reviewed and updated in accordance with the risk landscape
- A defined process exists to formally assess the effectiveness of risk culture change initiatives
- A consistent approach to communicating risk enables staff to understand how risk management contributes to achieving the BNSW's objectives
- Agreed governance arrangements and desired risk culture levels allow for effective management of current, emerging and shared risks
- Accountability is assigned to actively monitor and manage key risk controls and treatments

5

Advanced

- Risk is considered as an integral part of the BNSW's governance systems, identifying the link between risk and the BNSW's strategic objectives
- Risk thinking is integrated into day-to-day operations to create a environment where open discussion is embraced
- The risk appetite statement, including tolerance limits linked to strategy, are used consistently to inform decision making
- Data sensing and analytics techniques are used to inform the identification, assessment and treatment of emerging risks
- Formal mechanisms exist to build and maintain organisational resilience, enabling the BNSW to have robust plans to respond to and recover from adverse events

3. Capability descriptors for the Risk Maturity Model



RISK GOVERNANCE

1. SIMPLE

- Responsibility and ownership for managing risk and implementing the risk management framework is defined for limited roles across the BNSW
- Communicating and escalating risk issues is limited to senior leaders, and may not be widely understood across the BNSW
- Timely communication of risk information is acknowledged as important
- A standard risk reporting format has been agreed with reports produced on an ad hoc basis.

2. ESTABLISHED

- The risk management framework includes accountabilities and processes to enable the identification and management of risk and controls at business unit and program / project levels
- Managing risk is part of the BNSW's overarching governance framework and recognised as a key component of effective business planning
- Tailored reporting formats and set reporting frequencies have been agreed for target audiences, including both internal and external stakeholders.

3. DEFINED

- Formal governance structures assess and oversee risk management across business units, and for the development or implementation of new policies / programs / services
- Communicating and escalating risk issues is considered in the day-to-day activities of all staff, including as an agenda item in internal meetings
- Accountability and responsibility for managing risk is clearly defined and linked to staff performance.

4. EMBEDDED

- Centralised real-time risk information is readily available
- A consistent approach to communicating risk enables staff to understand how risk management contributes to the achievement of goals and objectives
- Managers and supervisors actively monitor the risk profiles of their areas of responsibility and ensure staff adopt the risk management framework as developed and intended
- The BNSW communicates and engages with all required stakeholders (both internal and external) to enable effective risk management.

5. ADVANCED

- Management of risk is fully integrated with the BNSW's overarching governance framework and recognised as vital to effective business planning
- Risk information including strategic, operational, emerging and shared risks are reported regularly with consideration for the BNSW's risk appetite and desired risk culture
- The importance of communicating risk is apparent across the BNSW via a common understanding of risk management principles, escalating risk issues as they arise and informing internal and external stakeholders in a timely manner.



RISK CULTURE

- Officials understand and agree on the need and value of effective risk management, with lessons learned communicated to staff
- A common risk language is used and understood by the risk management function and senior leadership teams, but these terms are not consistently understood across the BNSW
- Senior executives (including the accountable authority) and line managers demonstrate the importance of managing risk in

- A common understanding of the meaning of good risk management results in a consistent use of language and understanding of risk-related concepts
- Formal activities are undertaken to obtain insights on the BNSW's current risk culture levels
- Good risk management practice is acknowledged by senior leaders who will informally speak with staff about opportunities to better manage risk
- The desired risk culture of the BNSW has been articulated, however, has not been integrated

- The behaviours and actions of leaders promotes an open and proactive approach to managing risk that considers both threat and opportunity
- Risk terminology is understood by all staff, providing a consistent approach to managing risk
- A maturity roadmap has been developed to support the achievement of the BNSW's desired risk culture, which defines assessment techniques and the required reporting structures
- The BNSW's desired risk culture has been integrated into the risk

- Desired risk culture has been articulated in accordance with strategic objectives, risk appetite and tolerances
- The BNSW's current risk culture is formally and regularly assessed against the desired risk culture, with recommendations identified for improvement
- Initiatives to uplift risk culture are in place and are monitored and reported on an ad hoc basis.

- The documented actions include considerations of the governance, communications, measurement techniques, desired leadership behaviours and resources required to support progress towards the desired risk culture
- Demonstration of good risk management practices are communicated and rewarded, with consequence management processes established for non-compliant behaviours
- Performance against desired risk culture is regularly assessed and reported, including monitoring

<p>line with the risk management framework and systems</p> <ul style="list-style-type: none"> There are no formal arrangements in place to define desired risk culture. 	<p>with broader governance and operations.</p>	<p>management framework and communicated to staff.</p>		<p>intended benefits of risk culture change initiatives.</p>
 <p>RISK CAPABILITY</p> <ul style="list-style-type: none"> Staff are able to develop risk management skills through access to ad hoc training Risk information is shared across the BNSW informally Informal mechanisms exist to identify systemic or material risks across the BNSW that require escalation and prioritisation. 	<ul style="list-style-type: none"> Risk information is centrally stored and accessible to new and existing staff through key risk documents Dedicated resources are responsible for implementing the risk management framework, with a well-developed understanding of operations Risk management training is provided to different levels and responsibilities across the BNSW An overarching approach to collecting and recording risk information has been defined, however, is not consistently utilised. 	<ul style="list-style-type: none"> A dedicated risk management team is responsible for assisting branches or business units to identify and evaluate risk in a consistent and structured approach Resources are allocated to allow for effective implementation, monitoring and review of risks, with risk information consistently recorded and collected across the BNSW Tailored initiatives are used to support and develop risk management capabilities across all staff levels of the BNSW. 	<ul style="list-style-type: none"> There is demonstrated understanding of the need to build risk capability, focussing on priority areas for improvement, addressing underlying issues and utilising the skills of existing resources Internal and external information sources are used to inform risk assessment processes that consider both current and emerging risks Risk information is integrated with key operational systems. 	<ul style="list-style-type: none"> A central repository is available which enables all personnel with risk responsibilities and accountabilities to view and edit risk information that is used to support organisational decisions Risks are actively monitored to identify systemic or cross-functional risks which are escalated and prioritised in accordance with the BNSW's risk management framework Risk resources spanning systems, tools, processes and people are allocated based on a robust understanding of the risk capability needs of the BNSW.
 <p>RISK MANAGEMENT FRAMEWORK AND PRACTICES</p> <ul style="list-style-type: none"> The risk appetite statement is high-level and qualitative The risk management framework is not consistently integrated with the BNSW's operations and overarching governance practices The risk management framework articulates the risk management methodology and processes required to manage risk Informal processes exist to support the management of shared risk. 	<ul style="list-style-type: none"> The risk appetite statement is high-level, and has been linked to business strategies The risk management framework is actively implemented and supports a consistent approach to risk identification, assessment, treatment, communication and reporting across current, emerging and shared risks Enterprise-wide risks are considered in corporate planning, budgeting and reporting processes. 	<ul style="list-style-type: none"> The BNSW's risk appetite has been defined and communicated to facilitate strategic and operational planning and inform risk-related discussions The risk management framework includes measures for accountability and management of risk and controls at business unit and program / project levels, and is embedded in operational and reporting frameworks Senior executives (including the accountable authority) demonstrate a collaborative approach to managing shared risk, with clear accountabilities for all parties defined. 	<ul style="list-style-type: none"> A comprehensive set of risk appetite and tolerance statements defined across strategic objectives include measures that enable effective monitoring and review Risk management is embedded in decision making for strategic planning and project and program risks, including business cases Agreed governance arrangements and desired risk culture levels allow for effective management of both current and emerging shared risks. 	<ul style="list-style-type: none"> Risk appetite and tolerance statements have been articulated to support the achievement of the BNSW's strategic objectives and are used consistently across the BNSW to inform decision making A comprehensive process that utilises both quantitative and qualitative techniques exists to support the identification, analysis and evaluation of risk (both current and emerging) across enterprise, business unit, program and project levels Established mechanisms for recording, monitoring, managing and reporting shared risks are embedded in the BNSW's governance framework, including sharing risk insights across portfolio entities.



ORGANISATIONAL RESILIENCE AND AGILITY

- | | | | | |
|--|---|--|--|---|
| <ul style="list-style-type: none"> • The effectiveness of the risk management framework is reviewed on an ad hoc or informal basis • Formal mechanisms to build and maintain organisational resilience have not been established • Limited methods are in place to assess control design and performance effectiveness for critical business processes or risks • Risk documentation is reviewed and updated on an ad hoc basis. | <ul style="list-style-type: none"> • Reviews on the performance of the risk management framework are completed and reported to senior management regularly • A defined program of review occurs to ensure the BNSW's risk profile reflects the current risk and control environment • Mechanisms to build and maintain organisational resilience are conducted infrequently. | <ul style="list-style-type: none"> • Scheduled risk reviews and monitoring of plans occurs across all branches and business units to ensure the BNSW's risk profile reflects the current risk and control environment • Regular reviews of compliance with the risk management framework are undertaken by internal audit and/or external parties with plans developed to support recommendations for improvement • Risk documentation is reviewed and updated in accordance with a defined schedule. | <ul style="list-style-type: none"> • Formal mechanisms exist to build and maintain organisational resilience • A regular and independent process has been established to assess control design and effectiveness over critical business processes • Tools and techniques exist to identify, analyse and manage emerging risks beyond the current planning horizon • Opportunities for improvement and good practice are identified through analysing risk information. | <ul style="list-style-type: none"> • The BNSW has robust, tested plans to respond to and recover from adverse events • Comprehensive data sensing and analysis supports continuous review, monitoring and learning, with a focus on identifying, analysing and preparing for emerging risks • Better practice insights are actively utilised to improve risk management processes, including assessment of control design and effectiveness for critical business risks and active consultation with external parties. |
|--|---|--|--|---|