

## **Enterprise Risk Management policy**

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## Policy statement and principles

### What

This chapter outlines the core principles and defines the key roles and responsibilities that guide our approach to managing risk at Police. It applies to all personnel working for Police, including frontline staff, general employees, seconded and temporary employees, as well as contractors and consultants. For the purposes of this chapter, the term “staff” refers to all of these personnel.

### Why

Risk is inherent in policing, and everyone at Police is responsible for managing risks as part of their role, day-to-day work, and decision-making. Because of this, it's important we all understand Police's approach to risk and why managing risk is important and beneficial.

### How

Our risk management principles are to:

- develop a culture of risk awareness and continuous improvement, where risk is recognised as a natural and necessary part of the way we work, to ensure we can be even more successful than we are today
- provide a supportive environment where risk is openly discussed and managed, so our people are empowered and feel safe to identify, escalate and report risks where something doesn't look or feel right
- include and actively consider Te Ao Māori views and perspectives in our risk kōrero and kaupapa
- incorporate the views and perspectives of the communities Police serves
- embed risk management behaviours and practices into decision-making, organisational governance, strategy development, business planning, and programme and project management
- safeguard the mana, reputation and integrity of Police so the public, our communities, and the Government have confidence in Police and the work we do.

# Risk

## How we define risk and risk management

Risk can mean different things to different people. It's important that we all share a common understanding of what we mean when we talk about risk. Police defines risk as:

*“Any potential future, uncertain event that may affect the achievement of our objectives.”*

At Police, identifying opportunities and taking calculated risks to improve our chances of success are part of what we do. Our aim isn't to find ways to eliminate or prevent every risk from happening. Sometimes it makes sense to take some risks when trying out new things or approaches. At other times, it may be appropriate to stop doing something altogether.

Risk Management is about knowing our options, understanding what could stop us from achieving our objectives and what could help us achieve them. Then we can work to reduce the likelihood and impact of the risks we've identified, as well as our ability to realise the benefits. Our management of risk ultimately shapes and influences how we achieve our business goals and objectives and make quality informed decisions.

## Key roles and responsibilities

Role	Responsibilities
<b>All Staff</b>	<ul style="list-style-type: none"> <li>- Understand their role in managing risk at Police.</li> <li>- Identify, discuss, and help manage risks in their area of responsibility.</li> <li>- Escalate and report risks to their one-up People Leader, Programme or Project Manager when appropriate (e.g., where something doesn't look or feel right) to ensure there are no surprises.</li> <li>- Seek support when needed from the <a href="#">Assurance Group</a>.</li> </ul>
<b>Executive Leaders and Managers (Tier 3 and below)</b>	<ul style="list-style-type: none"> <li>- Identify key risks for their respective groups and teams and commit to review these risks regularly.</li> <li>- Ensure processes are in place to manage these risks, their impact on day-to-day activities, and the achievement of group or team objectives.</li> <li>- Ensure risk is considered when managing and/or delivering programmes, projects, products, services and assets.</li> <li>- Receive and/or share risk information with other groups and teams to enhance Police's risk culture and maturity.</li> <li>- Support and encourage leaders and their teams to escalate and report risks.</li> <li>- Seek support when needed from the <a href="#">Assurance Group</a>.</li> </ul>
<b>Organisational Governance</b>	<ul style="list-style-type: none"> <li>- Governs strategic and organisational risk on behalf of <a href="#">ELT</a>.</li> <li>- Seeks assurance, monitors the effectiveness of risk mitigations, and holds risk and treatment owners to account where appropriate.</li> <li>- May direct action or intervention to better enable management of risks.</li> <li>- Maintains awareness of risks across Police, within the scope of each of the sub-governance groups, as set out in the <a href="#">Police governance and leadership chapter</a>.</li> <li>- Ensures risk is a consideration in every decision.</li> </ul>
<b>Executive Leadership Team (ELT)</b>	<ul style="list-style-type: none"> <li>- Responsible for Police's strategic direction.</li> <li>- Owns and governs Police's strategic risks.</li> <li>- Seeks and receives assurance that strategic risks are being managed effectively.</li> <li>- Advocates and drives the embedding of risk management in all activities, by building a risk-aware culture to inform decision-making.</li> <li>- Provides assurance to the <a href="#">ARC</a> and Ministers that Police's risk management framework is operating as intended.</li> </ul>
<b>Assurance and Risk Committee (ARC)</b>	<ul style="list-style-type: none"> <li>- Provides independent oversight and advice to the Commissioner on a wide range of strategic risks and issues, to test, challenge and offer new ideas and approaches.</li> <li>- Reviews and assesses the reporting and management of risk as it relates to Police's strategic objectives.</li> <li>- Provides advice to improve the risk management culture, approach and processes.</li> </ul>
<b>Assurance Group</b>	<ul style="list-style-type: none"> <li>- Develops and maintains the Risk Management Police Manual chapter, framework, and approach.</li> <li>- Supports and guides our people in Districts, Service Centres, and workgroups to increase their understanding and awareness of risk and how to apply Police's risk management framework.</li> <li>- Provides advice and a risk lens to support risk discussions at Stewardship and Performance Governance Group (S&amp;PGG) meetings.</li> <li>- Uses risk management products and outputs to inform the development of annual Assurance, Internal Audit and Risk and Resilience work programmes.</li> <li>- Provides advice, reporting and information to <a href="#">ELT</a> and <a href="#">ARC</a> on risks and how they are being managed.</li> </ul>

## Our Enterprise Risk Management structure

### Types of risk and how we manage them

At Police, we recognise four different types of risk:

- Strategic
- Organisational
- Operational
- Portfolio (Programmes and Projects)

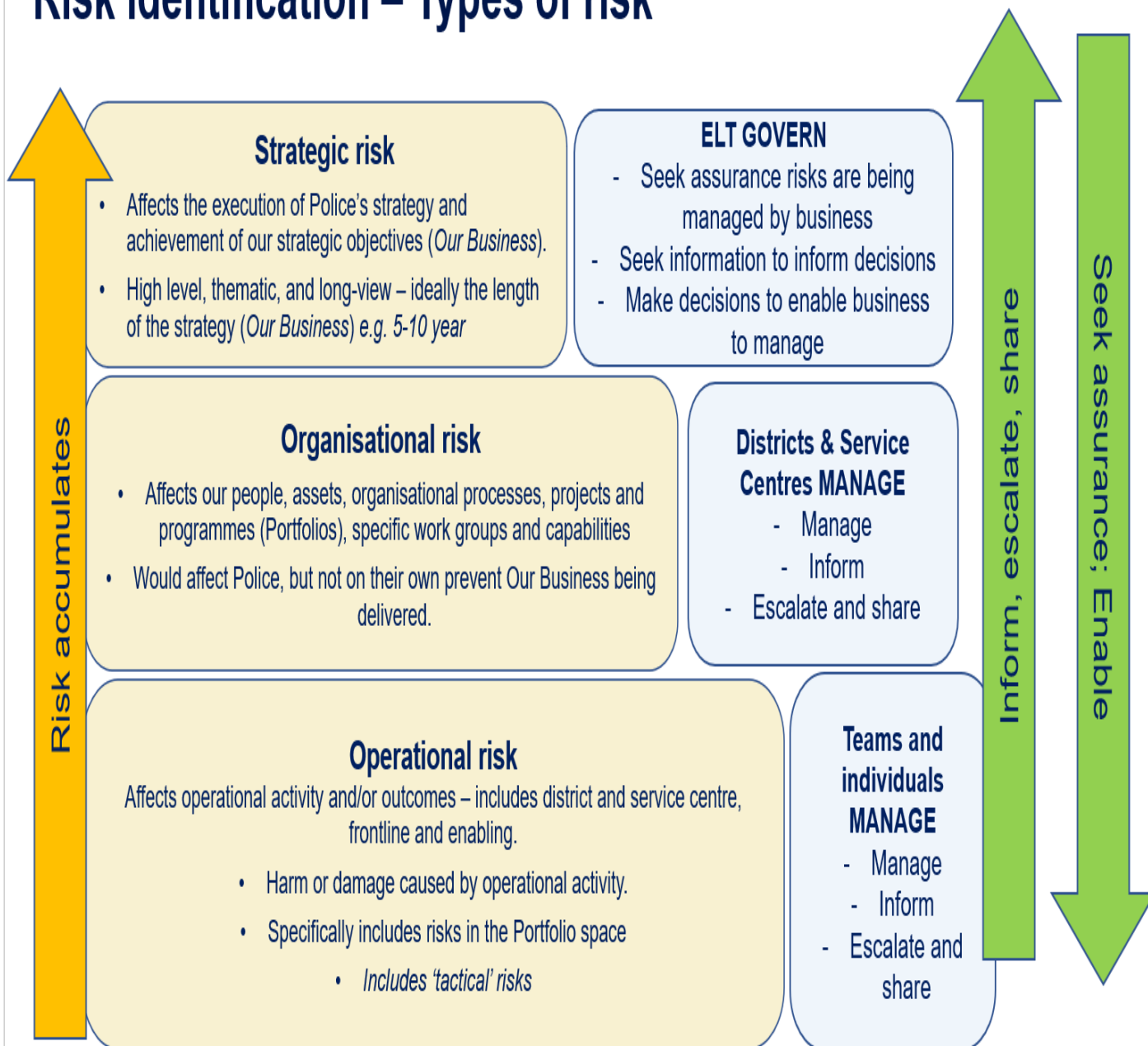
These risks have distinct features.

Risk Type	Description	How are they managed?
<b>Strategic risks</b>	<ul style="list-style-type: none"> <li>- Risks that may affect the achievement of Police’s strategic objectives in <i>Our Business</i>.</li> <li>- Risks that are high level, thematic and long-term - ideally the length of the strategy (for us Our Business) e.g., 5-10 years.</li> <li>- Risks that are strategically important and core to achieving Police’s <i>Strategic Intent</i>.</li> </ul>	<ul style="list-style-type: none"> <li>- The governance of strategic risks is the responsibility of the Commissioner and <a href="#">ELT</a>.</li> <li>- Strategic risks are documented as distinct risk profiles that are shared with <a href="#">ELT</a> and <a href="#">ARC</a> to inform discussions about how Police is managing its strategic risks.</li> </ul>
<b>Organisational risks</b>	<ul style="list-style-type: none"> <li>- Risks that may affect the achievement of cross-organisational objectives. They directly contribute to Police’s strategic risks.</li> <li>- Risks that are systemic and affect one or more work group, Service Centre, District, function, service, asset, or programme/project portfolio.</li> <li>- Risks that relate, at an enterprise level, to people, legal and regulatory compliance, capability and capacity, finance, information management, managing change and the external environment.</li> </ul>	<ul style="list-style-type: none"> <li>- The management of organisational risks is often the responsibility of Service Centres and Districts. These are also governed by sub-Governance Groups and monitored by the Assurance Group.</li> <li>- <a href="#">Safer People</a> oversees and monitors health, safety and wellness across Police, and provides regular reporting to the Health and Safety Governance Group (HSGG).</li> <li>- The reporting provided to <a href="#">HSGG</a> includes an update on Police’s <a href="#">Critical Risk Programme</a> and the effectiveness of critical controls that help Police manage these risks.</li> </ul>

<p><b>Operational risks</b></p>	<ul style="list-style-type: none"> <li>- Risks that may affect the achievement of day-to-day operations.</li> <li>- Risks that relate to the business-as-usual operational activities of staff (including constabulary and employees) who deliver services to the public.</li> </ul>	<ul style="list-style-type: none"> <li>- The management of operational risks is the responsibility of staff at all levels, but ultimately sits with Service Centre Directors and District Commanders and their respective Leadership Teams.</li> <li>- Operational risks can often be dealt with at the time but may also be symptomatic of a higher-level risk. They may have deeper causes, wider-ranging impacts, or cannot be managed effectively at an operational level. It is important these are assessed and monitored to consider whether they should be shared with others or escalated for support.</li> <li>- Operational risk information is also shared to ensure transparency and consistency across Police for dealing with similar risk events, and to help each other be safe.</li> </ul> <p><b>A note on TENR: Police threat assessment methodology:</b></p> <ul style="list-style-type: none"> <li>- <a href="#">TENR</a> is the dynamic risk management tool used by our frontline staff to assess any given situation, that involves risk with the potential to cause harm, and respond appropriately.</li> <li>- Operational risk is broader than <a href="#">TENR</a> - <a href="#">TENR</a> fits within Police's general risk management framework and processes.</li> </ul>
<p><b>Portfolio Risks (Programmes and Projects)</b></p>	<ul style="list-style-type: none"> <li>- Risks that may affect a programme or project's ability to deliver and achieve its objectives and intended benefits.</li> </ul>	<ul style="list-style-type: none"> <li>- The management of programme/project risks is the responsibility of the programme or project manager and should be reported to the sponsor, senior responsible officer (SRO) and/or steering group overseeing the specific programme or project.</li> <li>- For larger programmes/projects, the Treasury requires Police complete a Risk Profile Assessment (RPA) at the start of the project, which may be reassessed when the risk profile changes during the delivery lifecycle.</li> <li>- Programmes and projects apply the risk management policy, framework, and approach to their work programme. Programme and project risks are captured in <a href="#">Sentient</a>, our Project Management tool, which is overseen by Police's Investment Portfolio Office (IPO).</li> <li>- The <a href="#">IPO</a> oversees and monitors programmes and projects and provides a view on programme and project risks to the <a href="#">S&amp;PGG</a> and the sub-portfolios.</li> <li>- The <a href="#">IPO</a> ensures programme/project closure activities include handover of any open risks which may impact 'Business-As-Usual'.</li> </ul>

## Enterprise Risk Management Framework

# Risk identification – Types of risk



## The Three Lines Model

Police operates a ['three lines' model](#), with each 'line' playing a distinct role in risk management and governance.

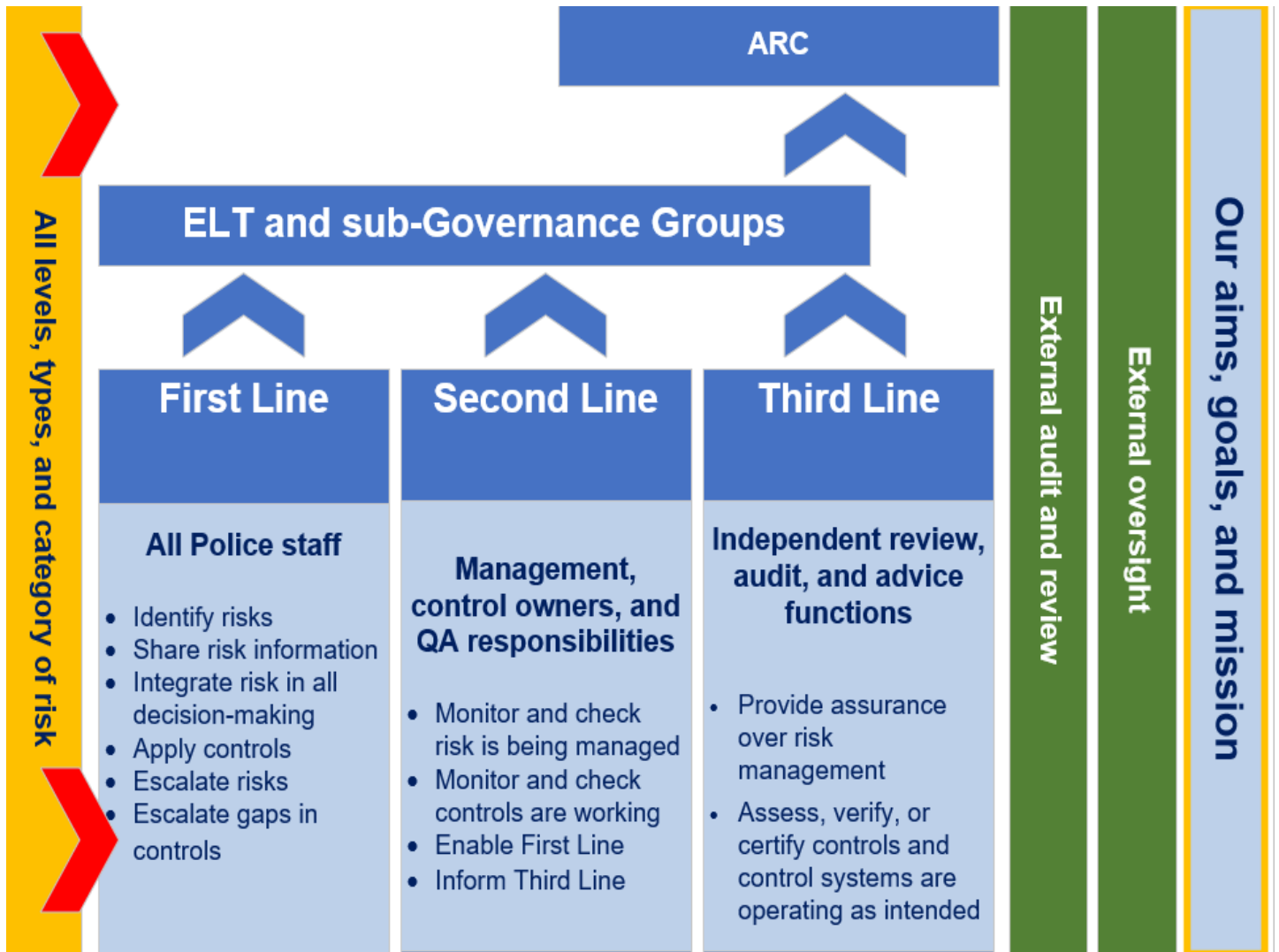
We all act as the **first line** - which includes:

- identifying and discussing potential risks
- sharing risk information
- ensuring risk is integrated in decision-making
- managing risks within our areas and reporting or escalating risks to the appropriate level, and
- recording them in the appropriate place or system (e.g., a risk register or risk log).

In the **second line**, our people in Districts, Service Centres and PNHQ contribute to a robust management environment that monitors and oversees risk and the application of risk controls. In the second line, people should be discussing, acting upon, and escalating risks and performance issues of controls, when necessary.



The **third line** is provided by the Assurance Group and other independent functions that maintain a view of Police’s control environment. The third line provides assurance and assesses, verifies, or certifies that controls are operating as intended.



## Risk resources and guidance

All risk management resources can be found on the [Risk Management](#) page on TenOne, where you'll also find an outline of the risk management process, along with guidelines that support this policy.

The [guidelines](#) offer detailed guidance and practical processes to help identify, frame, assess, evaluate and respond to risks. The [Risk Management A3 Summary](#) provides a quick and simple overview of our policy and an introduction to our risk management guidelines. It can be printed and folded into a booklet and is available in hard copy from the Assurance Group or via our dedicated [risk inbox](#).

## Where to go for further help and support

The specialist Risk, Audit and Resilience Team within the Assurance Group can help you with any questions, advice and guidance about risk and applying a risk lens to your work and decision-making. You can reach the team via our dedicated [risk inbox](#).

## Monitoring and review

Police's risk management policy and corresponding guidelines are regularly reviewed and updated to ensure they support our staff in applying a risk lens to their day-to-day work and decision-making.

## Related Standards

Police's risk management approach is based on the joint Australian and New Zealand International Standard, Risk Management - Principles and Guidelines AS/NZS ISO 31000.