RISK MANAGEMENT

Our risk management framework

Our commitment is demonstrated by a top-down approach, with the Board taking overall responsibility for managing risk. Appropriate support towards risk management ensures a positive risk culture across the organisation.

We operate a mature risk management framework that is aligned with the ISO 31000 International Risk Management Standard and includes Committee of Sponsoring Organizations control activities. This ensures our strategic and operational risks are identified, managed, assured and reported in a consistent way. It is an evolving framework as we continually seek to improve and enhance our risk management processes that are designed to be responsive to the ever-changing environments in which we operate.

The framework provides our management with a clear line of sight to enable informed, risk-based decision-making.

We continuously review the risk management framework, which provides the foundation and arrangements for identifying, treating, reporting, monitoring, reviewing and continually improving risk management throughout the organisation.

Identify risk

Risk assessments are conducted twice every year, in conjunction with the business units and other stakeholders.

We undertake ad hoc risk assessments that are necessitated by the ever-changing environment we operate in.

Measure risk

We have a standardised risk-scoring and categorisation process that makes reference to our risk appetite that has been set by the Board.

The measurement takes into account both the probability of occurrence and potential impact should the risk crystallise.

Establishing the context

We begin by defining the external and internal parameters to be taken into account when managing risk and setting the scope and risk criteria for the risk management policy.

External context includes our external stakeholders, our local, national and international operating environment and other external factors that influence our objectives. Internal context includes our internal stakeholders, governance approach, contractual relationships and our capabilities, culture and standards.

Monitor and report

We have adopted a continual and iterative process to monitor risks, effectiveness of controls and provision of continuous reporting to our Board and Executive Committee on how effectively risks are being managed.

Manage risk

We manage risk by implementing appropriate mitigations and controls to eliminate the risk or reduce the impact of likelihood of the risk.

Effectiveness of control and oversight is tested across the "three lines of defence".