



ACT
Government

Justice and Community Safety

ACT Corrective Services (ACTCS) – Risk Management Framework

ACT CORRECTIVE SERVICES
OPERATIONAL SUPPORT

26 AUGUST 2020

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Definition of terms

Term	Definition
ACTCS	ACT Corrective Services
ACTCS QA Team	ACT Corrective Services Quality Assurance Team
ACTIA	ACT Insurance Authority
AS ISO 31000:2018	AS ISO 31000:2018, Australian Standard - Risk management - Guidelines
Control	<ul style="list-style-type: none"> • Measure that maintains and/or modifies risk • Controls include, but are not limited to, any processes, policy, device, practice, or other condition and/or actions which maintain and/or modify risk
DGFI: 1.2	JACS Director General's Financial Instruction: 1.2 - Risk Management
EGC	<ul style="list-style-type: none"> • ACTCS Executive Governance Committee • The key decision-making forum for the Agency • Provides an opportunity for discussion and decision making in relation to key strategic issues and priorities affecting the operations of ACTCS and embeds a culture of continuous improvement
JACS	ACT Government, Directorate of Justice and Community Safety
JACS Risk Management Plan	JACS Plan 17 – Risk Management Plan
Risk	<ul style="list-style-type: none"> • Effect of uncertainty on objectives • Risk is usually expressed in terms of risk sources, potential events, their consequences and their likelihood
Risk owner	A person with the accountability and authority to manage a risk
Risk Register	A repository for recording each risk, its attributes, evaluation and treatments
Risk treatment	A process to modify a risk
Stakeholder	Person or organisation that can affect, be affected by, or perceive themselves to be affected by a decision or activity
the Standard	AS ISO 31000:2018

Scope

1. This Risk Management Framework applies to all locations operated by ACTCS and to all people performing work for, or on behalf of, ACTCS.

Purpose

2. The purpose of this Framework is to ensure that ACTCS meets its requirements for the management of risk through the integration of sound risk management principles and processes, by:
 - a. aligning with the ACT Government Risk Management Policy 2019;
 - b. confirming to the Director General JACS, at least annually, that significant business risks affecting the organisation's outputs are effectively managed through an internal control structure and effective risk treatments [DGFI:1.2 section titled 'Accountability Mechanisms/Risk Register', pages 4 and 5];
 - c. regularly and systematically monitoring and reviewing ACTCS' risks; and
 - d. appropriately recording and reporting on ACTCS' risks and risk treatments to ensure that informed business decisions can be made.
3. To achieve this, the Framework establishes a structure with supporting processes for identifying, recording, monitoring, reviewing and reporting significant risks.
4. The JACS Risk Management Plan provides some detail on the way in which risks should be identified, recorded, monitored, reviewed and reported. This Framework provides a more detailed, ACTCS specific explanation of these steps in the risk management process.
5. Attachment A to this document depicts the iterative risk management process ACTCS undertakes to identify, record, analyse, evaluate, monitor, review and report its risks.

Context of the organisation

6. ACTCS' mission is to contribute to a safer community through:
 - a. the safe, secure, decent and humane management of offenders where their human rights are respected and protected both in custody and the community; and
 - b. the provision of sustainable opportunities for offenders to lead law abiding and productive lives in the community through rehabilitation and reintegration.
7. Risk is intrinsic to the activities undertaken by ACTCS. The elimination or avoidance of all risk is not practical or appropriate in the ACTCS environment. The risks faced by ACTCS are many and diverse and the organisation needs to ensure that its activities are balanced by the prudent application of risk management.

ACTCS RISK MANAGEMENT FRAMEWORK

8. The requirements for ACT Corrective Services to manage risk come from two sources:
 - a. The *ACT Government Risk Management Policy 2019*; and
 - b. The *JACS Director General's Financial Instruction 1.2 Risk Management*
9. The process for managing risk comes from:
 - a. The *JACS Risk Management Plan*; and
 - b. *AS ISO 31000:2018 Risk management – Guidelines* which is the Australian Standard on Risk Management.
10. The management of risk within ACTCS, when combined with planning and performance management, is an important enabling function that helps the organisation meet stakeholder expectations.
11. Through the implementation of this Framework, the organisation will be better informed, more decisive and will be able to move with increased confidence to achieve its specified outcomes and objectives.

ACTCS Risk Management Policy Statement

12. Risk management in ACTCS is strategic and systematic, is aligned with organisational objectives and strategies, enables sound judgement and decision-making, enables the cost-effective use of resources and maximises potential opportunities whilst minimising adverse consequences.
13. ACTCS delivers this approach to risk management through:
 - a. ACTCS executives leading, actively participating in and having complete oversight over all aspects of risk management within their areas of responsibility;
 - b. significant risks identified by ACTCS Divisions being recorded, monitored and managed using a Risk Register;
 - c. significant business risks identified as being strategic in nature, with the potential to impact ACTCS' ability to meet the expectations of its stakeholders being recorded, monitored and managed in the ACTCS Significant Risk Register;
 - d. the regular review of and reporting on identified ACTCS risks; and
 - e. the appropriate escalation of risks for treatment and/or resolution.

Roles and responsibilities for Risk Management within ACTCS

14. Following is an overview of the roles and responsibilities within the ACTCS Risk Management Framework.

ACTCS RISK MANAGEMENT FRAMEWORK

Position	Accountabilities
Commissioner	<ul style="list-style-type: none"> • Assess and review ACTCS' risk profile • Monitor ACTCS' significant and operational risks, including fraud and integrity risks • Report any significant change in ACTCS' risk profile to Director General JACS • Use risk assessments to inform business decision-making • Report and escalate high and extreme risks to the Director General JACS, Senior Management Committee and JACS Executive Committee • Promoting a risk management culture across the ACTCS
Divisional Heads	<ul style="list-style-type: none"> • Integrate risk management principles in business and project planning • Identify business risks affecting outputs and addressing those risks in Business Plans • Assess, monitor and report on significant risks regularly, including fraud and integrity risks • Implement effective risk treatment strategies • Use risk assessments to inform business decision-making • Report and escalate high level risks to the Executive Governance Committee • Consulting with staff to identify risks and ensuring they are aware of business area risks
Executive Governance Committee	<ul style="list-style-type: none"> • Assess and review the implementation of ACTCS Risk Management Framework, including monitoring risk management performance indicators • Identify the significant risks impacting on ACTCS' ability to meet stakeholder expectations and service delivery requirements for inclusion in the Strategic Risk Register • Review the adequacy and effectiveness of Risk Management Framework • Use risk assessments to inform business decision-making • Review and authorise the ACTCS Annual Audit Program focusing on operational, compliance, and fraud and integrity risks •
ACTCS Quality Assurance Team	<ul style="list-style-type: none"> • Propose an annual audit program focusing on risks identified through the Risk Management Framework and initiating independent reviews in relation to key risk areas, including fraud and integrity risks • Use risk assessments to inform business decision-making • Coordination point for internal and external auditors • Provide support and information to the EGC and each ACTCS Division on risk management
Staff and Contractors	<ul style="list-style-type: none"> • Identify and act on risks in area of work, including fraud and integrity risks • Develop and apply knowledge and skills in risk concepts • Use risk assessments to inform business decision-making • Ensure performance agreements and contracts incorporate risk management responsibilities and accountabilities • Act in accordance with the ACTPS Code of Conduct • Be aware of and understand risk management policies • Report and escalate high and extreme risks to the appropriate Manager or Team Leader

ACTCS Risk Registers

15. Identifying and recording risks involves identifying and generating a comprehensive list of risks that may prevent the achievement of business objectives. Two risk registers will be maintained across ACTCS, including the Significant Risk Register and Divisional Risk Registers.
16. The process to identify risks will occur:
 - a. at least once every 12 months in line with the business planning cycle and/or
 - b. if there are any significant changes to the internal or external context within which the ACTCS Divisions operate and/or
 - c. as part of the ongoing quarterly significant risk management monitoring and review activities conducted by the EGC.
17. The ACTIA Strategic Risk Register Template will be used to record the risks identified by Divisional Heads (Divisional Risk Register) and by the EGC (Significant Risk Register). The template steps users through the following stages of the risk management process including:
 - a. Risk assessment – three parts
 - i. *Risk identification* – find, recognise and describe risks that might help or prevent an organisation from achieving its objectives.
 - ii. *Risk analysis* – comprehend the nature of the risk its characteristics and the level of the risk (risk rating)
 - iii. *Risk evaluation* – support decisions – do nothing, consider risk treatment options, further analysis, maintain existing controls, reconsider objectives.
 - b. Risk treatment – select and implement options to address the risk.
18. Risk ratings are determined via a matrix with two dimensions of the severity of consequence and likelihood of the risk occurring. The matrix is contained in the ACTIA template. Risks whose control effectiveness criteria is rated as either 'Room for Improvement' or 'Inadequate' require a Risk Treatment Plan to be developed, implemented and monitored to ensure its effectiveness.
19. The ACTCS QA Team will provide each Division with advice and information in relation to establishing and maintaining Divisional Risk Registers using the required format.
20. The ACTCS QA and Risk Unit will maintain a Significant Risk Register on behalf of ACTCS.

Risk Monitoring and Review

21. Reviewing ACTCS Risk Registers ensures that risks are being effectively managed and that the approach taken by ACTCS and its Divisions remains robust. A Risk Treatment Plan is the tool to monitor the progress and effectiveness of the treatments nominated to control risks.

ACTCS RISK MANAGEMENT FRAMEWORK

22. Risk owners identified in the ACTCS Risk Registers are to monitor the risks that have been allocated to them. A Risk Treatment Owner is responsible for monitoring the effectiveness of the treatment identified to mitigate or manage the identified risk.
23. Divisional Risk Register and Treatment Plan reviews should be conducted by Divisional Heads in consultation with staff, including risk owners and risk treatment owners. A record of review dates for each Divisional Risk Register will be maintained on the Review Tab of the Risk Register.
24. Reviews of Divisional Risk Registers and Risk Treatment Plans are to be reviewed and updated on a quarterly basis and sent to the ACTCS QA Team for reporting to EGC in its February, May, August and November meetings each year.
25. Risks that are rated as Extreme require review on a monthly basis. All other risks should be reviewed as part of the quarterly review or in response to incidents occurring.
26. Risks contained in Divisional Risk Registers that have a risk rating of 'Extreme' or 'High', and with a control effectiveness rating of 'Inadequate' are to be escalated to the EGC within four weeks of the assessment.
27. The ACTCS Significant Risk Register will be monitored by the ACTCS QA Unit on an ongoing basis.
28. The ACTCS QA Unit will liaise with the nominated owners of significant risks at least one month prior to scheduled EGC meetings in Feb, May, Aug and Nov each year to collect data and information on the currency and status of the risks in the Significant Risk Register. The EGC will review the Significant Risk Register at its Feb, May, Aug and Nov meetings each year.
29. At the discretion of the EGC, risks escalated from ACTCS Divisions can be included in the ACTCS Significant Risk Register and then monitored and reviewed by the EGC.
30. The respective Business Unit Head will be the risk owner for any risks escalated by Business Units and included in the ACTCS Significant Risk Register.

Risk Reporting

31. DGFI:1.2 requires the Commissioner ACTCS to confirm, at least once annually, that significant business risks included in the JACS Risk Register, have been effectively managed and specifically that the internal control structure and other treatments adopted to manage the risks have operated effectively. The ACTCS Significant Risk Register will be used as the evidence for this purpose and this Framework (and inherent risk registers) establishes the internal control structure for risks identified in ACTCS. The ACTCS Commissioner will make the confirmation in November each year.
32. The confirmation will be provided to the Director General JACS following the review of the ACTCS Significant Risk Register conducted in Nov each year.

Review of this Framework

33. This Framework will be reviewed every two years or after changes to any of the guiding documents referenced in the Plan such as DG FI: 1.2 or the JACS Risk Management Plan.

EGC Commitment

34. In implementing the ACTCS Risk Management Framework, the EGC is committed to ensuring:
- a. that risk management is an integral part of ACTCS planning and decision-making processes;
 - b. there is a consistent approach to managing risks across the organisation;
 - c. clear roles and responsibilities are defined;
 - d. all staff are provided with the necessary training to allow them to undertake their risk management responsibilities;
 - e. all staff with risk management roles and responsibilities are provided with the necessary authority to undertake these responsibilities;
 - f. there is accountability assigned to all those with risk management responsibilities;
 - g. that necessary resources are allocated in support of the Risk Management Framework;
 - h. that communication within our stakeholder community in relation to the identification and management of risk is promoted and encouraged;
 - i. we are honest with ourselves and with others in relation to the risk exposures and challenges we face.
35. In making this commitment, ACTCS will be well placed to meet our mission and will ensure the credibility and reputation of the organisation within our stakeholder community is of the highest order.

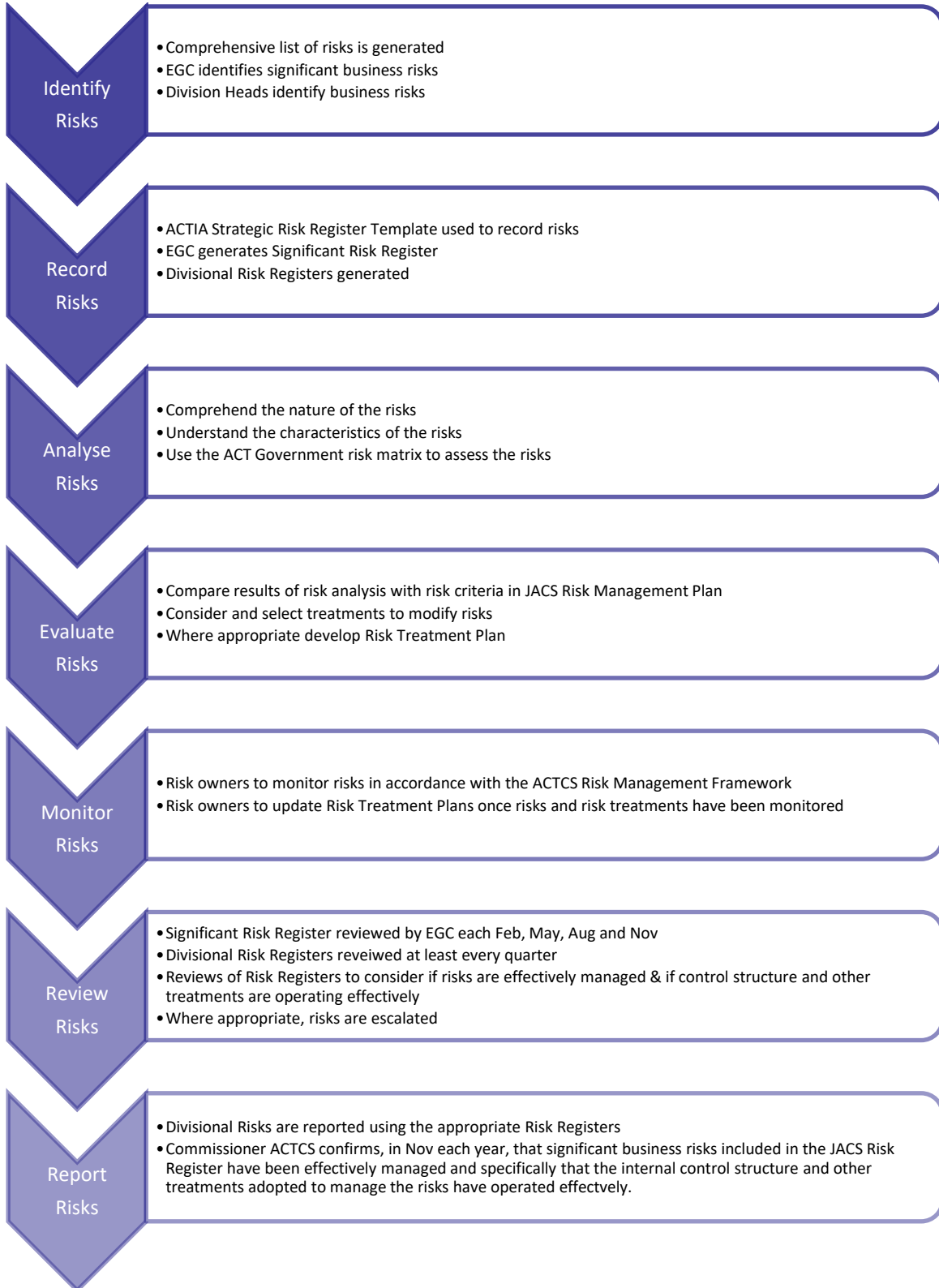
Enquiries

36. For additional information on the Plan, please direct your enquiries to the Team Leader, ACTCS Quality Assurance Unit, Executive Support and Governance:
Email: ACTCSOperationalCompliance@act.gov.au

References

- A. ACT Government Risk Management Policy 2019
- B. Directorate of Justice and Community Safety (JACS) Director General Financial Instruction 1.2 – Risk Management (DG FI 1.2)
- C. JACS Risk Management Plan

Attachment A – The ACTCS Risk Management Process





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