

# Risk Management



Amd Date 13/10/09

## Policy Statement

Stanwell Corporation Limited ('Stanwell') is committed to:

- + +
- + ■ Behaving as a responsible corporate citizen, protecting employees, customers, contractors and their property, as well as the community and the broader environment from unnecessary injury, loss or damage;
- + ■ Achieving its business objectives by seeking opportunities to improve the business and optimise risk management; and
- + ■ Finding the right balance between the cost of control and the risks it is willing to accept as the legitimate grounds for earning reward.

## Scope

This policy applies to all staff and operations of Stanwell.

## Objectives

The objectives of this Policy are:

- To define Risk Management as part of Stanwell's governance framework; and
- Define responsibility for the management of risk.

## Policy Outline

Risk is the positive or negative effect of uncertainty on objectives. Risk arises as much from the possibility that opportunities will not be realised as it does from the possibility that threats will materialise or that errors will be made.

Stanwell recognises that effective Risk Management at all levels of the organisation is a core element of corporate governance and is necessary for the achievement of business objectives.

Stanwell has established a [Risk Management Framework \(Doc# 817662\)](#) consistent with:

- The Office of Government Owned Corporations' [Corporate Governance Guidelines for Government Owned Corporations](#); and
- International Standard ISO 31000: Risk Management Principles and Guidelines.

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Stanwell has:

- Adopted the principles of ISO 31000 so that Risk Management:
  - creates and protects value;
  - is an integral part of all organizational processes;
  - is a part of decision making;
  - explicitly addresses uncertainty;
  - is systematic, structured and timely;
  - is based on the best available information;
  - is tailored to the requirements of Stanwell;
  - takes human and cultural factors into account;
  - is transparent and inclusive;
  - is dynamic, iterative and responsive to change; and
  - facilitates continual improvement of the organisation.
  
- Adopted the Risk Management process of ISO 31000 as part of normal business practice, so that:
  - A context for Risk Management is established, including clear articulation of business objectives and risk tolerance;
  - Risks relating to business activities are identified, analysed and evaluated;
  - Risks are treated effectively so that they are within risk tolerance;
  - Risks are monitored and reviewed so that decisions are made on the best available information and risk controls are tested for effectiveness; and
  - Communication and consultation occurs throughout.

## Responsibilities

### Stanwell Board

The Stanwell Board retains the ultimate responsibility for risk management and for determining the appropriate level of risk that the Board is willing to accept in the conduct of Stanwell's business activities. The Board has established the Audit and Risk Management Committee ('ARMC') to provide assurances concerning the management of risks within the Stanwell.

### Audit and Risk Management Committee

The ARMC will assist the Board to oversee the Risk Management activities of Stanwell. The responsibilities and detailed administrative duties of the ARMC are set out in the Board approved ARMC Charter.

### General Managers

As Risk Management is an integral part of all organisational processes, General Managers are accountable for Risk Management within all activities for which they are otherwise accountable. They are responsible for all risk information presented to the ARMC and for gaining the approval of the CEO prior to submission to the ARMC.

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## Corporate Risk Manager

The Corporate Risk Manager is responsible for supporting the General Managers through the establishment and continuous improvement of the [Risk Management Framework – HB# 817662](#).

In addition, the Corporate Risk Manager works with assurance providers to ensure that the Board receives assurance that risks are being adequately and effectively controlled.

## All employees

Employees are responsible for Risk Management within all activities for which they are responsible.

## Communication Plan

This policy is presented to all new staff during induction.

The policy is available to all staff through Stanwell's document management system and the Corporate Risk Management website on Stanwell's intranet.

This policy is made publicly available on Stanwell's internet site [www.stanwell.com](http://www.stanwell.com) in accordance with Corporate Governance Guidelines for Government Owned Corporations.

## Review

The Board is responsible for approving all policies.

This Policy will be reviewed by the Board every three years. The policy was last approved in December 2009.

The Corporate Risk Manager is responsible for coordinating the review of this Policy.

## Links and References

### Best Practice Standards and Guidelines

ISO 31000:2009 Risk Management – Principles and Guidelines

ISO Guide 73:2009 Risk management — Vocabulary

[Corporate Governance Guidelines for Government Owned Corporations](#) (Version 2.0 February 2009)

### Risk Management Framework

[Risk Management Framework – HB# 817662](#)

The [Risk Management Guideline – HB# 560946](#) provides further guidance for staff undertaking their responsibilities under this policy.

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