Australian Government
Department of Finance

Commonwealth Risk Committee Terms of Reference

Purpose

The Commonwealth Risk Committee (the Committee) is a sub-committee of the Chief Operating Officer's Committee (COO Committee). The Committee is responsible for providing advice to the COO Committee on significant shared, common, and emerging risks in the Commonwealth public sector.

Role

The role of the Committee is to:

- advocate for the management of significant common, shared, and emerging risks across the Commonwealth public sector, question how successfully these risks are being managed and provide advice on these matters to the COO Committee.
- provide a platform for collaboration and information sharing between entities to support their ability to coordinate and manage common, shared, and emerging risks.
- identify and escalate to COO Committee new and emerging risks that may impact the delivery of the Government's objectives or those of entities across the Commonwealth public sector.
- provide insight into the management of specific shared risks at the direction of COO Committee.
- champion best practice risk management by recognising and promoting examples of good risk management across the Commonwealth.

The Committee will draw on its collective experience, knowledge, and networks to consider improvements to how risk is managed across the Commonwealth public sector. This includes sharing expertise and lessons learned as well as raising the profile and value of risk management.

Membership

The Committee membership will include ten members chosen at the discretion of the COO Committee and in consultation with the Chair. Members are Senior Executives representing those entities which are most relevant to the topics set out in the Committees forward workplan.

The Committee may invite the attendance of subject matter experts and senior officials from agencies within the scope of its activities.

Scope

The Committee will support the decision making undertaken by the COO Committee in management of common, shared, and emerging risks. It will be an advisory committee with a mandate to explore common, shared, and emerging risks and the potential impact of these across the Commonwealth public sector.

The Committee will draw matters to the attention of the COO Committee, who in turn may wish to bring matters to the attention of the Secretaries Board or other committees where a shared, common, or emerging risk threatens Government priorities.

The Committee can be directed by COO Committee to provide insight into risks identified by the COO Committee.

The Committee will exercise judgement when considering an escalation and where possible seek to resolve any issues at the lowest appropriate level.

Out of scope

The Committee will not monitor, manage, or own any risks – Accountable Authorities will remain responsible for the monitoring, management and ownerships of risks within their entity.

Operation

The Committee will meet quarterly or as needed. It may meet out of session where urgent matters arise at the direction of the Chair.

Committee members will be responsible for disseminating messaging and meeting outcomes within their entities and, where appropriate, other APS agencies within their portfolio.

Committee members will work to an annual work plan which will be developed by the Committee and will detail those specific risks whose management will be examined by the Committee.

Guiding principles for risks to be escalated to the Committee

Those common, shared, and emerging risks considered by the Committee will be guided by the following characteristics:

1. They have a high level of materiality (they are relevant and related to government priorities and commitments).
2. Their management can be practically improved through the actions or influence of the Committee.
3. Their impacts are uncertain and/or evolving.
4. More than one entity is exposed to the risk.
5. They are informed by environmental scanning and analysis that supports further investigation (there is good reason to consider them).

Secretariat

The Committee will be supported by a secretariat in the Department of Finance. The secretariat will assist in convening the Committee, coordinate the meeting agenda and papers, and work with the COO Committee Secretariat to distribute papers including the meeting minutes to the COO Committee.

The secretariat may also propose matters to be brought of the Committee with the approval of the chair.

Review of the Committee's effectiveness

The effectiveness of the Committee will be reviewed every 12 months.

The Committee's success will be measured by its ability to enhance the efficiency in which entities across the Commonwealth are managing significant shared, common and emerging risks. Performance measures will be agreed with the Committee and may be updated from time to time.