

## LUNAR NEW YEAR WELCOMES THE YEAR OF THE PIG

## WHILST A POST-ROYAL COMMISSION WELCOMES THE YEAR OF RISK MANAGEMENT

### GOVERNANCE

- How deliberate is the level of focus on risk reduction and risk prevention in board conventions including the linkage to funding and investment prioritisation?
- When did you last consider the maturity of your ability to identify and act on new and emerging risks?

### RISK APPETITE, TAXONOMY AND STANDARDS

- How well is the understanding of risk cascaded down within the organisation?
- Do people at the coal face truly understand the role they play in managing risk within agreed limits?

### CULTURE, CAPABILITY AND CONSEQUENCES

- Does the culture and remuneration strategy drive a mindset towards self-reflection, 'chronic unease', and facilitate 'speaking up'?
- To what extent does the remuneration and consequence management reinforce risk management and customer outcomes?

### BOARD GOVERNANCE

- Does the Board set clear risk expectations for the business to meet?
- When did you last challenge the coordination between, and practices of, the Board and Board Committees?

### ACCOUNTABILITY AND CONTROLS DELIVERY

- Does management continually review and conduct root cause analyses on material issues and incidents to refresh plans?

### CUSTOMER OUTCOMES

- Do you have a focus on improving reporting on complaints and identification of systemic issues to inform risk profiles and remediation?
- Have you defined clear standards for customer outcomes and embed them in core business processes (including product development)?

### ENABLING SYSTEMS AND DATA

- What is the level of data structure and quality of data in the system to support ongoing transparency and quality of reporting from key systems?

### OPERATING MODEL – 3 LINES OF DEFENCE (3LOD)

- Are senior executive really accountable for risk management and reduction?
- Can you truly demonstrate the application of 3LoD principles, in practice?

