Enterprise Risk Management Framework (ERMF) and Risk Methodology

Data and Technology

We use and share knowledge, intelligence and insights to make informed decisions.

There are tools and systems in place to help us sensibly manage risk and continually improve.

Culture

Our ATO Executive set out how we are expected to approach risk in the ATO through the risk appetite statement.

We all understand the ATO's objectives and consider it a part of our role to identify and manage risks to achieving those objectives.

Risk Methodology

Four questions help us to consciously consider risk upfront as part of our planning process. They help to integrate risk management into our ATO activities and respond to any changes and events in an appropriate and timely manner.

What are our objectives?	***What must go right?***	***What may go wrong?***	***Are the strategies working and risks being managed effectively?***
Understand the environmental context and clarify the objectives.	*Confirm the strategies used to achieve the objectives, including accountabilities and governance arrangements.* *Review the relevant existing risks and controls.*	*Identify and assess any residual uncertainty and key risks that impact on the objectives.*	*Monitor and assess the effectiveness of the:* • *strategies* • *approach to managing the key risks to assure you will achieve the objectives.*
Clearly articulating the objectives helps us better understand the desired outcome and what we need to do to achieve it.	Identifying and validating the key strategies helps us ensure we are focussed on the things we need to deliver to achieve the objectives.	Analysing the areas of residual uncertainty and identifying key risks, helps us understand what may impact the implementation of our strategies and achievement of our objectives.	Monitoring and assessing our strategies, and risk management activities, helps us determine their effectiveness and enables us to make adjustments as needed so we stay on track to achieve the objectives.

Governance

Our framework clearly outlines the structure, guidance and capability required for good risk management across the ATO.

The Enterprise Risk Management Committee (ERMC) ensures our risk management approach is consistent across the ATO to achieve our strategic objectives. Group and business line risk management committees oversee risk governance for their respective group/line.

The Corporate Risk and Assurance (CRA) branch guides and supports staff on risk principles and practices.

Informed Decisions

Risk management helps us to fully consider the risks and opportunities to make the best possible choices each time we have to make a decision.