

A. Philosophy

1. Pustaka Negeri Sarawak recognises that managing risk effectively is critical to enable it to execute the followings:
 - a. To realise its Vision – become the reservoir and fountain of knowledge to the State
 - b. To achieve its Mission – provide access to information resources and to preserve Sarawak’s intellectual heritage
 - c. To fill its corporate objective – promote acculturation of knowledge in the State
2. Pustaka Negeri Sarawak shall embed and integrate risk management to form an integral part of management and of its governance system.
3. Pustaka Negeri Sarawak will adopt a proactive and systematic approach to risk management based on these guiding principles:
 - a. Creating an organizational culture for the achievement of business objectives practising good governance and integrity, while at the same time ensuring appropriate management of risks and ensuring that all risks, inherent and residual, are managed.
 - b. Risk is the concern of everyone at every levels from the lowest ranked to the Board
 - c. Risk is minimised by doing the ‘right thing at the first right time ‘
 - d. Nevertheless, risks are inevitable and all risks that have been identified shall be reduced to an acceptable level, if not eliminated through effective and timely management of such risks.

B. Policy

1. Pustaka Negeri Sarawak will embed risk management into its processes.

Every Sector/Division/Unit are required to:

- a. State clear objectives
- b. Identify risks for the achievement of those objectives and assesses the effectiveness of existing controls
- c. Assess and measure the likelihood and impact of the risks materialising, and rank the risks based on such assessment and prioritise the risks for risk treatment
- d. Identify risk drivers and timelines or target date to implement effective responses designed to:
 - i. Achieve the sectorial/divisional business objectives
 - ii. Safeguard assets from inappropriate use, loss or fraud
 - iii. Facilitate cost-effective, effective and efficient as well as safe operations and
 - iv. Enable compliance
- e. Effect continual monitoring of those risks identified by the sector/division and to periodically review their environment.
- f. Address issues such as risk appetite and risk tolerance, caps and limits to losses and thresholds for losses due to risk impacts.

2. Pustaka Negeri Sarawak will make the necessary resources available to assist those accountable and responsible for managing risks. Pustaka will also institute or establish the appropriate architectural infrastructure and supporting system and platform to assess and report on risk management. Pustaka will continuously review and improve the risk management framework and process in response to any event or change in circumstances.

C. Governance Framework

1. The Board

- Overall responsibility for Risk Management
- Ensure risk management is embedded into all processes and activities
- Review group risk profile

2. Board Risk Committee (Audit Committee)

- Oversee risk management structure and processes
- Receive reports from Risk Management Committee
- Set annual risk program and priorities
- Monitor progress of risk management implementation
- Review group risk profile

3. Risk Management Committee (RiMC) (Refer to D)

- Formulate strategy and policy based on risk appetite, risk attitudes and risk exposures
- Receive reports from sectors/divisions/units, review risk management activities and compile group risk register and group risk profile
- Track risk management actively at the sectorial/divisional/unit levels and keep the risk management context under review
- Table reports and recommendations to the BRiC and Board

4. Sectorial/Divisional and Unit Levels

- Produce specific policy statements, as necessary
- Manage risk control activities
- Prepare and update sectorial/divisional and Unit level risk register
- Set risk priorities for sectorial/divisional and Unit level
- Monitor implementation of risk treatment/risk responses
- Prepare reports for RiMC

D. Pustaka Negeri Sarawak Risk Management Committee (RiMC)

1 Pustaka RiMC

- a. The Chairman of Pustaka RiMC, hereafter called the Committee, is the Chief Executive Officer.
- b. The Deputy Chairman is the Deputy Chief Executive Officer (Operations).
- c. All Sector Heads and Regional Managers are members of the Committee.
- d. The Secretary to the Committee is the Head Corporate Management
- e. The Secretariat to the Committee is the Corporate Communications Division.
- f. The Committee shall meet twice a year

4 Secretariat to the Committee

The Secretariat to the Committee is responsible for the following:

- a. Coordinate and monitor the implementation of Pustaka RM programs and initiatives.
- b. Organise the Committee Meeting twice a year.
- c. Record, keep and maintain Minutes of Meetings of the Committee.
- d. Communicate the decisions of the Committee to the risk owners.
- e. Handle correspondences of the Committee.
- f. Manage all documents of Pustaka RM and other related documented information.

5 Pustaka RM Audit

- 5.1 Pustaka RM shall be audited at least once a year.
- 5.2 The Internal Audit Division shall plan for annual audit and auditors shall be appointed by Chairman of the Committee on annual basis.
- 5.3 The auditor shall not be any member of the Committee.
- 5.4 The audit report must be presented and discussed in the RiMC.

TERMS

GROUP RISK PROFILE

A **risk profile** is an evaluation of an individual's willingness and ability to take **risks**. It can also refer to the threats to which an organization is exposed. A **risk profile** is important for determining a proper investment asset allocation for a portfolio.

Developing a corporate risk profile involves activities under six general headings:

1. plan and **prepare**;
2. conduct an environmental scan;
3. understand stakeholders' **risk** tolerance;
4. assess current **risk** management capacity;
5. **develop** the initial **risk** response; and.
6. portray the corporate **risk profile**.