

**BANK OF PAPUA NEW GUINEA**  
**POSITION DESCRIPTION**  
**CHIEF RISK OFFICER, RISK MANAGEMENT OFFICE**

*This Position Description outlines the role, skills, relationships, authorities and accountabilities. The position's competencies and the Bank's values are included. These form the basis for Job Evaluation, Performance Appraisal (setting key result areas and targets) and Recruitment.*

## **1. DEPARTMENT PURPOSE STATEMENT**

### **Our Focus**

The Risk Management Office (RMO) oversees proactive and transparent enterprise-wide risk management practices to protect BPNG's operational integrity while supporting sound decision-making. We build the Bank's resilience while ensuring compliance with regulations and creating a culture where everyone understands and manages risks appropriately.

### **Why We Exist**

BPNG's Enterprise Risk Management Framework (ERMF), Risk Strategy, Risk Policy development and implementation, and ongoing improvement fall under the RMO's leadership responsibilities. Our leadership guarantees the early identification of risks across strategic, operational, financial, technological, reputational and emerging categories, followed by thorough assessment and effective management. The Bank maintains financial stability and achieves operational efficiency while successfully transforming institutionally to operate in an increasingly complex environment.

### **Our Roles**

The RMO manages the execution of risk management activities throughout BPNG. Our team develops the Bank's risk appetite frameworks and tolerance guidelines while delivering real-time analytics and reporting capabilities, creating governance structures and accountability systems, and assisting departments in risk identification assessment and mitigation processes. The Bank's adherence to Basel III standards, ISO 31000 and all required regulations is maintained by our team.

Our team manages crisis response exercises and risk awareness programs while monitoring Key Risk Indicators (KRIs) and maintaining up-to-date risk frameworks through regular assessments.

We maintain responsibility across multiple risk domains, which encompass strategic risk management, third-party risk evaluation, and operational risk combined with market and financial risk oversight.

## **2. POSITION PURPOSE STATEMENT**

### **Our Focus**

The Chief Risk Officer (CRO) steers strategic risk management initiatives and monitors bank operations for comprehensive risk control. The role strengthens BPNG's institutional robustness through sound governance practices while enabling proactive risk management across all organisational tiers.

### **Why This Position Exists**

The position maintains the Bank's ERMF and leads the execution of its Risk Strategy and Policy. The CRO builds the Bank's risk governance framework by embedding risk considerations into strategic planning and operational decision-making approaches. BPNG ensures its preparedness to predict and counteract emerging risks by strictly following regulatory standards and global best practices.

### **The Role**

The CRO leads the Risk Management Office and manages the Bank's risk management strategy. The position delivers strategic risk guidance for the Executive Committee, Board of Directors and the Risk Oversight Committee about systemic risks along with new operational threats. By implementing risk governance frameworks with risk appetite and tolerance parameters together with real-time risk monitoring systems throughout the Bank the CRO enhances risk management capabilities.

## **3. SKILLS**

The Chief Risk Officer position requires strategic leadership skills along with technical risk management knowledge and outstanding abilities in stakeholder engagement. Organisations need assistance to navigate difficult and changing risk conditions while strengthening their own responsibility and resilience.

The role demands advanced analytical capabilities paired with proficient knowledge of global risk management standards to evaluate complex risk information for decision-making by senior executives and Board members. When leading organisational change, the CRO must demonstrate strong communication and collaboration abilities to develop cross-functional capabilities and influence departmental behaviours.

Essential skills include:

- Strategic leadership and organisational governance expertise.
- In-depth knowledge of ISO 31000 standards, Basel III, and multiple risk management frameworks.
- Analysing risk data and performing critical evaluations.
- Strong communication and stakeholder engagement capability.

- Cybersecurity risk assessment, operations management, and financial and regulatory compliance.
- Crisis management and incident response leadership.
- Team leadership, coaching, and capability development.
- Advanced systems thinking skills alongside expertise in handling complex organisational structures.
- Sound judgement and decision-making in uncertain environments.

#### **4. QUALIFICATIONS AND EXPERIENCE**

Risk management senior leadership experience and relevant qualifications are requirements for the CRO.

Essential qualifications and experience include:

- A preference for a university degree in risk management or related fields such as economics, finance, public policy, or business administration.
- Risk management professional certifications and advanced degrees (like CRM, FRM, or ISO 31000) represent desirable qualifications.
- Requires at least ten (10) years of high-level leadership experience in enterprise risk management and financial regulation or corporate governance.
- Successfully directed establishing and applying risk frameworks along with governance policies and models.
- Candidates with experience in central banks or financial regulatory agencies are sought after.
- Established a history of stakeholder engagement through Board-level reporting and regulatory liaison activities.
- Demonstrated leadership in transforming organisations and building capabilities within risk functions.
- A comprehensive knowledge of global risk management standards and financial industry regulatory rules.

#### **5. KEY RESPONSIBILITIES**

The Chief Risk Officer directs the development and advancement of BPNG's risk management framework and practices.

Core responsibilities include:

- Implementing the Bank's ERMF and Risk Strategy and Policy and maintaining these elements through comprehensive process implementation.
- Routine assessment and maintenance of the Banks risk appetite and tolerance statements.
- Supervision of the Risk Management Office, managing resources effectively and develops capabilities.
- Strategic risk advice and delivery of a standard risk report to the Board, the Executive Committee, and the Risk Oversight Committee.
- Establishing governance structures and assigns explicit responsibility for risk ownership.
- Managing crisis planning and scenario testing while directing incident response procedures.
- Managing real-time risk monitoring operations, reporting tasks, and escalation protocols, as well as monitoring key risk indicators (KRIs).
- Risk awareness through leadership engagement and training programs with adequate communication support.
- Collaborating with regulators and financial institutions as external stakeholders to improve systemic risk management practices.
- Following Basel III standards and ISO 31000 guidelines and national regulatory mandates.
- Focusing on developing risk management tools and processes alongside strengthening governance standards.
- Integrating risk considerations into strategic planning and daily operational decisions.

## **6. KEY RELATIONSHIPS**

The CRO works with multiple internal and external stakeholders to ensure organisational risk management.

Internal Relationships:

- Governor and Deputy Governors
- Chief Operating Officer (COO)
- Executive Committee (ExCo)
- Risk Oversight Committee (ROC)
- Department Heads and Leadership Teams

- Audit and Compliance Functions
- Technology and Operations Teams
- Strategic Planning and Finance Teams

External Relationships:

- Board Risk Committee
- Regulators and Supervisory Authorities
- Financial Institutions and Counterparties
- External Auditors and Risk Consultants
- Multilateral Partners and Industry Forums

## **7. LEADERSHIP COMPETENCIES**

The Chief Risk Officer is required to demonstrate a set of specified leadership competencies, including:

- The ability to assess emerging risks through strategic foresight and to take prompt action against them.
- Sound judgment combined with risk-informed decision-making enabling effective leadership in complex environments.
- Maintaining strong stakeholder engagement along with the capability to develop effective relationships.
- Integrity, transparency, and ethical leadership.
- Change leadership and cultural transformation skills.
- The ability to deliver complex risk information clearly to audiences with different backgrounds.
- Systems thinking and awareness of organisational interdependencies.
- Effective team leadership and coaching to develop risk management abilities throughout the Bank.

## **8. SUCCESS CRITERIA**

The Chief Risk Officer's success will be measured by their capacity to create and maintain a high-performing risk function that integrates throughout the organisation while enhancing BPNG's strategic objectives.

Key indicators of success include:

- Complete deployment and functioning of the ERMF throughout the Bank.
- Risk ownership frameworks must remain clear together with active maintenance of risk registers.
- The risk function provides senior leadership immediate risk monitoring and comprehensive reports.
- The Board and Executive Committee receive consistent high-value risk reports regularly.
- The Bank implements risk awareness and training programs throughout all organisational levels.
- The Bank maintains ongoing adherence to Basel III requirements and ISO 31000, along with other industry standards.
- The Bank achieved effective performance through its crisis simulations and incident response protocols.
- Strengthened internal risk capability and stakeholder trust.
- Risk governance and management practices show ongoing enhancement.