

RISK MANAGEMENT POLICY

2019-2021



1. Purpose

Risk management relates to the culture, processes and structures directed towards the effective management of potential opportunities and adverse effects within the Tūtaki environment.

The purpose of this policy is to explain the organisations underlying approach to risk and risk management.

2. Policy Scope

This policy applies to all staff, volunteers and governors or Tūtaki Youth Inc.

3. Policy Definitions

3.1. Risk means the threat or possibility that an action or event will adversely or beneficially affect Tūtaki's ability to achieve its goals. Risk is measured in terms of likelihood and impact.

3.2. Risk Assessment means the overall process of risk identification and evaluation.

3.3. Risk Management means the culture, processes and structures that are directed towards the effective management of potential opportunities and possible adverse effects.

3.4. Internal controls refer to the processes, policies and procedures used to manage, mitigate or minimise risk.

3.5. Risk Management Process means the systematic application of policies, procedures and practices to the tasks of establishing the context, identifying, analysing, evaluating, communicating, treating and monitoring risk.

3.6. Risk Mitigation refers to the actions that must be taken to lower the likelihood of the risk occurring and/or to minimize the impact if the risk did occur. Risk can never be totally eliminated, but it can be mitigated to lessen its likelihood and or impact.

4. Policy Statements

4.1. Approach to Risk Management

Risk is the threat or possibility that an action or event will adversely or beneficially affect Tutaki's ability to achieve its goals. Tūtaki is committed to the implementation of a comprehensive risk management framework. The risk management approach is based on the AS/NZ4360:2004 Risk Management Standard which addresses governance and management responsibilities for:

- a) Establishing the risk context.
- b) Risk identification, analysis and assessment – the identification of what, why and how events may arise, the determination of existing controls, and an analysis of risks in terms of the likelihood and impact of risk in the context of those controls.
- c) Risk control or treatment – for high impact risks, specific risk management plans shall be developed; lower impact risks may be accepted and monitored.

- d) The oversight and review of the Risk Register and any changes that might affect it. Monitoring and review occurs throughout the risk management process.
- e) Communicating and consultation – appropriate communication and consultation will take place with internal and external stakeholders at relevant stages of the risk management process

4.2. Key Principles in Risk Management

The following key principles outline Tūtaki's approach to risk management:

- 4.2.1. The identification and management of risk is linked to the achievement of the strategic goals.
- 4.2.2. The Audit and Risk Sub Committee is responsible for overseeing a sound system of internal control that supports the achievement of its Strategic Plan.
- 4.2.3. The Audit and Risk Sub Committee shall receive a report from the General Manager detailing the internal risks.
- 4.2.4. The Terms of Reference for the Audit and Risk Sub Committee is set out in the Government Board Policies and Procedures.
- 4.2.5. Tūtaki shall undertake an assessment and disclosure of the financial and non-financial implications of major risks.
- 4.2.6. Review procedures cover reputational, strategic, operational, compliance and financial risk.
- 4.2.7. Risk assessment and internal control are embedded in ongoing operations, business as usual.
- 4.2.8. The Board or Trustees are responsible for encouraging and implementing good risk management practice.
- 4.2.9. The General Manager shall be accountable for the prudent recognition and disclosure of:
 - 4.2.9.1. financial risks, and will be responsible for providing high quality financial information to the Board,
 - 4.2.9.2. occupational health and safety risks, of employment risks, and of payroll,
 - 4.2.9.3. service delivery risks,
 - 4.2.9.4. policy, contract and legislative risks and
 - 4.2.9.5. political communication and reputational risks
- 4.2.10. The General Manager shall maintain an up to date risk register, and will report to the Board on a regular basis.
- 4.2.11. From time to time, Tūtaki may engage external risk consultants to review the internal risk control systems.

5. Further Information

AS/NZ4360:2004 Risk Management Standard