# FINANCIAL POLICIES AND PROCEDURES

## SECTION 2: RISK

## POLICY 1: RISK MANAGEMENT

### Policy Rationale

Like any organisation, [organisation] must manage its risks responsibly.

This risk management policy is enacted in order to:

1. Develop a risk aware culture that is consistent with best practice
2. Provide frameworks to manage potential risks to the organisation
3. Assist [organisation] to achieve its long-term objectives, notwithstanding those risks it may face.

All of [organisation] ‘s members and or staff are expected to be risk aware.

### Policy Statement(s)

[organisation] is committed to:

1. Developing a ‘risk-aware’ culture, in which the Board, management and staff are encouraged to identify and communicate risks to the organisation’s Audit, Finance and Risk Committee in a timely manner
2. Consistent high-quality risk management practices, including acting upon risks identified through frameworks and tools in a timely manner
3. Developing and maintaining best practice tools and frameworks in order to identify, analyse, evaluate, treat, monitor and communicate risks
4. Ensuring key stakeholders recognise that we manage risks responsibly

[organisation]’s risk management policy therefore requires that [organisation]:

1. Identify risks and associated opportunities in a planned and co-ordinated manner, and respond to them with cost effective actions. This will include the CEO reporting risks to [organisation]’s Audit, Finance & Risk Committee.
2. Be “risk prepared”, through high levels of risk awareness, ensuring appropriate tools and resources are available to monitor risks, and ensuring [organisation]’s management and staff are competent in managing risk.
3. Minimise or avert the risks that could impact on our organisation while achieving a tangible and sustainable organisational performance and high quality of service delivery.
4. Enable achievement of long-term business objectives, notwithstanding those risks it may face.
5. Ensure staff are trained and aware of the organisations approach and procedures for managing risk.

### Policy Implementation and Related Procedure Documents

The implementation and review of these Risk Management policies are the responsibility of [organisation]’s Audit, Finance & Risk Committee.

[organisation]’s Audit, Finance & Risk Committee are responsible for reducing identified risks to an acceptable level.

[organisation]’s CEO will ensure that a best practice risk management framework is adopted and utilised by [organisation]. They are also responsible for reporting risks to the Audit, Finance & Risk Committee in a timely manner.

[organisation]’s CEO is also responsible for ensuring appropriate regular training is provided to the organisations members and / or staff.

The following [organisation] policies and frameworks should be referred to in regard to Risk Management:

* + Risk Management Procedures Manual
  + Budgeting & Forecasting Policy
  + Accountability, Internal Controls & Audit Policy
  + Financial Systems & Procedures Policy
  + Reserves Policy
  + Legal Advice Policy
  + Fraud Policy
  + Insurance Policy
  + Records Management & Data Security Policy
  + Business Continuity Policy

### Legislative Compliance Considerations

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* + Companies Act 1993 [if a Company]
  + Constitution [if a Company]
  + Incorporated Societies Act 1908 [if an Incorporated Society]
  + Incorporated Societies Act 2022 [applicable if an Incorporated Society registered under the new Act. Reregistration is available from 5 October 2023]
  + Incorporated Society Rules [if an Incorporated Society registered under the 1908 Act]
  + Incorporated Society Constitution [if an Incorporated Society registered under the 2022 Act]
  + Trust Deed [if a Trust]
  + Trusts Act 2019 [if a Trust]
  + Fair Trading Act 1986
  + Health and Safety at Work Act 2015
  + Copyright Act 1994
  + Gambling Act 2003
  + Privacy Act 2020
  + Standards New Zealand’s Risk Management Guidelines

### Review Protocol

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| --- | --- |
| Policy Reviewed By: | Audit, Finance & Risk Committee |
| Date Reviewed: | [Date] |
| Next Review Date: | [Date] |
| Revokes Policy Reviewed: | [Date] |