



RISK MANAGEMENT POLICY

SCOPE

This policy sets out the process for the Board to assess and manage risk.

Version
1, July
2021

Commitment to Te Tiriti o Waitangi

Karāpiro Rowing Inc. (KRI) recognises Te Tiriti o Waitangi as Aotearoa New Zealand's founding document. KRI is committed to upholding the mana of Te Tiriti o Waitangi and the principles of Partnership, Protection and Participation.

Values

KRI is committed to supporting everyone, including participants, officials, coaches, volunteers, whānau and supporters, to participate in an environment that is respectful, safe, and fair.



Policy

The KRI Board recognises the need to systematically manage and regularly update the KRI risk profile at a strategic and operational level to address uncertainty and facilitate continuous improvement.

The Board has committed to managing risk using three key documents:

1. The KRI Risk Management Policy (this document)
2. The Risk Framework and
3. The Risk Register.

Together, these three documents define the process, identify the tools and assessment criteria to be used, and establish clear responsibilities in managing risk. All three documents form part of the KRI Board's approach to risk management. This approach provides formal, systematic and structured proactive management of organisational risks.

Risk is inherent in all aspects of KRI's activities and whilst many risks cannot be eliminated, they can be identified, quantified and controlled.

1. Objectives of this Policy

- a) This policy confirms the KRI Boards' commitment to implementing a strategic, consistent and structured approach to risk management to effectively minimize the impact of threats causing losses.
- b) This policy is aligned to reflect AS/NZS ISA 3100:2009 Risk Management – Principles and Guidelines which provide the framework used to develop this risk management framework.
- c) Risk will manifest itself in many forms and has the potential to impact the brand/reputation, environmental, financial, health & safety, human resources, regulatory/legal, operational, high performance and domestic performance and thereby the achievements of Rowing New Zealand and our Domestic Associations' objectives.
- d) Understanding and managing risks provide greater certainty and confidence for stakeholders, Board, employees, volunteers, participants, contractors and the communities KRI operates in.
- e) Risk management capabilities will be used to maximize value from assets and business opportunities and to assist in fostering participation and performance in KRI.
- f) Risk management will be embedded in KRI's activities, functions and processes. Risk understanding and tolerance for risk is a key consideration in decision making.
- g) Risk issues will be identified, analysed and ranked in a consistent manner using common systems and methodologies.
- h) Risk controls will be designed and implemented to assure achievement of RNZ's objectives. The effectiveness of these controls will be systematically reviewed and where necessary improved.
- i) Risk management performance will be monitored, reviewed and reported. Oversight of the effectiveness of the risk management process will provide assurance to the Board and other relevant stakeholders.
- j) The effective management of risk is vital to the continued growth and success of KRI.

2. Risk Tolerance

KRI is an incorporated society and is a not-for-profit organisation, receiving funds from its members, government agencies, grant funders, sponsors and local government. KRI is accountable to its members.

The KRI Board is therefore **Risk-Averse**.

3. Risk Management Process and Procedures

The Board views risk management as integral to KRI's strategic intent, is committed to KRI's strategic plan and fully endorses this risk management policy and framework which provides a system to manage risks associated with KRI's core activities.

4. Risk Management Requirements

- a) Risk management will be incorporated into the strategic and operational planning processes of KRI.
- b) Risk and the management thereof will be identified and monitored according to the risk management policy.
- c) Risks will be identified, recorded, reviewed and monitored on an ongoing basis
- d) Risks will be assessed and evaluated against the KRI risk management framework specified in section 8 of this policy.
- e) Risks identified will be recorded in the risk management register.
- f) All risks will be assigned an owner whose responsibilities are specified in section 7 of this policy.

5. Risk Management Principles

The risk management principles adopted by KRI are:

- a) Risk management creates and protects value
- b) Risk management is part of decision making
- c) Risk management explicitly addresses uncertainty
- d) Risk management is systematic, structured and timely
- e) Risk management is based on the best available information
- f) Risk management is tailored
- g) Risk management takes human and cultural factors into account
- h) Risk management is transparent and inclusive
- i) Risk management is dynamic, iterative and responsive to change
- j) Risk management facilitates continual improvement of the organization

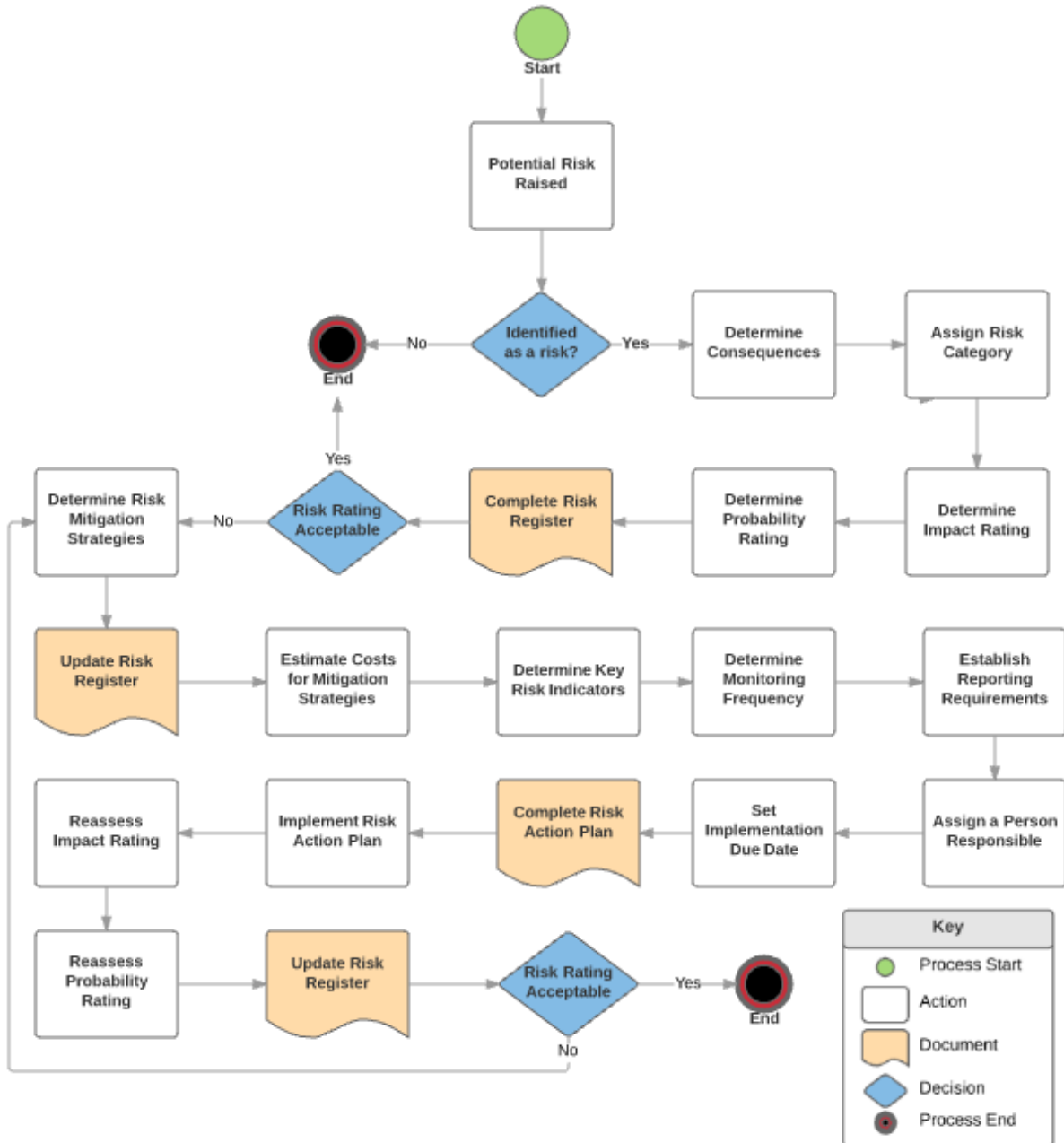
6. Risk Management Process

KRI's risk management process contain the following steps, each of which are detailed further in the risk management framework document:

- 1. consultation
- 2. identifying the hazards
- 3. assessing the risk
- 4. identifying appropriate risk control measures
- 5. implementing the control measures
- 6. monitoring
- 7. regular review



A detailed overview of the process is illustrated in the below diagram:



7. Risk Reporting Requirements

The Operations Manager is responsible for ensuring the KRI Board is adequately informed of significant risk management issues and the actions undertaken to manage risks on a quarterly basis. The Board will formally review KRI's Risk Policy, Framework and Register annually as part of its annual compliance review.

Responsibilities for risk management and report are outlined in the below table:

Board	<ul style="list-style-type: none"> · Oversee the creation, implementation and maintenance of the risk management system including the establishment of risk assessment criteria · Approve governance policies · Approve risk management policy · Approve risk tolerance · Ensure strategic risks are identified, assessed, monitored and reported · Review the effectiveness of the risk management system annually · Review the risk register and controls on a quarterly basis
Operations Manager	<ul style="list-style-type: none"> · Report all risks to the Board on a quarterly basis · Report on the status of relevant risk items to the Board · Ensure internal compliance control systems for implementation of risk management plan are in place · Ensure compliance with regulatory requirements and best practice · Responsible for the risk framework and updating the risk register · Monitoring and implementation of the Risk Management Framework across the organisation · Ensure staff understand their responsibilities with respect to risk identification and management
Facility Manager	<ul style="list-style-type: none"> · Identify existing controls to help manage risks · Develop action plans to reduce the probability and/or impact of the risk · Monitor the implementation of the action plan · Report on the effectiveness of outcomes · Monitor and alert manager to significant changes in risk status
Members and volunteers	<ul style="list-style-type: none"> · Follow policies, codes, procedures and rules

8. Risk Framework

Risk Matrix

The Board has approved the following risk matrix:

Risk Matrix			Impact				
			Insignificant	Minor	Medium	High	Extreme
			1	2	3	4	5
Probability	Rare	1	Low	Low	Low	Moderate	Moderate
	Unlikely	2	Low	Low	Moderate	High	High
	Possible	3	Low	Moderate	High	High	Extreme
	Likely	4	Low	Moderate	High	Extreme	Extreme
	Almost Certain	5	Moderate	High	High	Extreme	Extreme

Risk Grading Criteria – Impact Ratings

The Board has resolved that risk will be assessed over the following categories in relation to impact:

- *Brand / Reputation* – impact on brand, general credibility and reputation
- *Domestic* – impact on domestic operations
- *Environmental* – impact on the environment

- *Financial* – impact on finances
- *Health & Safety* – impact on the safety and wellbeing of people
- *High Performance* – impact on high performance operations
- *Human Resources* – impact on corporate knowledge / continuity
- *Operational* – impact on the provision of services
- *Regulatory / Legal* – impact on regulatory exposure or legal compliance

The Board has determined the following levels of impact and criteria

Impact Assessment				Brand/ Reputation	Domestic	Environmental	Financial	Health & Safety	High Performance	Human Resources	Operational	Regulatory / Legal
Impact	5	Extreme	Can prove catastrophic or terminal for the whole organisation	Collapse of the organisation. Major inquiry into systemic misconduct. Wholesale resignation of board members or senior management. Severe reputational damage that can't be recovered from easily. Sustained and prolonged media interest with criticism of the association. External / independent investigation required. External management of communications and recovery.	Severe compromise to strategic objectives / goals. Severe ongoing impact on service delivery. Skills shortage severely affects ability to meet objectives / goals. Loss of majority of senior management and/or capable staff.	Severe natural disaster or weather event causing permanent long term damage to the environment and/or resulting in an inability to continue operations. Permanent long-term environmental harm, significant loss of environment.	More than \$1 million.	Death or permanent disability due to compromised safety standards.	Severe compromise to strategic objectives / goals. Severe ongoing impact on service delivery. Skills shortage severely affects ability to meet objectives / goals. Loss of majority of senior management and/or capable staff.	Loss of majority of board members and/or senior managers.	Unable to deliver services in a region. Prohibition from delivering competition at any level.	Criminal prosecution due to failure to comply with the law.
	4	High	Significant jeopardy to some aspects of the organisation but won't result in organisational failure	Loss of affiliates. Investigation of serious individual misconduct. Loss of significant skills from board or senior management. Significant reputational damage or loss of confidence in board or senior management. Considerable media interest with minor criticism of association. External / independent investigation required. Communications and recovery managed internally with strong external guidance.	Significant compromise to strategic objectives / goals. Significant ongoing impact on service delivery. Skills shortage affect ability to meet objectives / goals. Significant increase in staff turnover.	Significant natural disaster or weather event causing significant long term damage to environment and/or serious disruption to operations. Significant long term environmental harm, loss and damage of environment.	More than \$500,000 but less than \$1 million.	Serious injury due to compromised safety standards.	Significant compromise to strategic objectives / goals. Significant ongoing impact on service delivery. Skills shortage affect ability to meet objectives / goals. Significant increase in staff turnover.	Loss of some board members and/or senior managers. High turnover of experienced staff. Not perceived as employer of choice.	Widespread failure or loss of service standards. Unable to deliver National Competitions / Championships.	Civil action due to negligence or new regulations that impede operations. Regulatory or police investigation with adverse findings.
	3	Medium	Will cause problems but nothing too significant	Threats of withdrawal from affiliated organisations. Failure of prominent branded project. Failure of affiliates. Individual or group misconduct. Sustained public criticism of the organisation. Limited reputational damage. Minimal media interest with minor criticisms of the association. Most communications and recovery can be managed internally with some external guidance.	Compromise strategic objectives / goals. Moderate impact on service delivery. Moderate increase in staff turnover.	Natural disaster or weather event causing significant but temporary damage to environment and/or disruption to operations. Significant release of pollutants with mid-term recovery. Significant but temporary damage to the environment.	More than \$300,000 but less than \$500,000.	Systemic injuries or increased frequency of near misses.	Compromise strategic objectives / goals. Moderate impact on service delivery. Moderate increase in staff turnover.	Widespread staff morale problems and high staff turnover.	Moderate impact on service standards. Unable to deliver local sports competitions. Widespread discontent by members / participants.	Regulatory or police investigation without adverse findings. Compliance obligations breached.
	2	Minor	Mild impact but should be addressed	Localised negative media coverage. Senior management or board belief that the associations reputation has been damaged. Media interest is short lived and association not directly blamed. Communication and recovery can be managed internally.	Minor impact on service delivery. Limited effect on outcomes / objectives. Minimal increase in staff turnover.	Minor natural disaster or weather event causing minor temporary damage to environment and/or minor impact on operations. Minor transient environmental harm.	More than \$100,000 but less than \$300,000.	Minor injuries.	Minor impact on service delivery. Limited effect on outcomes / objectives. Minimal increase in staff turnover.	General staff morale problems and increase in staff turnover.	Minor impact on service delivery. Competitive threats to membership. Constrained capacity to meet demands of members / participants.	Persistent complaints against the organisation and/or board.
	1	Insignificant	No significant threat and can be left unmitigated without special action	Media interest in a local issue. Reputation not affected. Minimal media attention. Communications and recovery can be managed internally.	Limited effect on outcomes / objectives. No increase in staff turnover in area.	Minor natural disaster or weather event not impacting operations or causing any environmental damage or loss.	Less than \$100,000.	Insignificant injuries or near miss.	Limited effect on outcomes / objectives. No increase in staff turnover in area.	Isolated staff dissatisfaction.	Very minor, temporary service disruption.	Unfounded complaints against the organisation and/or board.

Risk Grading Criteria – Probability Ratings

The Board has resolved that the following probability thresholds and ratings in relation to assessing risk will be used:

Probability Assessment

Probability	5	Almost Certain	Will probably occur more than once within 12 months
	4	Likely	High probability that will occur at least once within next 24 months
	3	Possible	Reasonable likelihood that could occur more than once in 24 months
	2	Unlikely	Not likely to occur within next 24 months
	1	Rare	Not impossible but highly unlikely

Risk Tolerance Levels

The Board has resolved that the following risk tolerance thresholds be used in relation to the actions personnel shall take in relation to managing risks:

Risk Level	Required Actions
Extreme	Intolerable Operations/activity should be discontinued until the level of risk can be reduced. Consider options for reducing the impact or probability of the risk. CEO/board to be informed ASAP and provide urgent attention, guidance and approval of mitigation strategy. Consider external advice (legal or risk advisor).
High	Tolerable level of risk - significant management and monitoring required Actions should be taken to ensure risk level is 'as low as reasonably practicable' (ALARP). Consider options for reducing the impact or probability of the risk. If level of risk is ALARP, continue to manage using documented operating procedures. Increase monitoring of controls to ensure effectiveness in managing the risk.
Moderate	Tolerable level of risk - follow operating procedures Ensure risk level is ALARP. If level of risk is ALARP, continue to manage using standard operating procedures with normal monitoring protocols.
Low	Tolerable level of risk Maintain existing controls. No additional controls required.

This policy is due for review August 2022 or earlier as required.

Karāpiro Rowing Inc.

Chair: _____

Dated: _____