

Risk Management Policy

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1. Objective

The purpose of this policy is to provide:

- clear direction for effective management of risk at FNDC
- a commitment to a culture of risk-based decision-making that aligns with good practice
- clear roles and responsibilities for risk management within FNDC

2. Scope

This policy applies to FNDC:

- Employees
- Te Miromiro – Audit, Risk & Finance Committee members
- Chief Executive Officer (CEO)
- Senior leadership team
- Management
- Activity, business, and conducted services

To provide clarity, any reference to employees or staff in this policy include volunteers, persons seconded to FNDC and contractors. Elected members are excluded from this definition.

Specific risk management policies, procedures or guidelines relating to specialised areas remain consistent with the broad directions in this policy.

3. Introduction

FNDC recognises that risks are present in everything it does. Effective and efficient risk management is an integral part of good governance. The successful management of risks is essential to enable to lead the district and to fulfil our objectives and the Long Term Plan.

Risk management improves performance and encourages innovation whilst supporting the achievement of FNDC objectives.

FNDC operates on a risk aware and not risk averse foundation. This means that we are willing to accept a measure of risk to achieve our objectives and we are willing to increase our risk if it is done in pursuit of specific objectives, done in a controlled manner and subject to proper governance and approval.

We undertake proactive risk management to understand the strategic and operational risks and opportunities facing to make informed decisions and meet strategic goals.

Apart from reducing the likelihood and impact of risk, risk management also focuses on increasing the odds of good outcomes and contributing towards the maximisation of opportunities for , our customers and our communities.

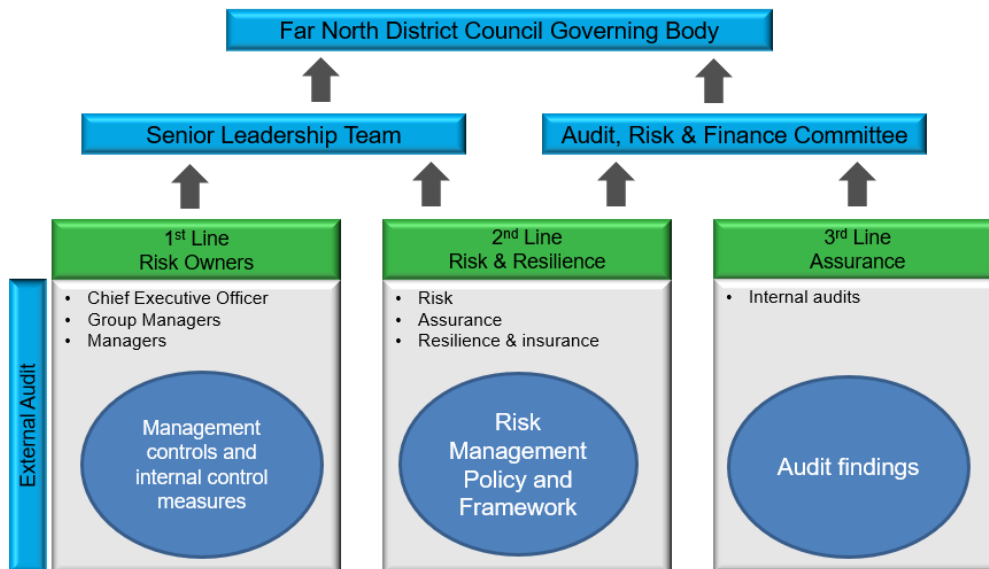
4. Policy Principles

FNDC commits to align risk management with the principles and processes as set out in AS/NZS ISO31000:2018 Risk Management – Principles and Guidelines.

Management of Risk at FNDC is based on the below 8 principles:

	Principle	Description
1	Proportionate	Risk management activities are proportionate to the level of risk faced by FNDC resulting in a healthy balance for good practice
2	Aligned	Risk management activities are aligned with other activities within FNDC
3	Comprehensive	The risk management approach implements a systematic, comprehensive, and structured approach to risk management to ensure consistent results.
4	Embedded and integrated	Risk management activities is a iterated process that is an integral part of all FNDC activities, and is part of the purpose, governance, leadership and commitment, strategy, objectives, and operations of FNDC.
5	Dynamic	Risk management activities takes place in the context of the objectives and activities of FNDC and risks can emerge, change, or disappear when changes occur in the operating environment.
6	Best available information	Risk management explicitly considers the best available information for improved awareness and informed risk decisions.
7	Human and cultural factors	The variable and dynamic nature of human behaviour and culture is considered throughout the risk management process.
8	Continual improvement.	Risk management is continually improved through learning and experience as FNDC matures its risk management practices, acknowledges, and addresses control gaps reported by audits and reviews

FNDC applies the approach of the three-line model as far as they can be applied to our organisation as an informative approach to risk management for the purpose of designing and embedding risk-management processes and procedures. The application of the three-line model is depicted in the below diagram:



5. Roles and Responsibilities

Risk management is the responsibility of everyone working for or with FNDC and it is their responsibility to develop a capability level that will enable them to perform their risk-management responsibilities with due diligence and care.

Council	The Council consists of the mayor and 10 ward councillors, responsible for the district strategic decisions. Part of the responsibilities of Council is to mandate effective governance in the Far North district. The role and responsibilities of the councillors are articulated in its terms of reference.
Te Miromiro – Audit, Risk & Finance Committee (ARF)	The purpose of the ARF committee is to assist, advise and review the effectiveness of Council in discharging its responsibility and ownership of governance, risk management and internal controls. More specifically the ARF committee reviews, approves and monitors the implementation of the risk management policy and framework. The risk management responsibilities of the ARF committee are articulated in its terms of reference.
Chief Executive Officer (CEO)	The CEO has ultimate responsibility for risk management at FNDC and oversees the implementation of the risk management policy and risk management framework.
Senior Leadership Team (SLT)	The purpose of the SLT is to manage as a whole, to ensure it complies with all obligations and mitigate

	strategic risks, and to report on operational, political and performance matters to the required committees. SLT members are risk owners who are also responsible for promoting the culture and awareness of risk management in line with risk appetite.
Risk and Assurance Department	<p>The Risk and Assurance department perform as a Line 2 function providing support, guidance and tools for the execution of risk management at FNDC, while delivering strategic risk reviews and reporting to the SLT and the ARF committee on a regular basis.</p> <p>It is also accountable for developing the risk management policy and framework.</p>
Employees	<p>Risk management is the responsibility of all employees and any other stakeholder involved in activities of FNDC. They should perform risk management processes in accordance with the risk management policy and framework, implement mitigations as required, while monitoring, reporting and escalating risks as necessary.</p> <p>A more detailed set of risk management responsibilities of FNDC are set out in the risk management framework. People leaders are encouraged to support employees by providing them with the capacity to perform their risk management responsibilities.</p>

6. Relevant Legislation, Policies and Procedures

AS/NZS ISO 31000:2009

Risk Management – Principles and Guidelines

Council Policies and Procedures

All FNDC policies and processes serve to manage risk by specifying and forming the controls that manage specific risks