

## Aratoi Regional Trust – Risk Management Policy

Section: Risk Management  
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Authorised by	Role	Signature
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### Purpose

To ensure that Risk Management is a part of ART's internal control and corporate governance systems and processes.

### Introduction

The ART Board and the Director recognise Risk Management as an integral part of good management practice and an essential component of good governance. Risk Management should be embedded in the culture of ART.

Risk Management creates and protects value through its contribution to the achievement of objectives and improvement in ARTs performance. It is a process which enables innovation, continual improvement in strategic decision-making and helps protect ART from adverse events.

### Policy

ART is committed to implementation of a comprehensive Risk Management framework, which addresses two fundamental activities:

- Governance and management responsibilities,
- Risk identification, analysis, assessment, and control/treatment,

Risk Management is effective if it reliably protects ART's goals at the lowest sustainable long-term cost. Risk Management within ART is based on the principle that risk is part of running any organisation and while not strongly risk averse, ART recognises the need to proactively identify and manage its risks.

Risk Management is a governance issue and a management responsibility. The Director understands and accepts the responsibility to manage those risks. Risk Management processes are governance and management responsibilities.

The Director must familiarise themselves with the Risk Management Framework and take proactive steps to identify, report on and manage risk within their areas of influence and control. The Director will prepare risk reports at least annually, and more often as required, using agreed templates.

Risk identification and management is to be undertaken in all ART activities as part of:

- Strategic planning
- the annual planning process, including Financial Management and Planning
- day-to-day operations
- investment and strategic analysis

### **Definitions**

“**Risk**” is the effect of uncertainty on objectives. Risk may have a positive or negative impact.

“**Risk Management**” is the logical and systematic process of communicating, consulting, establishing the context, identifying, analysing, evaluating, treating, monitoring and reviewing risks associated with any activity, function or process in a way that will enable organisations to minimise losses and maximise opportunities.

“**Risk assessment**” is the overall process of risk identification, risk analysis and risk evaluation.

### **Audience**

All Aratoi Board and staff.

### **Related procedures and Documents**

Theft and Fraud Prevention Policy

Insurance Policy

Media Policy

Delegations Authority

Health and Safety Policy