



NGĀTI WHĀTUA ŌRĀKEI

Trustee Limited

Policy: Risk Management

Description:	Policy of the Ngāti Whātua Ōrākei Trust
Approved by:	Board Resolution
Date:	8 March 2019

1 Background and Purpose

- 1.1** **Risk** is defined as “the effect of uncertainty on objectives”¹. It is an unavoidable consequence of running any business or operation. **Risk management** relates to the activities that direct and control an organisation in relation to risk.

“The purpose of risk management is the creation and protection of value. It improves performance, encourages innovation and supports the achievement of objectives.” (ISO 31000)

- 1.2** The purpose of this policy is to outline the approach of Ngāti Whātua Ōrākei Trustee Limited (NWOT or the Company) to risk and risk management.

2 Scope

- 2.1** This policy applies to Ngāti Whātua Ōrākei Trustee Limited and provides guidance to the Ngāti Whātua Ōrākei Group.

3 Policy Statement

Approach to Risk Management

- 3.1** The principles that apply to the Company’s management of risk are:
- Commitment:** The Company, led by the Board, are committed to the on-going identification and management of risk as it relates to the achievement of the strategic goals and delivery of the requirements and purposes set out in the Ngāti Whātua Ōrākei Trust Deed. This is demonstrated through the resourcing and Board/management time committed to risk management.

¹ ISO 31000:2018 Risk Management-Guidelines



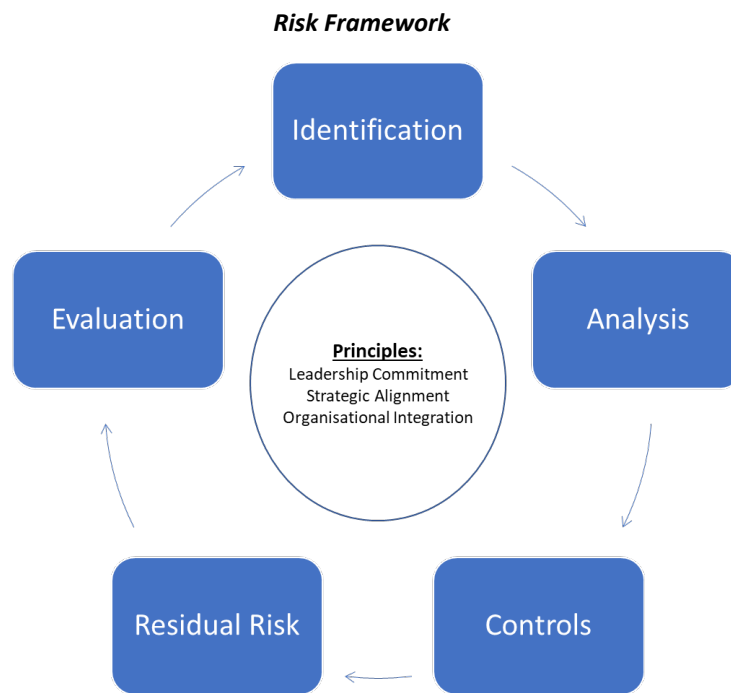
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- b) **Strategic:** The identification and management of risk is linked to the achievement of the Company's strategic goals which are aligned to the purposes of the Ngāti Whātua Ōrākei Trust (Trust).
- c) **Integrated:** Risk management is integrated into the Company's operation, through its structure, culture and processes.

Risk Management Framework

- 3.2 At the core of our risk management framework is the process of: 1) risk identification; 2) risk analysis; 3) risk control effectiveness; 4) treatment of residual risk; and 5) evaluation and monitoring.



Risk Identification

- 3.3 **Fundamental Risk:** The fundamental risk that the Company faces is that it fails to deliver on the Purposes of the Trust which are outlined in sections 2.3 and 2.4 of the Trust Deed.
- 3.4 In addition to the Fundamental Risk, the Board will identify uncertain events or conditions that could affect the achievement of the Company objectives including those outlined in the 5-Year Plan and Annual Plan.
- 3.5 The identification of risk involves both an internal and external environmental assessment.



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- 3.6** Risks identified will be documented in a **Risk Register** in a format determined by the Board from time to time. An example format is presented in an Appendix to this policy.

Risk Analysis

- 3.7** Risks will be assessed and rated according to the likelihood of these events occurring alongside the consequences of their impact on the stated objectives of the Company and purposes of the Trust. Ratings will be defined and determined to ensure consistency in application of the framework.

Controls and Effectiveness

- 3.8** In order to manage identified risks, controls must be established, and their effectiveness assessed. Controls may include policies, procedures, standards, processes and codes of practice.
- 3.9** Control effectiveness is assessed formally at least annually, complemented by findings from external and internal audits, reported incidents and any other relevant facts.

Residual Risk Analysis

- 3.10** Residual Risk Analysis involves assessing the level of risk remaining for each identified risk after consideration of inherent (gross) risk and the effectiveness of the identified control in mitigating each risk.
- 3.11** For each residual risk the Board may:
- accept the risk and make a conscious decision to not take any action; or
 - accept the risk but take some actions to lessen or minimise its likelihood or impact; or
 - transfer the risk (in whole or in part) to another individual or organisation (e.g. through insurance); or
 - eliminate the risk by ceasing to perform the activity causing it.

Evaluation

- 3.12** Evaluation relates to the formal assessment of the application of the risk management framework and the identification of areas for improvement. This will involve the use of an internal audit function to assess the effectiveness of controls to provide some separate assurance to the Board that the controls are operating as documented.

Roles and Responsibilities

- 3.13** The Board, through the Audit and Risk Committee as appropriate, is responsible for establishing and reviewing this risk management policy and ensuring the risk management framework is implemented and monitors compliance with that framework.
- 3.14** The Board is also responsible for ensuring that the subsidiaries have appropriate risk management processes that enable effective governance for the Group. This may include reviewing policies, risk



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registers and obtaining an independent and/or internal audit assessment of subsidiary performance in relation to risk management.

3.15 The CEO and management of the Company is responsible for implementing and monitoring the controls and the on-going effectiveness of the controls in managing the identified risks.

3.16 The Audit and Risk Committee, through the Terms of Reference approved by the Board, is responsible for monitoring the implementation of the risk framework, reviewing the risk register, and establishing an internal audit function to test and evaluate risk management processes.

4 Relevant Legislation and Authoritative Guidance

4.1 All persons performing a function under this policy are required to comply with all relevant legislation including but not limited to:

- Ngāti Whātua Ōrākei Trust dated 3 November 2011;
- Ngāti Whātua Ōrākei Trust Settlement Act 2012;
- Companies Act 1993;
- Financial Reporting Act 2013
- Trustee Act 1956.

5 Related Policies

5.1 This policy relates to:

- Board Charter

6 Procedures, Standards, Documents or Guidelines linked to this Policy

- Risk Register
- International Standard (ISO 31000:2018) has been used as guidance for this policy

7 Definitions

Board	means the board of directors of Ngāti Whātua Ōrākei Trustee Limited
Group	means Ngāti Whātua Ōrākei Trustee Limited and its subsidiaries.
Ngāti Whātua Ōrākei Trust	means the Trust established by the Ngāti Whātua Ōrākei Trust Deed dated 3 November 2011



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8 Document Control

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Status	FINAL	Date Approved	8 March 2019
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Responsible Officer	CEO		



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Appendix: Sample Risk Register

Risk Register												
Risk Identification				Risk Assessment						Key Controls		
Link to 5-Year or Annual Plan	Risk Type	Risk Description	Responsible	Gross Risk			Residual Risk			Key Controls	Assurance Process	Actioned By
				Consequence	Likelihood	Risk Assessment	Consequence	Likelihood	Risk Assessment			