

# Risk Management Policy

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## 1. Purpose

APA's Board of Directors is aware that some risks will always exist and cannot be eliminated. The Board recognises that it has a responsibility to manage risks (both positive and negative) and to support a structured, systematic and focused approach to manage them by approval of the risk management strategy.

In this way, the Board of APA will:

- Demonstrate effective corporate governance.
- Better achieve its corporate objectives.
- Enhance the value of services it provides to the beneficiaries.

## 2. Objectives

- Integrate risk management into the culture of the board and APA at all levels.
- Manage risk in accordance with best practice.
- Anticipate and respond to changing social, environmental and legislative requirements.
- Prevent injury, damage and losses and reduce the cost of risk.
- Raise awareness of the need for risk management by all those involved with the delivery of organization's services.

These objectives will be achieved by:

- Establishing clear roles, responsibilities and reporting lines within the Board and throughout the organisation for risk and fraud management prevention/detection.
- Providing opportunities for shared learning on risk management to employees and volunteers.
- Offering a framework for allocating resources to identified priority risk areas.
- Providing training to employees and volunteers in order to reinforce the importance of effective risk management as part of the everyday work
- Incorporating risk management into business planning.
- Incorporating risk management considerations into partnership arrangements, project management, change management, programmes and contracts.
- Monitoring arrangements on an on-going basis by including risk reporting as a standing agenda item on both the Internal Audit and Risk Assessment Committee (IAFRC) and Board meeting agendas.

### 3. Risk Register

The risk register is a tool that will be used to measure and prioritise the risks faced by APA. The template and the key terms used in the creation of this tool are shown below.

Risk Identification		Qualitative Rating				Risk Response		
Risk	Risk Category	Probability	Impact	Risk Score	Risk Ranking	Risk Response	Trigger	Risk Owner

Fig. 1 Risk Register template

#### D. Key Terms

- **Risk**: The risk stated in a complete sentence that states the cause of the risk, the risk, and the effect that the risk causes to the project.
- **Risk Category**: Categorization of risks by area of project affected, source of risk or other useful category.
- **Probability**: The likelihood that a risk or opportunity will occur (on a scale from 0 to 10 with 10 being the highest).
- **Impact**: The impact of the risk on the project if the risk occurs (scale from 0 to 10 with 10 being the highest).
- **Risk Score**: Determined by multiplying probability and impact (scale from 0 to 100).
- **Risk Ranking**: A priority list that is determined by the relative ranking of the risks (by their scores) within the project with the number one being the highest risk score.
- **Risk Response**: The action that is to be taken if this risk occurs.
- **Trigger**: Something that indicates that a risk is about to occur or has already occurred.

**Risk Owner**: The person who the project manager assigns to watch for triggers and manage the risk response if the risk occurs.