**Risk Management Policy**

**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.

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