

Risk management policy

Policy owner:	General Manager Government Relations
Policy reviewed by:	The Board, on the recommendation of the Audit and Risk Committee
Policy approved by:	The Board on 23 October 2024
Next review due:	31 October 2025, with any amendments to be considered by the Audit and Risk Committee and approved by the Board for implementation
Distribution:	Available on Ipu. Hard copies will be provided where required.

This policy applies to all staff, contractors, and Board members. It is the responsibility of each one to understand and apply this policy. This policy should be read together with ENZ's risk management procedure which provides ENZ's risk management framework, inherent and residual risk rating matrices, and the Board's risk appetite framework.

Purpose

To ensure Education New Zealand Manapou ki te Ao (ENZ) has organisational-wide commitment to, and responsibility for, risk management. This policy provides the basis for identifying, evaluating, mitigating, managing, and monitoring organisational risk on an ongoing basis.

Definitions

Issue

An issue is a risk that has been realised and the issue becomes an obstacle or challenge which may affect the achievement of ENZ's strategic objectives.

Issue register

The record of information about identified issues, and how they are being managed.

Risk

Risk is the effect of uncertainty on ENZ's ability to achieve its objectives.

Risk appetite

The amount of risk the organisation is willing to take to achieve its objectives.

Risk assessment

Risk assessment is the process of identifying, assessing, analysing, and evaluating a risk within the risk management framework (contained in Appendix 1 of ENZ's risk management procedure).

Risk management

Risk management is the systematic application of management policies, procedures, and practices to identify and address risks and to mitigate them.

Risk management framework

The set of components that provide the foundations and organisational arrangements for identifying, assessing, analysing, and evaluating risk, and identifying the strategies to continually improve risk management throughout the organisation (contained in Appendix 1 of ENZ's risk management procedure).

Risk mitigation

Risk mitigation is the action that must be taken to reduce the probability of an event occurring and/or lower the significance of an event's impact.

Risk register

The record of information about identified risks and how they are being managed.

Principles

ENZ is committed to the implementation of a comprehensive risk management framework, has an open and receptive approach to solving risk problems, and ensures risk management is integrated into normal business processes.

ENZ's approach to risk management is guided by the following principles which are aligned with the principles of the Australia and New Zealand Risk Management Standards¹, in that ENZ's risk management framework:

- creates and protects value
- is an integral part of ENZ's processes and its considerations
- is a part of decision-making

¹ Australian/New Zealand Handbook: Risk management guidelines – Companion to AS/NZS ISO 31000:2009

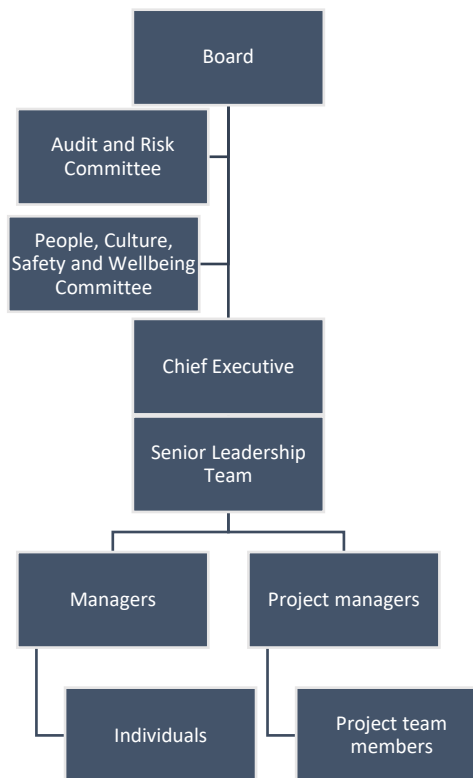
- explicitly addresses uncertainty
- is systematic, structured, and timely
- is based on the best available information
- is transparent, dynamic, iterative, and responsive to change
- facilitates continual improvement.

Organisational roles and accountabilities

All staff have a role in the identification and management of risk

ENZ's risk management policy is applicable to all ENZ staff, contractors, and Board members. It is important that each individual is aware of their risk management responsibilities.

Risk management governance structure



The **Board**, through its Audit and Risk Committee, has a fundamental role in the management of risk. The Board and the Committee, under their Charters, require that:

- ENZ has appropriate processes that identify and manage potential and relevant risks
- The Board has communicated to ENZ the Board's risk appetite
- ENZ operates rigorous processes for risk management and internal control



- The Board receives regular reports on the operation of risk management and internal control processes.

The **Audit and Risk Committee**:

- Reviews this policy and recommends any changes to the Board for approval
- Oversees compliance with this policy and framework
- Reviews all risks identified in the organisation's risk register
- Reviews and forwards to the Board regular reports on the operation of risk management and internal control processes
- Oversees advice to the Chief Executive and the Board on strategic risks, when necessary.

The **People, Culture, Safety and Wellbeing Committee**:

- Reviews and provides recommendations to the Board on relevant strategies, structures and policies
- Monitors ENZ's compliance with Health and Safety at Work Act 2015
- Receives advice on "red flag" issues, such as significant upcoming change processes, serious employment relations issues, and other issues which pose serious legal and/or reputational risks to ENZ.

The **Chief Executive** is responsible for ensuring the effective implementation of this policy and framework, while monitoring the risk management performance and directing action and resources where relevant.

The **Senior Leadership Team** is responsible for implementing risk management activities within their respective teams, and for taking individual and collective responsibility for promoting a positive risk culture across ENZ. The Senior Leadership Team is also responsible for identifying and evaluating the significant risks faced by ENZ and providing adequate information of the status of risks and controls in a timely manner to the Board and the Audit and Risk Committee.

All **directors and managers** (including **project managers** who supervise and run projects) have the responsibility for identifying and managing risks within their areas of responsibility and control, in keeping with good project management practice.

Individuals, including contractors, are responsible for identifying risk and notifying and/or escalating them as appropriate, in keeping with the risk management framework.

Risks are identified, prioritised, and managed in a coordinated and consistent manner

Providing a consistent organisational-wide approach to risk management enhances the quality and reliability of risk information to support decision-making. ENZ's risk management process is set out in the risk management procedure.

ENZ's risk management framework is set out in Appendix 1 of ENZ's risk management procedure. The framework is the overarching process that provides the foundation and organisational arrangements for identifying, designing, implementing, monitoring, reviewing, reporting, and continually improving the management of risk for ENZ. Using this framework means that risk will be minimised or managed, as effectively and efficiently as possible.

ENZ's risk management rating matrix is in Appendix 2 of ENZ's risk management procedure, and includes:

- The **inherent** risk rating matrix which provides a rating for risk with an existing set of controls before actions are taken to alter a risk's likelihood or impact. The matrix combines the consequence and likelihood levels, with the resulting rating used to determine the severity of risk
- The **residual** risk rating matrix which considers the effectiveness of additional mitigations taken using a four-point assessment scale. The resulting rating provides an overall risk rating, which is used to determine the severity of risk and identify those which require management and further treatment to either reduce the likelihood of an event occurring, or the impact of an event should it be realised.

The Board's risk appetite framework is in Appendix 3 of ENZ's risk management procedure. The four-scale rating system provides the Board with a range of options to determine the amount of risk it is willing for ENZ to accept in achieving the organisation's strategic objectives.

Related policies and procedures

- Code of Conduct
- Delegations policy
- Disclosure of interest policy and declaration
- ENZ hazard identification management policy and procedure
- Fraud policy and fraud response procedure
- ICT acceptable use policy
- Information management policy
- Injury, illness, and incident management policy and procedures
- Internal control framework
- Privacy policy
- Procurement policy
- Protected Disclosure policy
- Records management procedures
- Risk management procedure
- Safe driving policy understanding and acceptance
- Safety and wellbeing policy and risk assessment form
- Smoke-free environments policy
- Travel policy
- Workplace anti-harassment policy

Appendix 1: Legislation

- Building Act 2004
- Child Support Act 1991
- Contract and Commercial Law Act 2017
- Copyright Act 1994
- Crimes Act 1961
- Criminal Records (Clean Slate) Act 2004
- Crown Entities Act 2004
- Employment Relations Act 2000
- Equal Pay Act 1972
- Fair Trading Act 1986
- Fire and Emergency NZ Act 2017 and (Fire Safety, Evacuation Procedures and Evacuation Schemes) Regulations 2018
- General Data Protection Regulation (EU)
- Goods and Services Tax Act 1985
- Health and Safety at Work Act 2015, General Risk Regulations and Worker Engagement Regulations
- Holidays Act 2003
- Human Rights Act 1993
- Immigration Act 2009
- Income Tax Act 2007
- KiwiSaver Act 2006
- National Library of New Zealand (Te Puna Matauranga o Aotearoa) Act 2003
- New Zealand Geographic Board (Nga Pou Taunaha o Aotearoa) Act 2008
- Official Information Act 1982
- Privacy Act 2020 and Privacy Regulations 2020
- Protected Disclosures (Protection of Whistleblowers) Act 2022
- Public Audit Act 2001
- Public Finance Act 1989
- Public Records Act 2005
- Public Service Act 2020
- Secret Commissions Act 1910
- Smokefree Environments and Regulated Products Act 1990



- Student Loan Scheme Act 2011
- Tax Administration Act 1994
- Wages Protection Act 1983

Appendix 2: Key accountability documents

- [International Education Strategy He Rautaki Mātauranga a Ao](#)
- [Statement of Intent](#)
- [Statement of Performance Expectations](#)
- [Annual Report](#)
- [Minister's Letter of Expectations](#)
- [ENZ Strategy](#)
- [Business Plan](#)
- [Rautaki Māori](#)