



Risk Management Policy 2026

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1. PURPOSE

- 1.1 To support the achievement of IAWAI – Flowing Waters (IAWAI) operational, organisational, and strategic objectives through risk management.
- 1.2 To reduce potential impacts on the community and ratepayers by defining and supporting an organisational approach to managing risk across IAWAI activities.
- 1.3 To clearly articulate the roles and responsibilities of IAWAI in relation to risk management.
- 1.4 The Policy should be read in conjunction with the Enterprise Risk Management Framework 2026.

2. SHARED SERVICE ARRANGEMENT

- 2.1 IAWAI uses a shared service framework to support efficiency and to ensure alignment with its shareholder councils, Hamilton City Council (HCC) and Waikato District Council (WDC). The provider of shared services will ensure the delivery of systems and processes is appropriate and relevant to IAWAI and aligned with IAWAI policy.
- 2.2 Under a transitional shared service arrangement with Hamilton City Council (HCC), HCC will provide risk and assurance services in line with the Risk and Assurance Shared Service Schedule until IAWAI develops the inhouse capability to take full ownership of this function. This policy should be read in conjunction with the following shared service agreement:
 - Risk and Assurance Shared Service Schedule
- 2.3 For further detail on the shared service arrangement please refer to the Shared Service and Relationship Agreement.

3. SCOPE

- 3.1 This Policy:
 - a. Applies to the IAWAI Board, employees, contractors and activities.



- b. Applies to all risk across IAWAI.
- c. Risk disciplines such as Health and Safety, or, Programme and Project risk have specific detailed frameworks, however this policy outlines IAWAI's risk philosophy across all risk types.

4. DEFINITIONS

Term	Definition in this Policy
IAWAI	IAWAI as an organisation.
IAWAI Board	Governing body of IAWAI.
Risk	The effect of uncertainty on objectives, which may result from events, circumstances, decisions, or changing conditions.
Level of risk	The magnitude of a risk or combination of risks expressed in terms of the combination of consequences and their likelihood.
Risk management	Coordinated activities to direct and control IAWAI with regard to risk.
Risk management framework	A set of components that provide the foundations and organisational arrangements for designing, implementing, monitoring, reviewing and continually improving risk management throughout IAWAI.
Risk appetite	The amount and type of risk that IAWAI is willing to accept in pursuit of its objectives.
Extreme risk	A risk which is almost certain or likely to occur which will result in major or catastrophic consequences.

5. PRINCIPLES OF POLICY

- 5.1 Effective risk management is an essential tool for good business practice.
- 5.2 Risk management is the responsibility of all IAWAI Board members, staff and contractors as part of business-as-usual processes.
- 5.3 IAWAI continues to promote a risk-aware culture where staff can “speak up” and raise concerns early to ensure risks are managed efficiently. Risks are inherent to all business activities and therefore proactive identification is encouraged. All staff are encouraged to identify and escalate risks using established processes. Further details on “how” can be found in the Risk Management Framework.
- 5.4 IAWAI takes a holistic approach to risk management, considering a range of causes and consequences to ensure risks are understood and appropriately managed through effective controls.



- 5.5 Risk appetite guides decision-making at all levels of IAWAI, informing strategic decisions, supporting processes, and setting operational parameters.
- 5.6 Risk management requirements and practices will be regularly communicated across IAWAI through the implementation of this Policy.
- 5.7 IAWAI's risk management policy and framework align with the AS/NZS ISO 31000:2018 Risk Management Standard, which underpins all risk management activities.

6. POLICY

Risk Management within Local Government and council-controlled organisations

- 6.1 Risk management enables the delivery of services through proactively identifying, managing, and mitigating potentially disruptive events.
- 6.2 Effective risk management ensures activities can continue to deliver key services despite disruption and reduce the risk of service outages, financial loss, and public harm. IAWAI has a responsibility to prudently manage operational and organisational risks. Accordingly, risk management is a core responsibility across all services and activities to reduce the likelihood and impact of preventable incidents.
- 6.3 Risks must be considered in all strategies, policies, plans, reports, and as part of business-as-usual activity. The risk management policy and framework provide a consistent approach to risk to enable appropriate comparison so that decisions can be made that consider all potential impacts.

Reporting extreme risks

- 6.4 All risks that have a residual rating of 'extreme' are to be reported and communicated to the relevant Executive Leadership Team member (ELT) immediately and subsequently reviewed and reported as outlined in Schedule 1.
- 6.5 If there are adverse impacts relating to a strategic risk, this is reported to the relevant ELT member.

Strategic Risk Management

- 6.6 IAWAI Board will receive reports quarterly highlighting the strategic and any emerging risks at the IAWAI Finance, Risk and Assurance Committee. This Committee will review risks, controls and treatment plans.
- 6.7 Feedback regarding the effectiveness of controls will be provided periodically as requested or required.
- 6.8 Audit New Zealand or other external parties may be requested to provide independent assurance on the effectiveness of controls in place at IAWAI, as well as any other risk mitigation processes as required by IAWAI, or as mandated by legislation.

Roles and Responsibilities



6.9 The IAWAI Finance, Risk and Assurance Committee, at the direction of the IAWAI Board, is responsible for:

- a. Setting the risk appetite and leading a risk-aware culture across IAWAI.
- b. Evaluating risks to the delivery of the Water Services Strategy and other key strategies and plans.
- c. Understanding the most significant risks to IAWAI including strategic risks and reviewing these annually.
- d. Setting IAWAI risk policies including determining the strategic approach to risk management.
- e. Triennially, considering the need for an independent review of IAWAI's risk management maturity, the risk management policy, and the risk management framework.
- f. Reviewing the quality of risk information, reports and effectiveness of risk assurance practices.

6.10 The IAWAI Executive Leadership Team (ELT) is responsible for:

- a. Communicating significant risks to the IAWAI Board and/or Finance, Risk and Assurance Committee and where appropriate other key stakeholders.
- b. Implementing the risk policies, standards, and guidelines.
- c. Supporting the IAWAI Board and / or Finance, Risk and Assurance Committee to set the risk appetite and tolerance levels and communicating these throughout the organisation.
- d. Maintaining and monitoring the organisation's policies and practices for risk management.
- e. Promoting a risk-aware culture across IAWAI.
- f. Identifying managing, reviewing, and monitoring risks within their functional areas.
- g. Regularly updating their business unit/activity risk profiles against their business plans and reporting these as part of ongoing management reporting.
- h. Ad hoc IAWAI Board and/or Finance, Risk and Assurance - committee reports, as required.

6.11 Through the provision of shared services as documented in the Risk and Assurance Shared Service Schedule, the IAWAI Executive Director Governance and Government Relations is responsible for:

- a. Maintaining and regularly reviewing the strategic risk register.
- b. Preparing the quarterly reporting to the Finance, Risk and Assurance Committee and any other risk management related reports as required.



6.12 Through the provision of shared services as documented in the Risk and Assurance Shared Service Schedule, the HCC risk management team is responsible for:

- a. Providing risk related mentoring, support and guidance to risk and control owners.
- b. Regularly reviewing operational risk registers with relevant leadership teams.
- c. Enabling or supporting all staff and leadership teams to manage relevant strategic, organisational, operational, and emerging risks.
- d. Advising IAWAI on risk management practices to ensure they are adequate and appropriate.
- e. Regular review and update of the risk management policy and associated documentation, in partnership with IAWAI risk functions.
- f. Supporting the preparation of the quarterly reporting to the IAWAI Finance, Risk and Assurance Committee and any other risk management related reports as required.

6.13 IAWAI People Leaders are responsible for:

- a. Managing risks in their area of control in accordance with the IAWAI Risk Management Policy and the IAWAI Risk Management Framework.
- b. Ensuring staff understand and implement risk management processes.
- c. Ensuring IAWAI and Committee reports have considered all relevant risks and their associated controls.
- d. Reporting on a regular basis to the relevant ELT member on the status of processes in place for identifying and managing risks and controls as well as any material changes in relevant risks.

6.14 All staff are responsible for:

- a. Understanding and implementing IAWAI risk management processes.
- b. Managing risks in their area of control in accordance with the Risk Management Policy and the Risk Management Framework.

7. MONITORING AND IMPLEMENTATION

7.1 Implementation of the policy will be monitored by the IAWAI Executive Director of Governance and Government Relations.

7.2 The policy will be reviewed in response to any issues that may arise, every three years, at the request of the IAWAI Board or Finance, Risk and Assurance Committee or in response to changed legislative/statutory requirements (whichever occurs first).

8. REFERENCES



- 8.1 [ISO 31000:2018 - Risk Management Standard](#)
- 8.2 [Risk Management Framework - Programmes and Projects.docx](#)
- 8.3 [HCC Safety Management System Framework](#)
- 8.4 [Project Risk Management Framework](#)

SCHEDULE ONE – RISK MATRIX RISK RATING AND REPORTING

This matrix is used to map the likelihood and consequence levels of a risk and provide a pictorial representation of the relativity of that risk to other risks within an Activity Group and can also be used for mapping key risks across IAWAI.

		CONSEQUENCE				
		Minor	Moderate	Serious	Major	Catastrophic
LIKELIHOOD	Almost Certain	H	H	VH	E	E
	Likely	M	H	VH	VH	E
	Possible	L	M	H	VH	VH
	Unlikely	L	M	M	H	VH
	Rare	L	L	L	M	H



‘Action and acceptance’ table

The following table details the required actions for each risk. By using this matrix, a decision can be made as to the level of escalation required for management to ‘accept a risk’:

ACTION AND ACCEPTANCE MATRIX FOR RESIDUAL RISK LEVELS	
E	Extreme Risk – Immediate action required: risk escalated as appropriate. Treatment Plans and management responsibility specified with close scrutiny required. Further investment is required to reduce the level of risk. Only the IAWAI Board can accept this level of risk.
VH	Very High Risk – Executive Leadership Team attention advised. Treatment Plans and management responsibility specified with periodic scrutiny required. Further investment is required to reduce the level of risk. The relevant ELT member can accept this level of risk.
H	High Risk – Executive Leadership Team attention advised. Treatment Plans and management responsibility specified with periodic scrutiny required. Further investment into this risk may be required. The relevant ELT member can accept this level of risk.
M	Medium Risk – Management responsibility specified. Managed by specific monitoring and procedures. It may not require further investment The relevant Risk Owner, or relevant ELT member or can accept this level of risk.
L	Low Risk – Manage by routine procedures. Unlikely to require further investment and specific application of resources. The relevant Risk Owner, or relevant ELT member can accept this level of risk



Risk Review and Reporting Table

The following table details the required level to which the different residual risk levels must be reviewed and reported.

Residual Risk Level	Audience	Operational and Emerging Risks	Strategic Risks
Extreme	IAWAI Board	Reported to the relevant committee or exec update as required.	Reported Quarterly through the IAWAI Finance, Risk and Assurance Committee
	Executive Leadership Team	Monthly review required with monthly reporting to IAWAI ELT	Monthly review
Very High	IAWAI Board	Reported to the relevant committee or exec update as required.	Quarterly through the IAWAI Finance, Risk and Assurance Committee
	Executive Leadership Team	Quarterly review required with monthly reporting to IAWAI ELT	Quarterly review
High	IAWAI Board	N/A	Quarterly through the IAWAI Finance, Risk and Assurance Committee
	Executive Leadership Team	Quarterly review required with quarterly reporting to IAWAI ELT	Quarterly review
Medium	IAWAI Board	N/A	Quarterly through the IAWAI Finance, Risk and Assurance Committee
	Wider Leadership Group	Six-monthly through leadership team reviews	Six-monthly
Low	IAWAI Board	N/A	Quarterly through the IAWAI Finance, Risk and Assurance Committee
	Wider Leadership Group	Six-monthly through leadership team reviews	Six-monthly

**Wider Leadership Group is to be interpreted as any staff member with specific business responsibilities, including but not limited to members of the IAWAI Executive Leadership Team, people managers, and Project Managers.*