

# ***Risk Management Policy and Framework Council Briefing***

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# ***Risk Management Policy***

- Legislative requirement – None
- Policy background:
  - Oversight
  - Reporting
  - What is covered

# ***Policy Statement***

- Council's risk principles:
  - Support risk based decision making for the vision and outcomes as agreed under the long term plan
  - Support alignment of the four wellbeing's and other requirements under the local government act
  - Support alignment with other relevant legislative requirements
  - Ensure all staff are empowered , and expected, to identify risks and associated mitigation options.
  - Create a transparent and inclusive risk processes based on the best available information
  - Ensure that provision of essential services are prioritised and maintained with minimal risk exposure.

# External vs internal risks

	Negative risk	Positive risk
<b>District risks</b>	Understanding risks for the District and assessing Council's role in managing those risks  e.g. The impact of a Tsunami on the district	Understanding opportunities for the District and assessing Council's role in developing those opportunities  e.g. The opportunity of increase of domestic tourists to the district
<b>Organisation risks</b>	Understanding and managing risks for Council and its immediate stakeholders  e.g. The operational impact of carrying staff vacancies	Understanding and developing opportunities for Council.  e.g. The operational opportunity of working across departments.

# WDC Risk Framework Overview

Risk Type	High Level Definition
<b>Strategic Risk</b>	Strategic risks are the major challenges Council faces in delivering the outcomes required in its Long Term Plan. This includes governance risks relating to decisions made in Council. Strategic risks can be raised by Elected Members, committee members and staff and they are managed by the Strategic Leadership Team (SLT). Strategic risks are included in the quarterly risk report to the Risk and Audit Committee.
<b>Operational Risk</b>	Operational risks are the operational challenges to delivering services required by the Long Term Plan. Operational risks are identified by departments and owned by department managers. Operational risks include compliance risks, for example, not complying with changes to legislation. These risks are collated quarterly and shared with the General Manager for each Council Group. Those with the highest risk ratings are reported to the Risk and Audit Committee.
<b>Health and Safety Risk</b>	Health and Safety of our staff is also a risk type. This includes the risk of injury, weather, lost time, serious harm or fatality, directly attributable to organisations, mechanical or infrastructure failure. These are managed via the Workfare framework and collated via the My Safety application for all staff. Health and Safety risks are managed by the Health and Safety team and reported quarterly to the Risk and Audit Committee.
<b>Project Risk</b>	Project risks are managed on a project basis and are the responsibility of the project manager. Project risks impacting on project delivery are managed via the Project process and reported to the appropriate Committee. These risks are not regularly included in the quarterly reporting to the Risk and Audit Committee.

# ***Roles and responsibilities***

## Roles and responsibilities:

- Council
- Risk and Audit Committee
- Chief Executive
- Group Mangers
- Department Mangers
- Senior Assurance Advisor

Reference table in section 3 of the document (document page 6 and 7).

# ***Risk evaluation***

- **Likelihood:**  
The chance that the risk occurs
- **Impact:**  
The impact on Council, or the District, if the risk occurs.  
This is measured against a number of impact categories.  
(Reputation, Health and safety, Third party loss,  
Operational capability, financial loss and project delays)
- **Mitigation:**  
The treatment we will apply to reduce the risk - what we  
will do about it, or are already doing.

# Rating the risks

Current Risk matrix

Impact	Catastrophic	H	C	C	C	C
	Major	H	H	C	C	C
	Moderate	M	M	H	H	C
	Minor	L	L	M	H	H
	Insignificant	L	L	L	M	H
		Rare	Unlikely	Possible	Likely	Almost-Certain
Likelihood						



# Rating the risks

Potential Future Risk matrix

Impact	Catastrophic	H	C	C	C	C
	Major	H	H	C	C	C
	Moderate	M	M	H	C	C
	Minor	L	M	M	H	C
	Insignificant	L	L	M	H	H
		Rare	Unlikely	Possible	Likely	Almost-Certain
Likelihood						

# ***Risk Matrix - impact***

- Ownership of risks sit with the department manager.
- Changing the risk matrix would increase the number of critical risks.
- There is balance between being able to actively monitor and report on Council's critical risks, and extending the parameters to create additional critical risks which will then require reporting.
- A decision needs to be made about which risk matrix Council want to use going forward.

# ***Risk treatment***

Council review risks and the mitigating actions that have been identified to treat the risk.

Usual types of mitigation actions include:

- Transfer the risk
- Avoid the risk
- Reduce the risk
- Reduce the impact
- Accept the risk

# ***Reporting of risk***

Following identification, evaluation and treatment the risks are categorized as :

- Low
- Medium
- High
- Critical

Low and medium risks are monitored by the department manager and staff

High and critical risks are shared with GM's quarterly.

Critical risks are reported to the Risk and Audit committee at every meeting

# ***Governance of Risk***

- An Invitation for discussion:

Consider ways that you (as governors) can understand and identify risks and opportunities for Council.

What would be an effective way to make this happen?

# ***Next steps***

- Consider feedback before bringing the policy and framework back to the Risk and Audit Committee