

RANGITĪKEI DISTRICT COUNCIL

RISK MANAGEMENT POLICY

This Policy is an integral part of Council's Risk Management Framework and should be considered alongside the other parts of this Framework, as set out in this Policy.

Risk exists in all areas and activities of Council and, accordingly, all staff, contractors, volunteers and elected members have responsibilities associated with risk management. All staff, contractors, volunteers and elected members therefore need to be familiar with this Risk Management Framework.

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Risk Management Policy

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1. INTRODUCTION

Council is committed to maintaining an effective and relevant Risk Management Framework, ensuring a structured, consistent and systematic approach to risk management throughout the organisation.

Council's Risk Management Policy is an integral part of Council's Risk Management Framework and should be considered alongside the other parts of the Risk Management Framework, namely:

1. Risk Management Strategy
2. Risk Appetite and Tolerance Policy
3. Risk Registers
 - a) Strategic Risk Register
 - b) Operational/Departmental Risk Registers
 - c) Project Risk Registers

This Framework is/will be consistent with the standards and principles of best practice established by AS/NZS ISO31000:2018 Risk Management – Principles and Guidelines.

2. KEY PRINCIPLES

1. "The purpose of risk management is the creation and protection of value. It improves performance, encourages innovation and supports the achievement of objectives." (AS/NZS ISO31000:2018)
2. Effective risk management is:
 - a) a fundamental activity of Council
 - b) the responsibility and duty of all staff, contractors, volunteers and elected members of Council.
3. Staff should immediately report to their supervisor whenever they recognise a new, significant or extreme risk.

3. SUMMARY

Council is exposed to a range of risks that could have a significant negative impact on:

- its ability to achieve its objectives (as per Long Term Plan, Statement of Service Performance etc)
- the level and quality of services it provides
- its image and reputation
- its ability to comply with regulatory, legal and moral obligations

Council and the Executive Leadership Team consider it of paramount importance to establish an effective Risk Management Framework to enable this level of effective risk management.

Risk exists in all areas and activities of Council and risk management is accordingly the responsibility of all staff, contractors, volunteers and elected members of Council. Generally:

1. the Executive Leadership Team is responsible for introducing the Risk Management Framework
2. staff, contractors, volunteers and elected members of Council are responsible for complying with all aspects of the Risk Management Framework.

4. RISK MANAGEMENT STRATEGY

The Executive Leadership Team will develop and maintain a Risk Management Strategy (RMS).

The RMS will incorporate the key principles that:

- effective risk management requires an integrated, structured and coordinated approach; and
- this approach must exist throughout all business functions and activities of Council.

The RMS will define and establish clear responsibilities and structures to ensure risk management practices are incorporated into strategic, operational/departmental and project planning and review processes.

The key stages for which Risk Management will be considered are:

1. Risk identification
2. Risk analysis, evaluation and recording
3. Risk treatment (remove, mitigate, transfer or endure) and associated actions
4. Escalation of risk
5. Reporting of key risks

The RMS will encourage an innovative approach to risk management.

5. RISK APPETITE AND TOLERANCE POLICY

The Executive Leadership Team will develop and maintain a Risk Appetite and Tolerance Policy (RATP).

The RATP will enable officers to follow a structured approach to risk assessment, considering the consequences of each risk in the following key areas (plus others as required):

- Safety and wellbeing
 - Staff, contractors etc
 - The Community
- Political
- Reputational
 - Environmental
 - Impact on Ratepayers/the Community
 - Ability to achieve Long Term Plan and Statement of Service Performance objectives etc
- Compliance
 - Legal
 - Regulatory
- Financial

6. RISK REGISTERS

Different risks will be managed at different levels within Council. Council's RMS will require Risk Registers to be maintained at each of these different levels.

Risk Level:	Strategic
Nature	Strategic Risks are those that: <ul style="list-style-type: none">• directly affect Council's ability to deliver its strategic objectives; or• are sufficiently significant that they affect the longer term interests of Council and/or the community and/or future service delivery.
Responsibility	Executive Leadership Team (ELT)
Reviews	Reviews are reported to Audit and Risk Committee: <ul style="list-style-type: none">• Whenever there is a change to one of the considerations/assessments of any of its risks• Whenever new risks are identified• At least every six months

Risk Level:	Operational
Nature	<p>Operational Risks are those that affect the viability of achieving objectives associated within individual business units and/or departments. These risks generally:</p> <ul style="list-style-type: none"> • affect the unit's 'business as usual' activities; or • relate to the effective and efficient use of departmental resources; or • have an indirect impact of Council's ability to meet its strategic objectives.
Responsibility	Department Managers - typically Senior Leadership Team (SLT)
Reviews	<p>Reviews are reported to the relevant ELT member:</p> <ul style="list-style-type: none"> • Whenever there is a change to one of the considerations/assessments of any of its risks • Whenever new risks are identified • At least every six months

Risk Level:	Project
Nature	<p>Project Risks are associated with individual projects and/or initiatives. These risks generally have an impact on Council's ability to meet its operational objectives, although some may be sufficiently significant to have an influence on Council's strategic objectives.</p>
Responsibility	Project Managers (typically nominated by ELT or SLT)
Reviews	<p>Reviews are reported to the relevant ELT/SLT member:</p> <ul style="list-style-type: none"> • Whenever there is a change to one of the considerations/assessments of any of its risks • Whenever new risks are identified • At the completion of the Project (residual risks to be determined and managed) • At least every three months