

Appendix 5:

Risk Appetite Statements* Still to be reviewed by whole Council

N	Type of Risk Category	Definition	No Appetite	Low	Moderate	High	Risk Appetite Statements
1	Financial	Risks that affect the budgets or financial planning of the Council. Includes management, control and ability to meet financial commitments and support strategies and objectives. Risk of loss of money or goods through fraudulent means. Wrongful or criminal deception intended to result in financial or personal gain.	x				Council has No Appetite for decisions that have a significant negative impact on Council's long-term financial sustainability.
				x			Council has Low Appetite for risks that negatively impact on Council's core financial business.
					x		Council accepts a Moderate risk for commercial opportunities.
2	Health and Safety		x				Council has No Appetite for risks that compromise the Health & Safety of Council's staff, contractors, Elected Members and/or members of the public.
3	Human Resources	Risks related to people and their well-being. Staff talent, recruitment and retention issues, including market competitiveness. Management protocols, training, development, leadership and capacity issues. Health and safety, disability and discrimination issues. Resilience and ability to change.			x		Council recognises that its staff are critical to achieving its objectives and, therefore, the support and development of staff is key to making Council an inspiring and safe place to work. It has Moderate Appetite for decisions that involve staffing or Culture to support transformational change and ensure Council is continually improving.
	Knowledge			x			Council has a Low Appetite for risks associated with the loss of knowledge.

N	Type of Risk Category	Definition	No Appetite	Low	Moderate	High	Risk Appetite Statements
4	Legislative (Legal / Regulatory Compliance)	Risk of legal and/or regulatory sanctions, financial loss and damage to reputation, because of failure to comply with all applicable laws, delegations, regulations, contractual obligations, Codes of Conduct and standards of good practice. New or amended statutory environment.	x				Council is committed to a high level of compliance with relevant legislation, regulation and standards, as well as internal policies and sound Corporate Governance principles. Council has No Appetite for deliberate or purposeful violations of legislative or regulatory requirements, or fraudulent behaviour. Identified breaches of compliance will be remedied as soon as practicable. Appetite for minor compliance breaches with limited penalties
5	Operations & Service Delivery <i>Strategic</i>	Risk arising from the day-to-day operations of Council Groups and Project Teams. Risk of loss resulting from the failed internal processes, people and systems, through which Council operates, and from the external events. Includes Legal risk and the reputational loss or damage, but excludes Strategic risk.		x			Council has a Low Appetite for risks and threats to the effective and efficient delivery of services and realisation of desired outcomes. It recognises that the actual or perceived inability to deliver strategic initiatives could have a significant impact on its ability to achieve its overall objectives, as well as reputation.
					x		There is a considerable Appetite for improvements to service delivery and improved efficiency of Council operations. I.e to be innovative and consider options that reduce operating costs.
6	Reputational (Stakeholder Engagement / Political / Public perception)			x			Council has a Low Appetite for risks that may result in widespread and sustained damage to its reputation. Council must work to ensure retains the trust of the ratepayers & has a moderate tolerance for adverse publicity arising from dissatisfaction from appropriate decisions & regulatory actions.

N	Type of Risk Category	Definition	No Appetite	Low	Moderate	High	Risk Appetite Statements
7	Information Technology <i>Processing – Prolonged outage of core systems</i>	Risks relating to reliance on IT equipment and/or machinery; changing demand / capacity. Use or misuse / security of new or existing technology. IT disruptions due to natural or man-made disasters. Obsolescence of current systems; opportunities arising from new technology.	x				Council has No Appetite for risks that have a significant impact on the core operating or corporate systems of the organisation. Maximum recovery times and points (RTO and RPO) will be identified and agreed with each Division and critical activity Recovery Plans are in place.
	<i>Security – Cyber-attack on systems or network</i>		x				The Council has No Appetite for threats to its assets arising from external malicious attacks. To manage this risk, Council operates strong internal control processes and utilises robust technology solutions based on established best practise frameworks.
	<i>Ongoing development</i>				x		Council has a Moderate Appetite for risks associated with applications that may provide innovative solutions to Council's operations.
8	Information Management (Record Keeping)	Risks that affect the Council's ability to store, retrieve and use data and information, including adequacy for decision-making and protection of privacy. Information security.		x			Council is committed to ensuring that its information is authentic, appropriately classified, properly stored and managed in accordance with legislative and business requirements. Council has a Low Appetite for the compromise of processes governing the use of information, its management and publication.
			x				Council has No Appetite for deliberate misuse of its information.

9	Environmental	Environmental sustainability through social, economic and environmental initiatives. Significant damage to the environment either through the Council's actions or lack of actions. Risks related to changing weather patterns			x		There is a considerable Appetite for decisions that promote ecologically sustainable development.
N	Type of Risk Category	Definition	No Appetite	Low	Moderate	High	Risk Appetite Statements
10	Property Assets	Risks that cause or damage to assets owned and operated by Council to provide services. Includes land, property, equipment and flood protection		x			Council has a low appetite for risks and threats that compromise or have a significant negative impact on Council's infrastructure.

This Risk Appetite Statements characterise Council's Tolerance for each risk as Low, Moderate or High, according to the following definitions:

NO Appetite – Council is not willing to accept risks that may result in financial loss, injury, legal and regulatory non-compliance and fraud.

LOW – The level of risk will not substantially impede the ability to achieve Council's mission, vision, strategic objectives and goals. Council services and reputation will only be affected in a **minor** way. Controls are prudently designed and effective.

Moderate - The level of risk may delay or disrupt achievement of Council's mission, vision, strategic objectives and goals. Council services and reputation will only be affected in a **major** way, but controls are adequately designed, generally effective and actively monitored.

High - The level of risk will significantly impede the ability to achieve Council's mission, vision, strategic objectives and goals. Council services and reputation may be **severely** damaged. Controls may be inadequately designed or ineffective.