

Proposed risk management framework: policy and process

Meeting: Audit, Risk and Finance Committee
Date of meeting: 12 March 2020
Reporting officer: Sue Davidson, GM Sustainable Growth and Investment

Purpose/Ngā whāinga

This report provides the policy and framework for Risk Management to be approved by the Committee.

Executive summary/Whakarāpopototanga

A Risk Management Framework needed to be developed for the Council. It is being presented for approval and is attached to this report as **Attachment A**.

Recommendation/Ngā tūtohunga

That the That Audit, Risk and Finance Committee:

- a) Adopts the Risk Management Framework (Attachment A).

Context/Horopaki

An effective risk management framework seeks to protect an organisation's operations and asset base without hindering growth. It is best practice for an organisation to have one so it can focus on the high risks of the business.

Council did have a framework of sorts for Risk Management prior to 2018 however, the Acting Chief Executive at the time (Peter Tynan) determined that the Council needed to develop a new framework and get all parts of the business to understand risk and contribute to evaluating risk in their day-to-day business. Elected members may be aware that PricewaterhouseCoopers was involved initially, but the work has been completed by another consultant and myself.

Discussion/Ngā kōrerorero

The Risk Management Framework has been developed based on best practice, and all activities have been asked to provide a risk register based on this framework for their area of operation. It is suggested that a top ten-risk register is completed and is discussed at each meeting. The full register will be presented once a year to this committee and there may be areas the committee targets for discussion. In between, the updates would show any added or deleted risks. The focus of this update is to show how the Council's most significant risks are being managed, as well as any changes to the risk registers generally (e.g. new risks identified, escalated, downgraded or deleted). The risk framework would be reviewed every 3 years to ensure it is fit for purpose and aligned with good practice.

Options

Option 1: Adopt the Framework, with or without amendments as agreed at this meeting.

Option 2: Does not adopt the Framework, and request staff to report back to the committee.

Option 1 is the recommended option.

Policy and planning implications

This framework will improve planning by ensuring everyone in the organisation considers risk as part of their daily operations.

Financial implications

Any financial and resourcing implications resulting from risk mitigation measures that are outside staff delegations will be reported and require approval from the Council before being incurred. No implications have been identified to date.

Risks and mitigations

The biggest risk is that risk assessment has to be normalised as part of business as usual and not be assumed the General Manager Sustainable Growth and Investment's responsibility but all staff responsibility. Training and knowledge that this is being reviewed regularly by the Committee will be positive.

Significance and engagement/Hirahira me ngā whakapapa

The decisions or matters of this report do not trigger the significance criteria outlined in Council's Significance and Engagement Policy, and the public will be informed via agenda on the website.

Next steps/E whaiake nei

The proposed Risk Framework will be utilised by staff. A better methodology of improving access to the information by staff rather than the current spreadsheet will be investigated. Training will need to occur.

Attachments/Ngā tapiritanga

	Title
A	Risk Management Framework: Policy and Process