

Internal Operating Environment		
1. Health, Safety and Wellbeing	Risk Owner: XXXX	
<p><b>Risk Description:</b>  <i>Failure to meet health and safety obligations, leading to increased incidents impacting on the safety of employees and stakeholders.</i></p>		
<p><b>Risk Drivers – existing and potential causes</b></p> <ul style="list-style-type: none"> <li>• Attitude and organisational culture toward health and safety practices</li> <li>• Workplace processes and practices</li> <li>• Insufficient resourcing</li> <li>• Non-compliance with the Health and Safety at Work Act 2015</li> </ul>		
<p><b>Consequence / what can happen and why it is a concern:</b></p> <ul style="list-style-type: none"> <li>• Reputational damage</li> <li>• Litigation</li> <li>• Financial loss</li> <li>• Low staff morale</li> <li>• Lost time injury</li> <li>• Physical and/or emotional harm</li> <li>• Death (Loss of life)</li> </ul>	Add risk matrix here	
<p><b>Current controls or treatment actions in place:</b></p> <ul style="list-style-type: none"> <li>• Culture</li> <li>• SiteWise requirement for suppliers and evaluation of contractor and culture H&amp;S</li> <li>• Ongoing development and review of Health and Safety Framework and policies</li> <li>• Staff training and induction</li> <li>• Health and Safety committee and representatives in place</li> <li>• Task level inspections, observations and checklists</li> <li>• Health &amp; Safety function performance management</li> </ul>	<p><b>Owner:</b></p> <ul style="list-style-type: none"> <li>• CEO</li> <li>• H&amp;S Advisor</li> <li>• H&amp;S Advisor</li> <li>• H&amp;S Advisor</li> <li>• EM-P&amp;C</li> <li>• H&amp;S Rep</li> <li>• H&amp;S Advisor</li> </ul>	
<p><b>Planned mitigation actions:</b></p> <ul style="list-style-type: none"> <li>• Capacity building for managers and employee representatives</li> <li>• Managed resourcing for health, safety, and wellbeing functions (time, equipment, training, budget)</li> <li>• Prioritising the treatment of critical health, safety, and wellbeing risks</li> <li>• Sector collaboration through new Local Government Health and Safety Forum</li> </ul>	<p><b>Owner:</b>            Health &amp; Safety Advisor</p>	<p><b>Due date:</b></p>
<p><b>Related Risks</b></p> <ul style="list-style-type: none"> <li>• Procurement and contract management</li> <li>• Project management</li> </ul>	<p><b>Projected Outlook</b>            Risk may increase in the medium term due to COVID-19 related uncertainties</p>	

# Internal Operating Environment

## 2. Operational and project delivery

Risk Owner: XXXX

### Risk Description:

Poor planning and decision making.

### Risk Drivers – existing and potential causes

- Project Management framework
- Development around project management specialist capabilities
- Focus on embedding project planning
- Appropriate contingency plans
- Staff training and development around legislation and practice
- Quality management systems
- Project resource capacity and capability
- Audits
- Internal departmental collaboration and coordination

### Consequence / what can happen and why it is a concern:

- Inadequate project, programme management and delivery
- Service delays
- Adverse environmental impacts
- Health and safety implications
- Reputational damage
- Financial loss

Add risk matrix here

### Current controls or treatment actions in place:

- Project Management framework
- Development around project management specialist capabilities
- Focus on embedding Project Planning
- Appropriate contingency plans
- Staff training and development around legislation and practice
- Quality management systems
- Audits
- Identify capacity and resource needs
- Project governance group
- Project advisory group

Owner:

### Planned mitigation actions:

- Training and utilisation of Sentient

Owner:

Due date:

### Related Risks

- Financial Management
- Service delivery and fit for purpose community assets / asset management

Projected Outlook

# Internal Operating Environment

## 3. Major event impacting on operational delivery

Risk Owner: XXXX

### Risk Description:

*Significant unplanned events.*

### Risk Drivers – existing and potential causes

- Management of emergency resources
- Limited scenario testing
- Natural or man-made events, including but not limited to terrorism, flood, climate change, widespread public health event, natural hazards etc.
- Civil unrest

### Consequence / what can happen and why it is a concern:

- Inability to deliver business objectives and service Levels/statutory services
- Health and safety implications
- Loss of life
- Financial loss
- Reputational damage
- Direct impact on service delivery both internally across the Council and externally to residents of Central Otago
- Availability of staff to deliver key services if trained volunteers are taken away to deal with a major incident
- Potential for contractor's business continuity plans to be unfit for purpose.

Add risk matrix here

### Current controls or treatment actions in place:

- Training on Emergency Management processes and procedures
- Appropriate contingency plans and Risk Identification
- Coordination with Civil Defence Emergency Management Otago and other regional councils
- Contractual relationships enabling response
- Asset and service monitoring capability
- Infrastructure Strategy has been produced, part of which outlines significant challenges, risks and their mitigations

Owner:

### Planned mitigation actions:

- Creation of effective Business Continuity Framework
- Response Planning
- Organise regular testing of plans in partnership with CDEM, including both desktop and live exercises.

Owner:

Due date:

<b>Related Risks</b> <ul style="list-style-type: none"> <li>• Climate change</li> <li>• Operational and project delivery</li> <li>• Health, Safety and Wellbeing</li> </ul>	<b>Projected Outlook</b> Likelihood of major natural events occurring may increase in the short to medium term due to scientific developments and longer term due to climate change.
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<b>Internal Operating Environment</b>	
<b>4. Treaty of Waitangi obligations</b>	<b>Risk Owner:</b> XXXX
<b>Risk Description:</b> <i>Ineffective relations with local Iwi and failure to meet legislative requirements</i>	
<b>Risk Drivers – existing and potential causes</b> <ul style="list-style-type: none"> <li>• Relationship with Iwi is inconsistent due to the lack of formal processes in place</li> <li>• Non-compliance with legislative requirements due to interpretation</li> <li>• Capacity of Hapū/Iwi to respond and engage in decision making processes of Council</li> <li>• Pressure on Hapū/Iwi to provide input into Council decisions</li> <li>•</li> </ul>	
<b>Consequence / what can happen and why it is a concern:</b> <ul style="list-style-type: none"> <li>• Adverse impacts relating to community trust</li> <li>• Environmental outcomes</li> <li>• Financial loss</li> <li>• Litigation</li> <li>• Reputational damage</li> </ul>	Add risk matrix here
<b>Current controls or treatment actions in place:</b> <ul style="list-style-type: none"> <li>• Continuing to look for opportunities with local Iwi</li> <li>• Consult through relevant consenting policy and other projects</li> <li>• Te Reo training – cultural competency</li> </ul>	<b>Owner:</b>
<b>Planned mitigation actions:</b> <ul style="list-style-type: none"> <li>• Review of policies, processes and plans for cultural alignment</li> </ul>	<b>Owner:</b> <b>Due date:</b>
<b>Related Risks</b> <ul style="list-style-type: none"> <li>• Service delivery and fit for purpose community assets / asset management</li> <li>• Statutory and Regulatory Reform and Compliance</li> </ul>	<b>Projected Outlook</b> Likelihood may increase in the short to medium term due to scientific developments

## Internal Operating Environment

### 5. Information management practice and technology risk

Risk Owner: XXXX

#### Risk Description:

*Poor management and practice.*

#### Risk Drivers – existing and potential causes

- Failure of data security measures
- Information Technology systems inadequate or ineffective
- Capacity to deliver due to workloads

#### Consequence / what can happen and why it is a concern:

- Data breach
- Loss of information
- Compliance breaches
- Potential disruption or closure of services
- Litigation
- Reputational damage

Add risk matrix here

#### Current controls or treatment actions in place:

- Cyber Security system
- Awareness of technological advancements within the varying sectors
- Information services policies and processes
- Regular targeted training
- Audit
- IS BCP

Owner:

#### Planned mitigation actions:

- Cyber Security Plan – ALGIM cyber security framework and actions
- Information and records management plan – archives NZ information management maturity assessment framework and actions
- Privacy Plan – internal affairs privacy and maturity framework and actions - Work in progress
- ICT disaster recovery plan
- Physical records disaster recovery plan – process of being created
- IS AMP

Owner:

Due date:

#### Related Risks

- Service delivery and fit for purpose community assets / asset management

Projected Outlook

# Internal Operating Environment

## 6. Financial management

Risk Owner: XXXX

### Risk Description:

Poor financial governance or lack of financial planning and management.

### Risk Drivers – existing and potential causes

- Unplanned / unbudgeted costs
- Covid – 19 uncertainties
- Reduced income from subsidies decreasing
- Government policy changes negatively impact Council's income streams
- Incorrect budgeting from staff
- Fraud
- Global financial crisis

### Consequence / what can happen and why it is a concern:

- Inability to deliver business objectives and service levels/statutory services
- Litigation
- Inability to plan effectively due to lack of clarity around funding support from Government
- Budgets exceeded and/or reserves depleted
- Debt management
- New legislative requirements not met
- Uncertainty over future large projects
- Reputational damage

Add risk matrix here

### Current controls or treatment actions in place:

- Council policies and processes
- Financial and work planning
- Financial Strategy
- Training
- Forecasting
- Transparent financial reporting
- Audits
- Quality data informing decisions and reporting
- Governance and Executive oversight
- Segregation of duties
- Financial authority delegations
- Pre-employment checks

Owner:

### Planned mitigation actions:

- Ongoing audit in potential risk areas
- Mitigations arise from audit actions

Owner:

Due date:

<p><b>Related Risks</b></p> <ul style="list-style-type: none"> <li>• Health, Safety and Wellbeing</li> <li>• Service delivery and fit for purpose community assets / asset management</li> <li>• Statutory and Regulatory Reform and Compliance</li> </ul>	<p><b>Projected Outlook</b></p> <p>Short term to medium term increase in risks due to impacts of COVID-19 and changing Council directives.</p>
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Internal Operating Environment		
<p><b>7. Culture</b></p>	<p>Risk Owner: XXXX</p>	
<p><b>Risk Description:</b> <i>Failure to maintain good workplace culture.</i></p>		
<p><b>Risk Drivers – existing and potential causes</b></p> <ul style="list-style-type: none"> <li>• Inadequate workplace communication</li> <li>• Lack of collaboration between departments</li> <li>• Failure to address poor performance and behaviour</li> </ul>		
<p><b>Consequence / what can happen and why it is a concern:</b></p> <ul style="list-style-type: none"> <li>• Increased staff turnover</li> <li>• Adverse impacts to schedule and budgets</li> <li>• Financial loss</li> </ul>	<p>Add risk matrix here</p>	
<p><b>Current controls or treatment actions in place:</b></p> <ul style="list-style-type: none"> <li>• Ongoing development of Council processes and policies</li> <li>• Staff engagement survey</li> <li>• Staff Support initiatives (i.e. EAP, flu shots)</li> <li>• Values</li> <li>• 1:1 meetings</li> <li>• Fair pay</li> <li>• Workload management</li> <li>• Development opportunities</li> <li>• Ongoing coaching and support for leaders and managers</li> <li>• Opportunities for social connections</li> <li>• Flexible working arrangements</li> <li>• Effective allocation of resources</li> </ul>	<p>Owner:</p>	
<p><b>Planned mitigation actions:</b></p> <ul style="list-style-type: none"> <li>• Development of organisational values</li> <li>• Strategic Pay – banding project</li> <li>• Reward and Recognition Policy</li> </ul>	<p>Owner:</p>	<p>Due date:</p>
<p><b>Related Risks</b></p> <ul style="list-style-type: none"> <li>• Succession and resource challenges</li> </ul>	<p><b>Projected Outlook</b></p>	

# Internal Operating Environment

## 8. Succession and resource challenges

Risk Owner: XXXX

### Risk Description:

*Failure to provide adequately skilled and experienced resource and succession planning.*

### Risk Drivers – existing and potential causes

- Lack of workplace planning in relation to challenging demographics of staff
- Ineffective management of employee performance
- Failure to address increased workloads, conflict, political pressure etc.
- Difficulty recruiting and retaining staff due to challenging market conditions

### Consequence / what can happen and why it is a concern:

- Decreased levels of service
- Operational failure
- Loss of continuity
- Reputational damage
- Poor staff culture
- Increased costs of recruiting
- Council unprepared for changes, putting pressure on resources, in turn could lead to the council struggling to meet changes in demand for services
- Increased organisational stress
- Increases in liability claims and weaknesses in internal controls could result due to there being insufficient staff resources to carry out essential roles and responsibilities.

Add risk matrix here

### Current controls or treatment actions in place:

- Offer apprenticeship/cadet positions
- Provision of training and support
- Development of recruitment and retention strategies
- Policies and processes in place

Owner:

### Planned mitigation actions:

- Recruitment and Onboarding Framework and Policy
- Succession Planning
- HR/IS system implementation

Owner:

Due date:

### Related Risks

- Culture
- Financial Management
- Liability from not meeting compliance and regulatory standards

Projected Outlook



## Internal Operating Environment

### 9. Service delivery and fit for purpose community assets / asset management

Risk Owner: XXXX

#### Risk Description:

*Failure to understand community needs, effectively deliver, manage and maintain Council owned assets and align service delivery to meet requirements.*

#### Risk Drivers – existing and potential causes

- Financial constraints on spending or investment surrounding assets
- Age and condition of assets requires further investment
- Increased community demand due to population growth
- Asset performance is not monitored against determined criteria and service levels
- Lack of specialist asset management knowledge
- Legislative requirements and changes to standards require increased investment

#### Consequence / what can happen and why it is a concern:

- Financial loss
- Health and safety implications
- Reputational damage
- Loss of community trust

Add risk matrix here

#### Current controls or treatment actions in place:

- Adhering to Long Term and Annual Plans
- Engagement with the community
- Community Board involvement
- Reporting against results
- Advanced procurement models for longer term maintenance contracts

Owner:

#### Planned mitigation actions:

- Monitoring developments around 3 waters reform
- Reviewing and updating the Asset Management Policy
- Consolidate the asset register across Council
- Monitoring developments around Three Waters reforms

Owner:

Due date:

#### Related Risks

- Health, Safety and Wellbeing
- Financial Management

Projected Outlook

Internal Operating Environment		
10. Fraud, bribery and corruption		Risk Owner: XXXX
<b>Risk Description:</b> <i>Risk of fraud, bribery or wrongdoing.</i>		
<b>Risk Drivers – existing and potential causes</b> <ul style="list-style-type: none"> <li>• Opportunity for fraud to occur – ineffective controls and checks</li> <li>• Inadequately managed conflicts of interest</li> <li>• Complacency</li> <li>• Poor organisational culture</li> </ul>		
<b>Consequence / what can happen and why it is a concern:</b> <ul style="list-style-type: none"> <li>• Financial loss</li> <li>• Reputational damage</li> <li>• Operational risk</li> <li>• Impacts to organisational culture and morale</li> </ul>		Add risk matrix here
<b>Current controls or treatment actions in place:</b> <ul style="list-style-type: none"> <li>• Council Processes and Policies</li> <li>• Fraud awareness training</li> <li>• Mechanisms for reporting Fraud</li> <li>• Electronic Purchase Order System implemented</li> <li>• Internal and external audits</li> <li>• Financial reporting</li> <li>• Gift and hospitality register</li> <li>• Conflict of interest register</li> <li>• Internal top-down messaging</li> <li>• Audit</li> </ul>		Owner:
<b>Planned mitigation actions:</b> <ul style="list-style-type: none"> <li>• Fraud audit</li> <li>• Creation of Fraud Risk Assessment</li> <li>• Monitoring of third-party relationships in the supply chain</li> <li>• Regular Oversight of Fraud risk management via reporting to the Audit and Risk committee</li> <li>• Improving employee fraud awareness training</li> <li>• Greater use of technology to enhance fraud detection and deterrence</li> </ul>		Owner:          Due date:
<b>Related Risks</b> <ul style="list-style-type: none"> <li>• Financial management</li> <li>• Procurement and contract management</li> <li>• Information management practice and technology risk</li> <li>• Organisational culture</li> </ul>		<b>Projected Outlook</b> Potential short term increases due to the economic environment resulting from COVID-19

# Statutory and Regulatory Reform and Compliance

## 11. Significant statutory reform and compliance

Risk Owner: XXXX

### Risk Description:

*Growing volume and complexity of demand across services increases risk of failure to meet statutory requirements.*

### Risk Drivers – existing and potential causes

- Central government changes the regulatory standards for compliance in numerous areas
- Community service level expectations not being met
- Audit identifying multiple/major areas of non-compliance within Council operations
- Continual breaches resulting in increased compliance requirements or regulation
- Uncertainty around Council's obligations

### Consequence / what can happen and why it is a concern:

- compliance failure
- increased workloads across the organisation
- Financial loss
- Litigation
- Reputational damage
- adequate financial planning and exploiting potential opportunities may be missed
- Changes in strategic direction of Council

Add risk matrix here

### Current controls or treatment actions in place:

- Intentional participation by key staff and EM in the sector reform programme
- Proactive engagement with partner agencies
- Community consultation
- Business continuity planning
- Council processes and policies ensure regulatory standards are communicated and met
- Reporting, ensuring ongoing monitoring and compliance

Owner:

### Planned mitigation actions:

- Quality advice sought and prepared, to support Council decision making

Owner:

Due date:

### Related Risks

- Health, Safety and Wellbeing
- Financial Management
- Service delivery and fit for purpose community assets / asset management

Projected Outlook

# Statutory and Regulatory Reform and Compliance

## 12. Liability from not meeting compliance and regulatory standards

Risk Owner: XXXX

### Risk Description:

*The organisation is unable to appropriately deliver statutory and regulatory obligations.*

### Risk Drivers – existing and potential causes

- Employees not complying with statutory requirements
- Incorrect advice being provided to Council from employees and/or contractors
- Political decisions made against professional advice

### Consequence / what can happen and why it is a concern:

- Operational risk
- Health and Safety implications
- Financial loss
- Litigation
- Reputational damage
- Environmental impacts

Add risk matrix here

### Current controls or treatment actions in place:

- Adhering to policies and procedures
- Reporting processes
- Audits
- Skilled and qualified employees
- Training
- Engaging appropriate and qualified external consultants to support work programmes
- Environmental scans
- Project planning
- Insurance

### Planned mitigation actions:

- Increased internal and external audits

Owner:

Due date:

### Related Risks

- Service delivery and fit for purpose community assets / asset management
- Significant statutory reform and compliance
- Health, Safety and Wellbeing

Projected Outlook

Environmental Considerations		
<b>13. Local natural environment and biodiversity</b>		Risk Owner: XXXX
<b>Risk Description:</b> <i>Failure to develop, implement and effectively resource environmental policy and operational controls.</i>		
<b>Risk Drivers – existing and potential causes</b> <ul style="list-style-type: none"> <li>Failure to manage the Council's environmental performance</li> </ul>		
<b>Consequence / what can happen and why it is a concern:</b> <ul style="list-style-type: none"> <li>Statutory non-compliance</li> <li>Financial loss</li> <li>Litigation</li> <li>Reputational damage</li> <li>Environmental impacts</li> <li>Health and Safety impacts on the community</li> <li>Loss of amenity and disruption to the provision of key services</li> </ul>		Add risk matrix here
<b>Current controls or treatment actions in place:</b> <ul style="list-style-type: none"> <li>Software monitoring external consents</li> <li>Sustainability strategy</li> <li>Compliance monitoring</li> <li>Administering the District Plan and meeting the RMA</li> <li>Skilled and qualified employees</li> </ul>		
<b>Planned mitigation actions:</b> <ul style="list-style-type: none"> <li>Seek funding and alternate sources of revenue where appropriate to implement programs of work</li> </ul>		Owner:  Due date:  
<b>Related Risks</b> <ul style="list-style-type: none"> <li>Significant statutory reform and compliance</li> <li>Service delivery and fit for purpose community assets / asset management</li> <li>Liability from not meeting compliance and regulatory standards</li> </ul>		Projected Outlook

# Environmental Considerations

## 14. Climate Change

Risk Owner: XXXX

### Risk Description:

*Failure to deliver on climate change initiatives and/or manage weather events, which could impact infrastructure assets, services and the community.*

### Risk Drivers – existing and potential causes

- Failure to consider, prioritise, fund and include climate change planning on current and future decisions
- Strategies and policies do not adequately consider climate change scenarios
- Misalignment between climate change strategies and initiatives and operational activities
- Political changes relating to climate change

### Consequence / what can happen and why it is a concern:

- Financial loss
- Litigation
- Reputational damage
- Environmental impacts

Add risk matrix here

### Current controls or treatment actions in place:

- Initiatives outlined throughout Council's Sustainability Strategy
- Council fleet – low emission vehicles, hybrid and electric cars
- Business Continuity Planning
- Adequate resourcing
- Carbon emissions measurement and reduction programme
- Infrastructure resilience plan
- Hazard management through the RMA
- Climate change implications study
- Participate in ORC initiatives
- Support from and member of Regional Centre
- Funding initiatives through LTP – to improve carbon reduction
- Long Term Plan and Infrastructure Strategy includes climate change consideration

### Planned mitigation actions:

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### Due date for completion:

### Related Risks

- Financial Management
- Health, Safety and Wellbeing
- Service delivery and fit for purpose community assets / asset management
- Significant statutory reform and compliance
- Liability from not meeting compliance and regulatory standards

### Projected Outlook

Risk likely to increase in the medium to long term