



# **ATTACHMENTS**

**Audit and Risk Committee  
Under Separate Cover**

**Friday, 3 December 2021**



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21.4.3 Risk Register  
Appendix 2 Risk Register - 2021..... 4

Central Otago District Council Strategic Risk Register Version 1					Risk Exposure		Residual Risk Assessment				Business Improvement			
Risk CONTEXT/THEME	Risk #	Consequence	Likelihood	Risk Rating (INHERENT)	Risk Description – Use draft statements as prompts for identifying risk exposure – Add, amend or remove risks as required to accurately cover the business activity	Risk Controls – What is in place (working) and what are areas of 'uncertainty' (not working)? – What are the current controls = e.g. policies / procedures / R&R / systems / processes – What assurance is in place = e.g. how do you monitor risk / review / audit / key indicators	Consequence	Likelihood	Risk Rating (RESIDUAL)	Risk Exposure (% indicative)	Risk Management Plan/mitigation strategies and Business Improvement - How can / should the risk exposure be treated, managed or controlled? - What improvement activities are underway or planned to reduce the risk?	Effectiveness of CURRENT Control	Risk Owner	Review Date
Environmental Considerations	1	3 Moderate	3 Possible	MEDIUM	<b>Climate change</b> - Failure to deliver on climate change initiatives and/or manage weather events, which could impact infrastructure assets, services and the community	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	3 Moderate	3 Possible	MEDIUM	60%		3 Partially Effective		
	2	3 Moderate	3 Possible	MEDIUM			<b>Local natural environment and biodiversity</b> - Failure to develop, implement and effectively resource environmental policy and operational controls.	Software monitoring external consents Sustainability strategy Compliance monitoring Administering the District Plan and meeting the RMA Skilled and qualified employees Prioritise and fund projects to reduce environmental damage from Council activities	3 Moderate	3 Possible	MEDIUM	60%		3 Partially Effective
Statutory & Regulatory Reform and Compliance	3	3 Moderate	2 Unlikely	MEDIUM	<b>Liability from not meeting compliance and regulatory standards</b> - The organisation is unable to appropriately deliver statutory and regulatory obligations.	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	3 Moderate	3 Possible	MEDIUM	60%		3 Partially Effective		

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Internal Operational Environment	4	3 Moderate	3 Possible	MEDIUM	<b>Significant statutory reform and compliance</b> - Growing volume and complexity of demand across services increases risk of failure to meet statutory requirements.	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	3 Moderate	3 Possible	MEDIUM	60%		3 Partially Effective		
	5	3 Moderate	3 Possible	MEDIUM	<b>Fraud, bribery and corruption</b> - Risk of fraud, bribery or wrong doing.	Council Processes and Policies Fraud awareness training Mechanisms for reporting Fraud Electronic Purchase Order System implemented Internal and external audits Financial reporting Gift and hospitality register Conflict of interest register Internal top-down messaging Audit	3 Moderate	3 Possible	MEDIUM	60%		3 Partially Effective		
	6	3 Moderate	3 Possible	MEDIUM	<b>Service delivery &amp; fit for purpose community assets / asset management</b> - Failure to understand community needs, effectively deliver, manage and maintain Council owned assets and align service delivery to meet requirements.	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	3 Moderate	3 Possible	MEDIUM	60%		3 Partially Effective		
	7	3 Moderate	3 Possible	MEDIUM	<b>Succession and resource challenges</b> - Failure to provide adequately skilled and experienced resource and succession planning.	Offer apprenticeship/cadet positions Provision of training and support Development of recruitment and retention strategies Policies and processes in place	3 Moderate	3 Possible	MEDIUM	60%		3 Partially Effective		

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	8	3 Moderate	3 Possible	MEDIUM	<b>Culture</b> - Failure to maintain good workplace culture.	Ongoing development of Council processes and policies Staff engagement survey Staff Support initiatives (i.e. EAP, flu shots) Values 1:1 meetings Fair pay Workload management Development opportunities Ongoing coaching and support for leaders and managers Opportunities for social connections Flexible working arrangements Effective allocation of resources	3 Moderate	3 Possible	MEDIUM	60%		3 Partially Effective		
	9	3 Moderate	3 Possible	MEDIUM	<b>Financial management</b> - Poor financial governance or lack of financial planning and management.	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 Conversations and communication around risk areas	3 Moderate	3 Possible	MEDIUM	60%		3 Partially Effective		
	10	3 Moderate	3 Possible	MEDIUM	<b>Information management practice and technology risk</b> - Poor management and practice.	Cyber Security system Awareness of technological advancements within the varying sectors Information services policies and processes Regular targeted training Audit IS BCP	3 Moderate	3 Possible	MEDIUM	60%		3 Partially Effective		

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	11	3 Moderate	3 Possible	MEDIUM	<b>Treaty of Waitangi obligations</b> - Ineffective relations with local Iwi and failure to meet legislative requirements.	Continuing to look for opportunities with local Iwi Consult through relevant consenting policy and other projects Te Reo training – cultural competency Relationship agreement with Aukaha negotiated and agreed for inclusion in the 2022/23 Annual Plan	3 Moderate	3 Possible	MEDIUM	60%		3 Partially Effective		
	12	3 Moderate	3 Possible	MEDIUM	<b>Major event impacting on operational delivery</b> - Significant unplanned events.	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	3 Moderate	3 Possible	MEDIUM	60%		3 Partially Effective		
	13	3 Moderate	3 Possible	MEDIUM	<b>Operational and project delivery</b> - Poor planning and decision making.	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	3 Moderate	3 Possible	MEDIUM	60%		3 Partially Effective		

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	14	3 Moderate	3 Possible	<b>MEDIUM</b>	<b>Health, safety and wellbeing -</b> Failure to meet health and safety obligations, leading to increased incidents impacting on the safety of employees and stakeholders.	Culture SiteWise requirement for suppliers and evaluation of contractor and culture Health, Safety and Wellbeing Ongoing development and review of Health, Safety and Wellbeing Framework and policies Staff training and induction Health, Safety and Wellbeing committee and representatives in place Task level inspections, observations and checklists Health, Safety and Wellbeing function performance management	3 Moderate	3 Possible	<b>MEDIUM</b>	60%		3 Partially Effective		

Key
Critical
High
Medium
Low