

## Audit and Risk Subcommittee - 8 March 2018 Attachments

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## OTAGO REGIONAL COUNCIL

### Minutes of a meeting of the Audit and Risk Subcommittee held in the Harbour Room, Otago Regional Council, 70 Stafford Street, Dunedin on Thursday 21 September 2017, commencing at 1:00 pm

**Membership:** Mr David Benham (Chair)  
Cr Stephen Woodhead (ORC Chairperson)  
Cr Gretchen Robertson (ORC Deputy Chairperson)  
Cr Doug Brown (Chair, Finance & Corporate Committee)  
Cr Trevor Kempton  
Cr Michael Laws

**Apologies:** No apologies advised. Cr Laws not in attendance.

**In attendance:** Peter Bodeker (CE)  
Nick Donnelly (DCS)  
Brett Tomkins, Deloitte (Item 1) attended via teleconference  
Scott Hawkins Deloitte (Item 1)  
Selwyn Smith, BNZ (Item 2)  
Harry McLernon, BNZ (Item 2)  
Lauren McDonald (Committee Secretary)

#### **CONFIRMATION OF AGENDA**

The agenda as tabled was confirmed.

#### **CONFLICT OF INTEREST**

No conflicts of interest were advised.

#### **PUBLIC FORUM**

No public forum was held.

#### **MINUTES**

The minutes of the meeting held on 22 June 2017, having been circulated, were adopted on the motion of Mr Benham and Cr Woodhead – CARRIED.

#### **ACTIONS – 22 June 2017 meeting**

No current items for action.

#### **PART A – RESOLUTION TO EXCLUDE THE PUBLIC**

Moved Cr Woodhead  
Seconded Cr Brown

*I move that the public be excluded from the following parts of the proceedings of this meeting (pursuant to the provisions of the Local Government Official Information and Meetings Act 1987), namely:*

- Item 1 **Minutes of the public excluded portion of the Audit & Risk Subcommittee meeting held on 22 June 2017**
- Item 2 2017/1058 **Annual Report and Audit Management letter**
- Item 3 2017/1059 **BNZ Managed Fund Report to 30 June 2017**
- Item 4 2017/1060 **Investment Manager Tender Process**
- Item 5 2017/1061 **Director's Report**

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under [section 48\(1\)](#) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows.

- Item 1 Section 7 (2) (h); Section 7 (2) (c) (i); Section 7(2) (b) (ii)
- Item 2 Section 7(2) (b) (ii); Section 7(2) (c)
- Item 3 Section 7 (2) (h)
- Item 4 Section 7(2) (b) (ii); Section 7(2) (c); Section 7 (2) (i)
- Item 5 Section (7)(2) (a); Section 7(2) (c); Section 7 (2) (h)

This resolution is made in reliance on [section 48\(1\)\(a\)](#) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by [section 6](#) or [section 7](#) of that Act or [section 6](#) or [section 7](#) or [section 9](#) of the Official Information Act 1982, as the case may require, which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public are as follows:

*I also move that staff be permitted to remain in this meeting, after the public has been excluded, because of their knowledge of the Deloitte audit management letter, Annual Report and the BNZ Managed Fund.*

CARRIED

After discussion of items 1-5, the meeting returned to public session on the motion of Cr Robertson and Mr Benham at 2:49pm.

*Cr Robertson left the meeting at 2:50pm.*

## **PART B – RECOMMENDATIONS**

### **Item 6**

**2017/0680 Health and Safety Report.** Director People & Capabilities, 15/09/17

The report summarised health and safety activities and incident statistics for the period since May 2017.

Mr Bodeker advised there were no major incidents during the reporting period with the “near misses” reporting process being amended to provide easier reporting by staff. He confirmed that health and safety reporting was included in his weekly CE update to staff and that the H&S staff committee had been broadened to extend representation across the organisation.

Mr Bodeker enquired whether members of the sub committee would like to undertake annual Health & Safety visits of operations, such as pump stations, river gauging. This was agreed as a good practise for the subcommittee.

Action: Mr Bodeker to co-ordinate annual field observations with respect to Health and Safety by the Audit & Risk subcommittee.

Moved Mr Benham  
Seconded Cr Woodhead

*That this report is noted.*  
CARRIED

#### Item 7

2017/1062 **Risk Report.** Director Corporate Services, 12/09/17

The report provided an updated risk report to June 2017, including heat map and risk level overview; a summary of the highest ranking residual risks, and a summary of all risks by category.

Mr Donnelly confirmed risk reporting would be scheduled as a regular agenda item at each subcommittee meeting. He advised a risk reporting workshop was yet to be held with key staff who would be assigned risks for reporting.

Discussion held on the key residual risks and current rankings.

A suggestion was made for a communications risk strategy around events i.e. for the ability to respond well and accurately with the public and for risk consideration of public harm caused by work which Council may undertake.

Areas of focus were discussed:

- business continuity for Council (during and after a civil defence event)
- communications, public liability and responsibility of Council operations

Additional operational risks to be added:

Mitigation (action plan) for process integration issues  
Workplace unrest (culture)

Moved Mr Benham  
Seconded Cr Brown

*That this report and the attached Risk Report – June 2017 be received.*  
CARRIED

#### Item 8

2017/1063 **Procurement Policy.** Director Corporate Services, 12/09/17

The report provided information on the implementation of an electronic purchase order system (iPos) and an updated procurement policy for the subcommittee's comment and endorsement.

Mr Donnelly outlined the review process in place for payments.

Moved Cr Woodhead  
Seconded Cr Kempton

- 1) *That this report be received*
- 2) *That the attached draft procurement policy is endorsed.*

CARRIED

Item 9

2017/1065 **Transport Services – Service Concession Arrangements.** Finance Manager, 12/09/17

The report advised the Subcommittee of the conclusion of the review of bus contract service concession arrangements and to seek the Subcommittee's endorsement of the review conclusion.

Mr Donnelly advised a copy of report had been provided to Deloitte and confirmed there were no issues to resolve around the accounting treatment of the bus contracts.

Moved Cr Woodhead  
Seconded Mr Benham

*That the report be received.*  
CARRIED

Item 10

2017/1067 **Investment Report to 30 June 2017** Finance Manager, 14/09/17

This report provided a draft public investment report, including managed fund and multi bank term deposit information for the Subcommittee endorsement.

Mr Donnelly confirmed if the format and summary content of the report was endorsed that a public investment report could be provided to Council on a six or twelve monthly basis.

It was agreed that the tabled investment report be provided to the 27 September 2017 Council meeting and then for a six monthly report to be provided to the Finance and Corporate Committee.

Moved Mr Benham  
Seconded Cr Brown

*That:*

- a) *This report is received.*
- b) *The draft public investment report is provided to the 27 September 2017 Council meeting.*
- c) *Future public investment reports are provided six monthly.*

CARRIED

The meeting was declared closed at 3:30pm.

David Benham  
**Chairperson**

## Appendix A: Register of Key Legislation, Regulations and Bylaws

Legislation	Where to Access	Directorate	Officer	Evidence of Compliance
Biosecurity Act 1993	NZ legislation website	Environmental Monitoring and Operations	SM	<ol style="list-style-type: none"> <li>1. Implementing the Pest Management Plan;</li> <li>2. Monitoring and enforcement;</li> <li>3. Involving communities</li> </ol>
Building Act 2004	NZ legislation website	Policy, Planning and Resource Management	MC	<ol style="list-style-type: none"> <li>1. All Building Consent Authority (BCA) and Building Act 2004 documentation and processes are to the appropriate standard;</li> <li>2. Monitoring and enforcement</li> </ol>
Building Regulations	NZ legislation website	Policy, Planning and Resource Management	MC	Ongoing BCA accreditation
Bylaws Act 1910	NZ legislation website	Policy, Planning and Resource Management	TW	Current bylaws valid and enforceable
Civil Defence Emergency Management Act 2002	NZ legislation website	Otago Civil Defence Emergency Management	CH	<ol style="list-style-type: none"> <li>1. Staff training, public awareness programs;</li> <li>2. Current and approved Civil Defence and Emergency Management Group Plan;</li> <li>3. Community involvement</li> </ol>
Commerce Act 1986	NZ legislation website	Corporate Services	ND	Abstain from conduct that restricts competition
Companies Act 1993	NZ legislation website	Corporate Services	ND	Appropriate returns filed
Crimes Act 1961	NZ legislation website	CEO	CEO	No charges filed

Legislation	Where to Access	Directorate	Officer	Evidence of Compliance
Copyright Act 1994	NZ legislation website	Corporate Services	ND	No copyright infringements
District Courts Act 2016	NZ legislation website	Corporate Services	ND /PK	Any claims or cases administered in accordance with the Act
Employment Relations Act 2000	NZ legislation website	CEO	CEO/SG	Staff have contracts with Council either as a collective agreement or as individual agreement.
Electronic Transaction Act 2002	NZ legislation website	Corporate Services	SM	Transactions reconciled daily.
Equal Pay Act 1972	NZ legislation website	People and Safety	SG	Current equal opportunities policy
Fees and Travelling Allowances Act 1951	NZ legislation website	Corporate Services	ND	Reimbursement for travel
Fencing Act 1978	NZ legislation website	Corporate Services	GC	Any claims administered in accordance with the Act
Financial Reporting Act 2013	NZ legislation website	Corporate Services	ND	Administration of financial reporting
Goods and Services Tax 1985	NZ legislation website	Corporate Services	SL	Administration of GST returns and financial statements
Hazardous Substances and New Organisms Act 1996	NZ legislation website	Environmental Monitoring and Operations	SM	Use and disposal of hazardous substances comply with the Act

Legislation	Where to Access	Directorate	Officer	Evidence of Compliance
Health and Safety at Work Act 2015	NZ legislation website	People and Safety	SG	<ol style="list-style-type: none"> <li>1. Current Health and Safety Manual;</li> <li>2. H &amp; S Committee;</li> <li>3. Compliance with health and safety procedures and systems;</li> <li>4. Reporting undertaken in accordance with Act</li> </ol>
Holidays Act 1993	NZ legislation website	Corporate Services	SL	Payroll records
Human Rights Act 1993	NZ legislation website	CEO	CEO	<ol style="list-style-type: none"> <li>1. Equal opportunity in Employment Policy;</li> <li>2. Complaints responded to appropriately</li> </ol>
Income Tax Act 2007	NZ legislation website	Corporate Services	ND	Payroll records
International Financial Reporting Standards	NZ legislation website	Corporate Services	ND	Auditors comment on Annual Plans and Annual report
Injury Prevention, Rehabilitation and Compensation Act 2001	NZ legislation website	Corporate Services	ND	Levies paid
Land Drainage Act 1908	NZ legislation website	Environmental Monitoring and Operations	SM	<ol style="list-style-type: none"> <li>1. Complaints investigated;</li> <li>2. Action undertaken where appropriate</li> </ol>
Land Transport Management Act 2003	NZ legislation website	Corporate Services	ND/GC	<ol style="list-style-type: none"> <li>1. Plans, strategies and programmes prepared and assessed;</li> <li>2. Delivery of public transport activities</li> </ol>



Legislation	Where to Access	Directorate	Officer	Evidence of Compliance
Local Authorities (Members Interests) Act 1968	NZ legislation website	Corporate Services	ND	Register of members interests maintained
Local Electoral Act 2001	NZ legislation website	Corporate Services	ND	Local elections held in accordance with Act
Local Electoral Regulations 2001	NZ legislation website	Corporate Services	ND	Local elections held in accordance with regulations
Local Government Act 2002	NZ legislation website	Corporate Services	ND	<ol style="list-style-type: none"> <li>1. LTP, Annual Plans and Annual Reports prepared;</li> <li>2. Council minutes, and policies completed;</li> <li>3. Consultation processes followed</li> </ol>
Local Government (Rating) Act 2002	NZ legislation website	Corporate Services	ND	<ol style="list-style-type: none"> <li>1. Rates set as per Act;</li> <li>2. Rates database maintained;</li> <li>3. Rates resolution in accordance with Act</li> </ol>
Local Government Members (2017/18) (Local Authorities) Determination 2017	NZ legislation website	Corporate Services	ND	Payroll records
Local Government Official Information and Meetings Act 1987	NZ legislation website	Corporate Services	PK	<ol style="list-style-type: none"> <li>1. Requests responded to in accordance with the Act;</li> <li>2. Meetings held in accordance with Act</li> </ol>
Local Government (Financial Reporting and Prudence) Regulations 2014	NZ legislation website	Corporate Services	ND	Information and performance disclosed in accordance with Act

Legislation	Where to Access	Directorate	Officer	Evidence of Compliance
Local Government Borrowing Act 2011	NZ legislation website	CEO	CEO	Compliance with the Act
Maritime Transport Act 1994	NZ legislation website	Environmental Monitoring and Operations	SM/SR	<ol style="list-style-type: none"> <li>1. Appropriate regulation of ports, harbours and waters in the region;</li> <li>2. Appropriate response to maritime activities;</li> <li>3. Monitoring and enforcement of Navigation Safety Bylaw</li> </ol>
Marine and Coastal Area (Takutai Moana) Act 2011	NZ legislation website	Environmental Monitoring and Operations; and Policy, Planning and Resource Management	TW / SM	Abandoned structures procedure and planning documents obligations followed
Minimum Wages Act 1983	NZ legislation website	Corporate Services	ND/SL	Payroll records
Ombudsmen Act 1975	NZ legislation website	CEO	CEO	Complaints referred to the Ombudsman as required. Files maintained
Parental Leave and Employment Act 1987	NZ legislation website	People and Safety	SG	Employee files
Privacy Act 1993	NZ legislation website	All Council	All Staff	<ol style="list-style-type: none"> <li>1. Requests for privacy information responded to in accordance with Act;</li> <li>2. No complaints for privacy breaches</li> </ol>
Property Law Act 2007	NZ legislation website	Corporate Services	ND/GC	Lease and Licence records maintained

Legislation	Where to Access	Directorate	Officer	Evidence of Compliance
Public Bodies Contracts Act 1959	NZ legislation website	Corporate Services	ND	Records kept of contract decisions
Public Bodies Leases Act 1969	NZ legislation website	Corporate Services	ND/GC	Records kept of lease decisions.
Public Finance Act 1989	NZ legislation website	Corporate Services	ND	1. Completed Annual Plan; 2. Completed Annual Reports
Public Records Act 2005	NZ legislation website	Corporate Services	ND/JA	Records of Council records are retained
Public Works Act 1981	NZ legislation website	Corporate Services	GC	Processes in the Act are complied with.
Rating Valuations Act 1998	NZ legislation website	Corporate Services	ND	Processes in the Act are complied with.
Rates Rebate Act 1973	NZ legislation website	Corporate Services	ND	Rebates given in accordance with Act.
Resource Management Act 1991	NZ legislation website	Environmental Monitoring and Operations; Policy, Planning and Resource Management; and Engineering, Hazards and Science	SM/TW/GP	1. RPS and Regional Plans maintained; 2. Compliance, monitoring and Enforcement of Plans undertaken
Residential Tenancies Act 1986	NZ legislation website	Corporate Services	ND/GC	Residential property owned by Council is managed by professional property managers

Legislation	Where to Access	Directorate	Officer	Evidence of Compliance
Resource Management (Measurement and Reporting of Water Takes) Regulations 2010	NZ legislation website	Environmental Monitoring and Operations; and Policy, Planning and Resource Management	SM/TW	<ol style="list-style-type: none"> <li>1. Decisions on exemptions recorded;</li> <li>2. Water measurement data retained</li> </ol>
Secret Commissions Act 1910	NZ legislation website	Corporate Services	ND	Members advised of personal obligations
Search and Surveillance Act 2012	NZ legislation website	Environmental Services	MK	<ol style="list-style-type: none"> <li>1. Search warrants obtained in accordance with Act;</li> <li>2. Consented search document completed</li> </ol>
Soil Conservation and Rivers Control Act 1941	NZ legislation website	Environmental Monitoring and Operations; and Engineering, Hazards and Science	GP/SM	The exercise of any powers in the Act are undertaken in accordance with the Act
Sovereigns Birthday Observance Act 1952	NZ legislation website	CEO	CEO	Payroll records of statutory holiday allowance
Summary Proceedings Act 1957	NZ legislation website	Corporate Services	ND/SM	Unpaid infringement notices are e-filed
Treaty of Waitangi Act 1975	NZ legislation website	Corporate Services and Policy, Planning and Resource Management	ND/TW	<ol style="list-style-type: none"> <li>1. Meetings with local Runanga;</li> <li>2. Participation by Māori in local authority decision-making processes;</li> <li>3. Cultural impact assessments obtained where appropriate.</li> </ol>

Legislation	Where to Access	Directorate	Officer	Evidence of Compliance
Regional Plan: Water for Otago	ORC website	Environmental Monitoring and Operations; Policy, Planning and Resource Management; and Engineering, Hazards and Science	SM/GP/TW	<ol style="list-style-type: none"> <li>1. Council holds necessary resource consents to carry out its functions and duties;</li> <li>2. Council compliant with regional plans and resource consent conditions;</li> <li>3. Resource consents (and other instruments) issued in accordance with the Act</li> </ol>
Flood Protection Management Bylaw 2012	ORC website	Environmental Monitoring and Operations; Policy, Planning and Resource Management; and Engineering, Hazards and Science	SM/GP/TW	<ol style="list-style-type: none"> <li>1. Council holds necessary Bylaw authority to carry out its functions and duties;</li> <li>2. Council compliant with Bylaw authority conditions;</li> <li>3. Bylaw authority (and other instruments) issued in accordance with the Bylaw and the Local Government Act 2002;</li> <li>4. Monitoring and enforcement of Bylaw</li> </ol>
Regional Plan: Waste for Otago	ORC website	Environmental Monitoring and Operations and Policy, Planning and Resource Management	SM/TW	<ol style="list-style-type: none"> <li>1. Council holds necessary resource consents to carry out its functions and duties;</li> <li>2. Council compliant with regional plans and resource consent conditions;</li> <li>3. Resource consents (and other instruments) issued in accordance with the Act</li> </ol>

Legislation	Where to Access	Directorate	Officer	Evidence of Compliance
Regional Plan: Air for Otago	ORC website	Environmental Monitoring and Operations and Policy, Planning and Resource Management	SM / TW	<ol style="list-style-type: none"> <li>1. Council holds necessary resource consents to carry out its functions and duties;</li> <li>2. Council compliant with regional plans and resource consent conditions;</li> <li>3. Resource consents (and other instruments) issued in accordance with the Act</li> </ol>
Regional Plan: Coast for Otago	ORC website	Environmental Monitoring and Operations and Policy, Planning and Resource Management;	SM/TW	<ol style="list-style-type: none"> <li>1. Council holds necessary resource consents to carry out its functions and duties;</li> <li>2. Council compliant with regional plans and resource consent conditions;</li> <li>3. Resource consents (and other instruments) issued in accordance with the Act</li> </ol>
Regional Policy Statement	ORC website	Policy, Planning and Resource Management	TW	RPS produced and reviewed in accordance with RMA
Smoke Free Environment Act 1990	NZ legislation website	People and Safety	SG	Compliance with the Act
Wages Protection Act 1983	NZ legislation website	Corporate Services	ND	Compliance with the Act

**RISK REPORT – HEAT MAP AND RISK LEVEL OVERVIEW**



**RISK REPORT – SUMMARY OF HIGHEST RANKING RESIDUAL RISKS**

Risk Description	Risk Overview	Consequence	Likelihood	Risk Status	Owner	Comments / Recommendations	Residual Consequence	Residual Likelihood	Residual Risk Status
Business continuity planning inadequate / not developed 697	Impacts Council's ability to deliver services in an unexpected event.	Severe	Likely	<b>R</b>	Corporate Services	BCP is being reviewed and revised. CDEM and IT plans are well established and in place but core ORC activity plan needs to be completed. BCP review has been assigned to CD and is underway. No change to risk profile at this stage.	Severe	Likely	<b>r</b>
Political change 690	Political change may occur at central government and/or local level.	Severe	Often	<b>R</b>	Policy Planning and Resource Management	Political risk is inherent in Council's environment. Need to remain aware of developments in the political environment ie pending elections and maintain strong relationships across the sector. Change of government has increased the likelihood of this risk	Major	Often	<b>r</b>
Change in central government service delivery requirements 709	Could impose a change to strategic direction which alters services provided accordingly.	Major	Often	<b>R</b>	Policy Planning and Resource Management	Central government requirement change is inherent in Council's environment. Need to remain aware of developments in the political environment ie pending elections and maintain strong relationships across the sector. Change of government has increased the likelihood of this risk	Major	Often	<b>r</b>



# Risk Report - October 2017



Risk Description	Risk Overview	Consequence	Likelihood	Risk Status	Owner	Comments / Recommendations	Residual Consequence	Residual Likelihood	Residual Risk Status
Delays in finalising legislation 757	Particularly regarding RMA, LGA and LTMA. Increased time adds uncertainty while legislation is being finalised and unacceptable delays may occur during this period.	Major	Often	R	Policy Planning and Resource Management	Monitor legislative development processes, submissions to the Crown, collaboration with other Councils, develop and maintain relationships with stakeholders.	Major	Often	r
Changes in legislation 758	Particularly regarding RMA, LGA and LTMA. Change creates uncertainty while being enacted and the process for implementing change increases cost and / or likelihood of not delivering core services.	Major	Often	R	Policy Planning and Resource Management	Monitor legislative development processes, submissions to the Crown, collaboration with other Councils, develop and maintain relationships with stakeholders.	Major	Often	r
Air or water pollution 708	Significant pollution could result in long term environmental damage which impacts residents and takes unplanned and expensive corrective action.	Severe	Likely	R	Environmental Monitoring and Operations	Pollution hotline operating 24/7 and long term state of the environment and compliance monitoring is in place.	Severe	Possible	r
Port dividend is below expected 725	Commercial returns are dependant on Port performance. The dividend significantly subsidises general rates therefore there will be a need for higher general rates to cover the shortfall.	Severe	Likely	R	Corporate Services	Independent Board appointed and SCI in place to define acceptable levels of dividends. Diversified revenue streams have been developed including property and geographical sources.	Severe	Possible	r
Natural disaster response failure 740	CDEM is unable to respond to an event and fails to meet its statutory obligations.	Severe	Likely	R	CE Office	CDEM review undertaken and Emergency Management Otago has been established.	Severe	Possible	r
Failure of project 762	Inefficient use of public funds and non delivery of expected services.	Severe	Likely	R	Engineering Hazards and Science	Required actions defined and monitored monthly.	Severe	Possible	r

# Risk Report - October 2017



Risk Description	Risk Overview	Consequence	Likelihood	Risk Status	Owner	Comments / Recommendations	Residual Consequence	Residual Likelihood	Residual Risk Status
Undefined or unclear strategic vision 691	May lead to unnecessary or ineffective work being undertaken and outcomes not being expected or desired.	Major	Possible	R	CE Office	Strategic plan is updated as part of the LTP process. Strategic plan review was not fully completed and this should be reviewed early in next LTP cycle.	Major	Likely	r
Economic downturn / recession 722	Council's revenue streams could decrease which in turn impacts ability to charge and/or collect revenue. That in turn could impact Council's ability to deliver its services.	Severe	Likely	R	Corporate Services	Revenue and funding policies are in place and reserves are maintained for specific events and general contingency.	Major	Likely	r

**RISK REPORT – SUMMARY OF ALL RISKS BY CATEGORY**

**1. Reputational Risks**

Risk Description	Risk Overview	Consequence	Likelihood	Risk Status	Owner	Comments / Recommendations	Residual Consequence	Residual Likelihood	Residual Risk Status
Changes in services provided 687	Change to strategic direction which alters services provided accordingly. Changes may be a decision of Council and/or forced upon Council by external forces including Central Government.	Major	Often	<b>R</b>	Policy Planning and Resource Management	Council's strategic plan and LTP guide and set long term direction and service provision. Significant changes should only be considered within that cycle. Significance and engagement policy requires consultation on significant changes in direction and service delivery.	Moderate	Possible	<b>r</b>
Services not provided within budget 688	Council only has budget and authority to provide services within budget. Services that require more resources than budget may limit service level or require unsustainable levels of funding.	Major	Possible	<b>R</b>	Corporate Services	Financial processes including budget setting are robust but subject to significant assumptions and are often set significantly in advance of actual service delivery. Reserves are maintained to allow for contingencies.	Moderate	Rare	<b>r</b>
Change in ability to supply services 689	Services may not be supplied due to unexpected events or insufficient resources ie staff, contractors or funding.	Major	Possible	<b>R</b>	Environmental Monitoring and Operations	Ensure business continuity plans are in place, retention of key personnel and robust contractual agreements are in place. Funding is considered in annual plans and LTP's.	Moderate	Rare	<b>r</b>

# Risk Report - October 2017



Risk Description	Risk Overview	Consequence	Likelihood	Risk Status	Owner	Comments / Recommendations	Residual Consequence	Residual Likelihood	Residual Risk Status
Political change 690	Political change may occur at central government and/or local level.	Severe	Often	<b>R</b>	Policy Planning and Resource Management	Political risk is inherent in Council's environment. Need to remain aware of developments in the political environment ie pending elections and maintain strong relationships across the sector. Change of government has increased the likelihood of this risk	Major	Often	<b>r</b>
Undefined or unclear strategic vision 691	May lead to unnecessary or ineffective work being undertaken and outcomes not being expected or desired.	Major	Possible	<b>R</b>	CE Office	Strategic plan is updated as part of the LTP process. Strategic plan review was not fully completed and this should be reviewed early in next LTP cycle.	Major	Likely	<b>r</b>
Inaccurate forecasting 692	Forecasting involves risk around accuracy of assumptions and extended timeframes. At a strategic level errors can lead to incorrect or poor decision making.	Moderate	Likely	<b>R</b>	Corporate Services	Forecasting involves significant judgement particularly around assumptions used. Robust LTP process with adequate time for preparation and decision making.	Moderate	Possible	<b>r</b>
Unethical business practices 693	As a spender of public funds ORC has an obligation to spend those funds ethically.	Moderate	Rare	<b>R</b>	Corporate Services	Considered in staff policies ie code of conduct, fraud, sensitive expenditure and contract tender processes can include quality criteria ie local suppliers.	Minor	Rare	<b>r</b>
Incomplete or inaccurate resource planning 694	May lead to an inability to deliver services.	Major	Possible	<b>R</b>	CE Office	Robust LTP process with adequate time for preparation and decision making.	Moderate	Possible	<b>r</b>
Poor organisational design / inappropriate reporting lines 695	Organisation design and reporting lines need to align to services to be delivered. If they don't there is a risk that service delivery will be impacted.	Moderate	Possible	<b>R</b>	CE Office	Reviewed as part of strategic / LTP / annual plan processes and amended as required.	Minor	Possible	<b>r</b>

# Risk Report - October 2017



Risk Description	Risk Overview	Consequence	Likelihood	Risk Status	Owner	Comments / Recommendations	Residual Consequence	Residual Likelihood	Residual Risk Status
Strategic plan / long term plan not implemented 696	Stakeholders fundamental expectation is delivery of strategic / long term plans.	Major	Possible	R	CE Office	Ongoing review of service delivery including 4 month reviews and annual report process.	Major	Rare	r
Business continuity planning inadequate / not developed 697	Impacts Council's ability to deliver services in an unexpected event.	Severe	Likely	R	Corporate Services	BCP is being reviewed and revised. CDEM and IT plans are well established and in place but core ORC activity plan needs to be completed. BCP review has been assigned to CD and is underway. No change to risk profile at this stage.	Severe	Likely	r
Stakeholders not identified 698	Key requirement to setting strategic direction is understanding who stakeholders are and what their requirements are. Failure to do so may lead to unnecessary or ineffective work being undertaken and outcomes not being expected or desired.	Moderate	Possible	R	Stakeholder Engagement	Stakeholders (and requirements) are well defined and considered/consulted on regularly.	Moderate	Rare	r
Poor / deteriorating stakeholder relationships 699	Includes TLA's and key government agencies. May impact the ability to provide co governed or co funded activity. There may also be competing or conflicting interests.	Major	Possible	R	Stakeholder Engagement	Ensure ongoing communication and involvement in decision processes where possible and appropriate.	Moderate	Rare	r
Expectations of stakeholders not understood 700	Failure to do so may lead to unnecessary or ineffective work being undertaken and outcomes not being expected or desired.	Major	Possible	R	Stakeholder Engagement	Ensure ongoing communication and involvement in decision processes where possible and appropriate.	Moderate	Rare	r

# Risk Report - October 2017



Risk Description	Risk Overview	Consequence	Likelihood	Risk Status	Owner	Comments / Recommendations	Residual Consequence	Residual Likelihood	Residual Risk Status
Poor community relationships 701	May lead to inability to determine required activity and/or the ability to undertake activity if community input is required.	Moderate	Possible	R	Stakeholder Engagement	Ensure ongoing communication and involvement in decision processes where possible and appropriate.	Moderate	Rare	r
Negative press coverage 702	Includes hostile and/or inaccurate coverage. May impact service delivery if negative view has to be dealt with prior to activity being undertaken.	Moderate	Frequent	R	Stakeholder Engagement	Work proactively with media to ensure they are accurately and correctly informed.	Inconsequential	Frequent	r
Ineffective communication strategy / plans 703	The community and/or stakeholders may be misinformed or unaware of Council activity or information.	Moderate	Possible	R	Stakeholder Engagement	Development and ongoing review of communications strategy / plan.	Minor	Rare	r
Failure to meet environmental targets 704	Environmental sustainability is a fundamental expectation of Council activity which is delivered via strategic, long term and annual plans.	Severe	Possible	R	Policy Planning and Resource Management	Ongoing review of service delivery including 4 month reviews and annual report process.	Major	Rare	r
Failure to assess and understand environmental impact of organisational activities 705	Unnecessary or ineffective work could be undertaken resulting in unexpected / undesired outcomes. Impacts could also prove unsustainable for Council or ratepayers.	Severe	Possible	R	Policy Planning and Resource Management	Considered and consulted on as part of strategic / long term and annual plan setting process.	Major	Rare	r
Damage to or development of protected sensitive natural habitats 706	Damage may occur protected areas that are privately held or those directly under ORC's control.	Severe	Possible	R	Environmental Monitoring and Operations	Areas are defined and ongoing work plans are in place to monitor and undertake enforcement processes when necessary.	Major	Rare	r

# Risk Report - October 2017



Risk Description	Risk Overview	Consequence	Likelihood	Risk Status	Owner	Comments / Recommendations	Residual Consequence	Residual Likelihood	Residual Risk Status
Breach of environmental protection legislation 707	Significant breaches may lead to environmental damage and the inability to achieve targets.	Severe	Possible	R	Environmental Monitoring and Operations	Legislative compliance (internal and external) is defined and ongoing work plans are in place to monitor and undertake enforcement processes when necessary.	Major	Rare	r
Air or water pollution 708	Significant pollution could result in long term environmental damage which impacts residents and takes unplanned and expensive corrective action.	Severe	Likely	R	Environmental Monitoring and Operations	Pollution hotline operating 24/7 and long term state of the environment and compliance monitoring is in place.	Severe	Possible	r
Change in central government service delivery requirements 709	Could impose a change to strategic direction which alters services provided accordingly.	Major	Often	R	Policy Planning and Resource Management	Central government requirement change is inherent in Council's environment. Need to remain aware of developments in the political environment ie pending elections and maintain strong relationships across the sector. Change of government has increased the likelihood of this risk	Major	Often	r

## 2. Financial Risks

Risk Description	Risk Overview	Consequence	Likelihood	Risk Status	Owner	Comments / Recommendations	Residual Consequence	Residual Likelihood	Residual Risk Status
Capital assets not maintained / deterioration 710	Could lead to asset failure and / or significant unplanned capital expenditure to correct.	Major	Likely	<b>R</b>	Engineering Hazards and Science	Infrastructure strategy and asset management plans in place.	Moderate	Rare	<b>r</b>
Non payment of rates / fees and charges and collections targets not being met 711	Includes the revenue impacts from legal challenge or other inability to charge and collect under Section 36. Potential impact to cashflow and the ability to fund activity.	Moderate	Possible	<b>R</b>	Corporate Services	Collection rates are historically high and current levels of funds held minimise short term cashflow risk.	Moderate	Rare	<b>r</b>
Unauthorised or irregular expenditure 712	Potential impact to cashflow and the ability to fund activity.	Moderate	Possible	<b>R</b>	Corporate Services	Fraud Policy, Treasury Management Policy, SIPO, internal accounting controls and delegations.	Moderate	Rare	<b>r</b>
Wasteful or unproductive expenditure 713	Potential impact to cashflow and the ability to fund activity.	Moderate	Possible	<b>R</b>	Corporate Services	Fraud Policy, Treasury Management Policy, SIPO, internal accounting controls and delegations.	Moderate	Rare	<b>r</b>
Over / under spending budget allocations 714	Over spending due to increased scope and/or costs that may become unsustainable going forward and under spend may result in services not being delivered.	Moderate	Likely	<b>R</b>	Corporate Services	Ongoing monitoring to detailed job code level with management, executive and Council reviews in place.	Moderate	Likely	<b>r</b>
Inaccurate revenue forecasting 715	Potential impact to cashflow and the ability to fund activity.	Moderate	Likely	<b>R</b>	Corporate Services	Revenue forecasts are reviewed as part of the annual plan process.	Moderate	Possible	<b>r</b>
Inaccurate expenditure forecasting 716	Potential impact to cashflow and the ability to fund activity.	Moderate	Often	<b>R</b>	Corporate Services	Spend is managed to budget and major variances managed via reserves in the short term and recovered over subsequent periods.	Moderate	Likely	<b>r</b>



# Risk Report - October 2017



Risk Description	Risk Overview	Consequence	Likelihood	Risk Status	Owner	Comments / Recommendations	Residual Consequence	Residual Likelihood	Residual Risk Status
Financial reporting requirements not understood 717	Could lead to delays in producing statutory reports ie Annual Report or LTP.	Minor	Possible	R	Corporate Services	Processes and timelines are well defined and understood. Audit and Risk Committees reviews these prior to commencement.	Minor	Rare	r
Reporting deadlines not met 718	Requirements to report exist under LGA for LTP, Annual Plan and Annual Report.	Minor	Possible	R	Corporate Services	Dates are well understood and timetables are based around these dates to ensure deadlines are met.	Minor	Rare	r
Errors / omissions in financial statements 719	Depending on materiality restatement could be required which would potentially adds both time and cost to the process.	Minor	Possible	R	Corporate Services	Audit and Risk Committee reviews both the process and the financial statements including meeting with the external auditors in June and September.	Minor	Rare	r
Reporting not in correct format 720	Depending on materiality restatement could be required which would potentially adds both time and cost to the process.	Minor	Possible	R	Corporate Services	Audit and Risk Committee reviews both the process and the financial statements including meeting with the external auditors in June and September.	Minor	Rare	r
Fraud 721	Loss of Council funds due to misappropriation by a staff member or members.	Major	Possible	R	Corporate Services	Fraud Policy, Treasury Management Policy, SIPO, internal accounting controls and delegations.	Major	Rare	r
Economic downturn / recession 722	Council's revenue streams could decrease which in turn impacts ability to charge and/or collect revenue. That in turn could impact Council's ability to deliver its services.	Severe	Likely	R	Corporate Services	Revenue and funding policies are in place and reserves are maintained for specific events and general contingency.	Major	Likely	r

# Risk Report - October 2017



Risk Description	Risk Overview	Consequence	Likelihood	Risk Status	Owner	Comments / Recommendations	Residual Consequence	Residual Likelihood	Residual Risk Status
Government funding not approved / available 723	Funding (largely from NZTA for transport activities) is unavailable which impacts Council's ability to deliver services.	Major	Likely	<b>R</b>	Corporate Services	Ensure business case process is followed, approvals are obtained in advance and maintain close working relationships. Reserves are maintained and offer management in the short term.	Major	Rare	<b>r</b>
Investment fund returns less than expected 724	That interest rates reduce and returns are lower than budgeted. Investment returns are used to subsidise general rates therefore there will be a need for higher general rates to cover the shortfall.	Major	Likely	<b>R</b>	Corporate Services	Treasury Management Policy and SIPO in place, multi bank scheme used to spread funds. Investment returns are budgeted on current returns and reviewed annually.	Major	Possible	<b>r</b>
Port dividend is below expected 725	Commercial returns are dependant on Port performance. The dividend significantly subsidises general rates therefore there will be a need for higher general rates to cover the shortfall.	Severe	Likely	<b>R</b>	Corporate Services	Independent Board appointed and SCI in place to define acceptable levels of dividends. Diversified revenue streams have been developed including property and geographical sources.	Severe	Possible	<b>r</b>
Actions taken exceeding delegated authority 1289	Could lead to legal challenge regarding Councils action and / or fraud.	Major	Possible	<b>R</b>	Corporate Services	Fraud Policy, Treasury Management Policy, SIPO, internal accounting controls and delegations.	Major	Rare	<b>r</b>

## 3. Operational Risks

Risk Description	Risk Overview	Consequence	Likelihood	Risk Status	Owner	Comments / Recommendations	Residual Consequence	Residual Likelihood	Residual Risk Status
Absenteeism 726	Impacts productivity and the ability to deliver services.	Minor	Possible	<b>R</b>	CE Office	HR leave policies and procedures in place.	Minor	Rare	<b>r</b>
Inability to attract and retain staff / staff turnover 727	Impacts productivity and the ability to deliver services.	Moderate	Likely	<b>R</b>	CE Office	Recruitment process includes market assessment of remuneration. Other factors are more subjective and are monitored during recruitment.	Moderate	Possible	<b>r</b>
Poor service provided by staff 728	Impacts productivity and the ability to deliver services.	Moderate	Possible	<b>R</b>	CE Office	Complaints process in place and management structures ensure ongoing review of service quality.	Moderate	Possible	<b>r</b>
Strikes and workplace unrest 729	Impacts productivity and the ability to deliver services.	Minor	Rare	<b>R</b>	CE Office	Small number of union members reduces impact of strike action.	Minor	Rare	<b>r</b>
Wrongful termination 730	Could lead to legal challenge involving time and cost to resolve.	Minor	Rare	<b>R</b>	CE Office	HR oversees all performance management actions to ensure legal requirements are complied with and subsequent challenge is minimised.	Minor	Rare	<b>r</b>
Uncompetitive remuneration 731	Unable to recruit suitable staff which impacts ability to deliver services.	Moderate	Possible	<b>R</b>	CE Office	H&S process reviews remuneration to market 6 monthly.	Moderate	Possible	<b>r</b>
Job roles / accountabilities unclear 732	Impacts productivity and the ability to deliver services.	Moderate	Possible	<b>R</b>	CE Office	Resources review being conducted.	Moderate	Possible	<b>r</b>
Workplace injury / death 733	Covers all health and safety associated risk where worst case scenario may result in death of staff, contractors and the public in the workplace.	Severe	Likely	<b>R</b>	CE Office	Health and Safety plans and processes in place lead by H&S Committee. Specific workplace risks are assessed by the H&S Committee and action plans developed to mitigate or manage those risks.	Severe	Rare	<b>r</b>

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Risk Description	Risk Overview	Consequence	Likelihood	Risk Status	Owner	Comments / Recommendations	Residual Consequence	Residual Likelihood	Residual Risk Status
Pandemic and infectious disease outbreak 734	Impacts productivity and the ability to deliver services.	Severe	Rare	R	CE Office	HR leave policies and procedures in place.	Severe	Rare	r
Sexual harassment / violence 735	Potential to impact productivity, reputation and service delivery.	Moderate	Possible	R	CE Office	HR code of conduct in place and instances will be deemed serious misconduct which may result in dismissal.	Moderate	Rare	r
Asset / equipment obsolescence 736	Could lead to failure or inability to deliver services if required equipment is not available when required.	Major	Possible	R	Policy Planning and Resource Management	Infrastructure strategy and asset management plans in place.	Moderate	Rare	r
Unauthorised use / misuse of fleet vehicles 737	Adds costs to fleet management costs that should not be ratepayer funded and may impact service delivery if vehicles are not available for legitimate work use.	Minor	Possible	R	Corporate Services	Vehicles Use Policy and Smartrak system in place.	Minor	Possible	r
Failure to maintain assets / equipment 738	Could lead to failure or inability to deliver services if required equipment is not available when required.	Severe	Possible	R	Engineering Hazards and Science	Infrastructure strategy and asset management plans in place.	Moderate	Rare	r
Theft 739	Theft of Council assets by members of the public.	Moderate	Possible	R	Corporate Services	Internal controls include physical asset stocktakes as part of year end accounting procedures. Material mobile assets are fitted with Smartrak GPS tracking.	Moderate	Rare	r
Natural disaster response failure 740	CDEM is unable to respond to an event and fails to meet its statutory obligations.	Severe	Likely	R	CE Office	CDEM review undertaken and Emergency Management Otago has been established.	Severe	Possible	r
Underinsurance / assets not insured 741	Risk that assets are not fully replaceable in the event of loss.	Major	Likely	R	Corporate Services	Insurance cover is review annually by staff and Audit and Risk Committee.	Major	Possible	r
Power failure 742	Leads to the inability to deliver services, particularly core functions.	Minor	Often	R	Corporate Services	Infrastructure strategy and asset management plans in place.	Minor	Likely	r

# Risk Report - October 2017



Risk Description	Risk Overview	Consequence	Likelihood	Risk Status	Owner	Comments / Recommendations	Residual Consequence	Residual Likelihood	Residual Risk Status
Terrorist attack / bomb threat 743	Key infrastructure may be targeted and / or Council staff.	Severe	Rare	R	Corporate Services	Procurement policy and guidelines in place. Being updated and an electronic procurement system implemented.	Severe	Rare	r
Tender evaluation requirements not defined 744	Poor tender planning can lead to overpayment for goods and services or unnecessary expenditure.	Moderate	Possible	R	Corporate Services	Procurement policy and guidelines in place. Being updated and an electronic procurement system implemented.	Moderate	Possible	r
Overpayment for goods and services 745	Inefficient use of public funds.	Moderate	Possible	R	Corporate Services	Procurement policy and guidelines in place. Being updated and an electronic procurement system implemented.	Minor	Possible	r
Failure to comply with procurement legislation / processes 746	Could lead to challenge of tender award adding additional time and cost to service delivery.	Moderate	Possible	R	Corporate Services	Procurement policy and guidelines in place. Being updated and an electronic procurement system implemented.	Minor	Possible	r
Conflicts of interest in tender award process 747	Council may not receive the best value for money and the process itself may be subject to challenge. May lead to retendering which adds time and cost and may impact service delivery.	Moderate	Possible	R	Corporate Services	Conflict of Interest Policy being introduced as part of procurement work currently underway.	Moderate	Rare	r
Failure / closure of service provider 748	Likely to require a change in supplier which adds time and cost and may impact service delivery.	Moderate	Possible	R	Corporate Services	Procurement policy and guidelines in place. Being updated and an electronic procurement system implemented.	Moderate	Rare	r
Unethical service provider actions 749	Harm to Council's reputation through association and may lead to the a change in supplier which adds time and cost and may impact service delivery.	Moderate	Possible	R	Corporate Services	Procurement policy and guidelines in place. Being updated and an electronic procurement system implemented.	Minor	Rare	r

# Risk Report - October 2017



Risk Description	Risk Overview	Consequence	Likelihood	Risk Status	Owner	Comments / Recommendations	Residual Consequence	Residual Likelihood	Residual Risk Status
Services not meeting quality requirements 750	Likely to require a change in supplier which adds time and cost and may impact service delivery.	Moderate	Possible	R	Corporate Services	Procurement policy and guidelines in place. Being updated and an electronic procurement system implemented.	Moderate	Rare	r
Non-delivery of goods and services by supplier 751	Likely to require a change in supplier which adds time and cost and may impact service delivery.	Moderate	Possible	R	Corporate Services	Procurement policy and guidelines in place. Being updated and an electronic procurement system implemented.	Moderate	Rare	r
Breach of contract 752	Likely to require a change in supplier which adds time and cost and may impact service delivery.	Moderate	Possible	R	Corporate Services	Council aims to use its own standard contracts to ensure Council's interests are the primary objective. Contract reviews are included in contracts and procurement procedures.	Moderate	Rare	r
Legislative requirements not clear / not understood 753	Particularly regarding RMA, LGA and LTMA. Could lead to poor/incorrect decisions, ineffective policy and legal challenge.	Major	Possible	R	Corporate Services	Monitor legislative development processes, seek external advice as required. This may increase with the change in government.	Moderate	Likely	r
Conflicting requirements of different legislation 754	Particularly regarding RMA, LGA and LTMA. Could lead to conflicting decisions and policy and additional time and cost as a result of legal challenge.	Major	Likely	R	Corporate Services	Monitor case law and seek independent legal advice for clarification as required.	Moderate	Likely	r
Actions taken exceeding mandated authority 755	Could lead to legal challenge regarding Councils action.	Major	Possible	R	Corporate Services	Monitor legislative development processes, seek external advice as required.	Major	Rare	r
Disputed authority between multiple agencies / departments 756	Impacts on ability to provide co governed or co funded activity. There may also be competing or conflicting interests.	Moderate	Likely	R	Corporate Services	Ensure ongoing communication and involvement in decision processes where possible and appropriate.	Moderate	Possible	r

# Risk Report - October 2017



Risk Description	Risk Overview	Consequence	Likelihood	Risk Status	Owner	Comments / Recommendations	Residual Consequence	Residual Likelihood	Residual Risk Status
Delays in finalising legislation 757	Particularly regarding RMA, LGA and LTMA. Increased time adds uncertainty while legislation is being finalised and unacceptable delays may occur during this period.	Major	Often	R	Policy Planning and Resource Management	Monitor legislative development processes, submissions to the Crown, collaboration with other Councils, develop and maintain relationships with stakeholders.	Major	Often	r
Changes in legislation 758	Particularly regarding RMA, LGA and LTMA. Change creates uncertainty while being enacted and the process for implementing change increases cost and / or likelihood of not delivering core services.	Major	Often	R	Policy Planning and Resource Management	Monitor legislative development processes, submissions to the Crown, collaboration with other Councils, develop and maintain relationships with stakeholders.	Major	Often	r
Poor process design 759	Impacts the ability to deliver services, may add time / cost to service delivery or prevent service delivery completely.	Moderate	Possible	R	Engineering Hazards and Science	Process reviews ongoing and part of annual and long term plan process.	Moderate	Rare	r
Poor process integration 760	Impacts the ability to deliver services, may add time / cost to service delivery or prevent service delivery completely.	Moderate	Possible	R	Engineering Hazards and Science	Process reviews ongoing and part of annual and long term plan process.	Moderate	Rare	r
Project budget over-runs 761	Inefficient use of public funds and potential rates increases.	Moderate	Often	R	Engineering Hazards and Science	Required actions defined and monitored monthly.	Moderate	Possible	r
Failure of project 762	Inefficient use of public funds and non delivery of expected services.	Severe	Likely	R	Engineering Hazards and Science	Required actions defined and monitored monthly.	Severe	Possible	r
Project scope not defined 763	Could lead to required services not being provided ie Lindsay Creek flood protection. Corrective action may be expensive. Inefficient use of public funds and non delivery of expected services.	Severe	Likely	R	Engineering Hazards and Science	Defined and reviewed as part of annual and long term plan processes.	Moderate	Possible	r

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Risk Description	Risk Overview	Consequence	Likelihood	Risk Status	Owner	Comments / Recommendations	Residual Consequence	Residual Likelihood	Residual Risk Status
Harbour navigation incident 764	Navigation incident could include a ship running aground, ships colliding or sinking.	Severe	Likely	<b>R</b>	Environmental Monitoring and Operations	Maintenance of navigation aids / lights (currently contracted to Port Otago). Harbour Safety currently being reviewed and insurance in place for harbour incidents.	Severe	Rare	<b>r</b>
Large scale oil spill 765	Potential environmental damage could occur as a result.	Severe	Likely	<b>R</b>	Environmental Monitoring and Operations	Incident response plan in plan, staff appointed and trained.	Severe	Rare	<b>r</b>
Flood protection failure 766	Failure of flood protection structures during flooding causing danger to the public and significant damage to property and Council assets.	Severe	Likely	<b>R</b>	Engineering Hazards and Science	Infrastructure strategy, asset management plans, insurance in place.	Severe	Rare	<b>r</b>
Conflicts of interest in regulatory process 1288	Council process itself may be subject to challenge. May lead to legal challenge which adds time and cost and may impact service delivery.	Major	Possible	<b>R</b>	Policy Planning and Resource Management	Conflict of Interest Policy being introduced as part of procurement work currently underway.	Moderate	Rare	<b>r</b>



## 4. Knowledge and System Risks

Risk Description	Risk Overview	Consequence	Likelihood	Risk Status	Owner	Comments / Recommendations	Residual Consequence	Residual Likelihood	Residual Risk Status
Inadequate system security 767	Potential system failures caused by hacking, viruses or other security failures	Major	Possible	<b>R</b>	Corporate Services	IT BCP, virus software , firewalls, system process and password protection in place.	Moderate	Possible	<b>r</b>
Confidential information not adequately protected 768	Breach of privacy and potential for legal action as a result.	Moderate	Possible	<b>R</b>	Corporate Services	IT BCP, virus software , firewalls, system process and password protection in place. Increasing risk. Cyber review is being undertaken.	Moderate	Possible	<b>r</b>
IT systems not integrated 769	Impacts the ability to deliver services, may add time / cost to service delivery or prevent service delivery completely.	Moderate	Possible	<b>R</b>	Corporate Services	Process reviews ongoing and part of annual and long term plan process.	Moderate	Rare	<b>r</b>
Network failure or unavailability 770	Impacts the ability to deliver services, may add time / cost to service delivery or prevent service delivery completely.	Major	Likely	<b>R</b>	Corporate Services	IT BCP, virus software , firewalls, system process and password protection in place.	Major	Possible	<b>r</b>
IT security breach or failure 771	Unauthorised system access. Impacts the ability to deliver services, may add time / cost to service delivery or prevent service delivery completely.	Major	Likely	<b>R</b>	Corporate Services	IT BCP, virus software , firewalls, system process and password protection in place.	Major	Possible	<b>r</b>
IT system / software obsolescence 772	Impacts the ability to deliver services, may add time / cost to service delivery or prevent service delivery completely.	Moderate	Likely	<b>R</b>	Corporate Services	IT strategy in place (being reviewed and updated).	Moderate	Possible	<b>r</b>
Ineffective IT disaster recovery plan 773	Impacts the ability to deliver services, may add time / cost to service delivery or prevent service delivery completely.	Severe	Likely	<b>R</b>	Corporate Services	IT BCP developed, hardware hosted offsite with major service provider.	Major	Possible	<b>r</b>

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Risk Description	Risk Overview	Consequence	Likelihood	Risk Status	Owner	Comments / Recommendations	Residual Consequence	Residual Likelihood	Residual Risk Status
IT solution does not support business requirements 774	Includes poor choice of software / IT solution. Impacts the ability to deliver services, may add time / cost to service delivery or prevent service delivery completely.	Major	Possible	R	Corporate Services	Process reviews ongoing and part of annual and long term plan process.	Moderate	Rare	r
IT systems not scalable 775	Cannot meet increased capacity requirements. Impacts the ability to deliver services, may add time / cost to service delivery or prevent service delivery completely.	Moderate	Possible	R	Corporate Services	Process reviews ongoing and part of annual and long term plan process.	Moderate	Rare	r
Loss of data / information 776	Impacts the ability to deliver services, may add time / cost to service delivery or prevent service delivery completely.	Major	Likely	R	Corporate Services	IT BCP, virus software , firewalls, system process and password protection in place.	Moderate	Possible	r