

Audit, Finance & Risk Committee
6 June 2019

Report for Agenda Item | Rīpoata mot e Rāraki take 3

Department: Corporate Services

Title | Taitara Risk Management Update

PURPOSE OF THE REPORT | TE TAKE MŌ TE PŪRONGO

- 1 The purpose of this report is to provide a governance update regarding the progress of the work programme and change management plan to support the deployment of the new QLDC Risk Management Framework.

RECOMMENDATION | NGĀ TŪTOHUNGA

- 2 That the Audit, Finance & Risk Committee:
 1. **Note** the contents of this report.

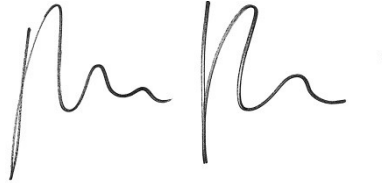
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22/05/2019

Reviewed and Authorised by:



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22/05/2019

CONTEXT | HORPOAKI

- 3 The Risk Management Group (RMG) has been established for the purpose of leading the development of a risk management culture throughout the QLDC organisation. The following objectives have been adopted to guide the work programme of this group:
- Establish a risk appetite model that allows the Risk framework to be tailored to the QLDC context;
 - Develop a clear, streamlined reporting process;
 - Simplify the process of risk management with clear objectives, roles and responsibilities, principles and process guidelines; and
 - Build a healthy risk management culture across all management and governance tiers.
- 4 The responsibility for leading the RMG and driving the progression of the overarching Risk Management Framework (i.e. policy, procedures, training documents, software systems), is now shared between the following members of the Strategy and Development Team, Corporate Services:
- The Operational Improvement Manager (Bill Nicoll) holds responsibility for developing and deploying the integrated risk management framework and driving the change program to enable it to be effectively implemented and embedded into Council business practices and organisation culture.
 - Policy & Performance Manager (Anita Vanstone) holds functional responsibility for reporting to the Audit, Finance & Risk Committee and ELT along with leading the Risk Management Working Group

ANALYSIS AND ADVICE | TATĀRITANGA ME NGĀ TOHUTOHU

- 5 The following actions have been completed since the 14 February 2019 Audit, Finance And Risk Committee meeting:
- The new Risk Management Policy was approved for adoption at the 7th March 2019 Council Meeting. This policy outlines the new Risk Management objectives, responsibilities, principles and procedures that are associated with the new Risk Management framework.
 - An update to the risk section of the Council Agenda Report Template has been developed and deployed by the Governance team. The new risk section includes updated references and links to the new QLDC Risk Register report. The Audit, Finance & Risk Committee are the first committee to receive the new template reports.
 - A check of the risk section for all submitted Council and Committee reports has been occurring to support the transition from the old risk framework to the new. These checks have verified that Report authors are referencing the correct risks from the new Risk Register and not the old SR1-7 risk from the historical register. Any changes have been reviewed by Report authors to verify their approval prior to being formally submitted to the meeting agendas.

- A Risk Culture Workshop for the Executive and Council Leadership group was conducted on 5th March. The structure of the workshop was split between a facilitated session on Risk Culture and a technical training session on the new Techone Risk Module. The Risk Culture section focussed on exploring the concept of risk culture, why it is important, what our current level of risk maturity is and what our desired future state looks like. This Risk culture vision setting session provides an important foundation for supporting the change management messaging and support activities to embed new behaviours and practices into the organisation.
 - A new Risk Management webpage on the Council intranet has been developed. This page contains links for the new Risk Policy, Techone Risk Module User Guide and the QLDC Risk Register Report. It is important that this information is easy to access for all QLDC staff as it supports to improve the level of Risk awareness and engagement. This new intranet page has been promoted by the Council Communications team in its recent Team Talk publication.
 - The membership of the RMG has been expanded to incorporate staff members from Property and Infrastructure who are heavily involved in Infrastructure risk, resilience and insurance activity. Their involvement in the RMG will help ensure that we maintain an aligned and fully integrated approach to risk management across all Council directorates.
- 6 The RMG submitted a recommendation to the Executive on 8th March to adopt two new risks to the QLDC Risk Register. These recommendations were approved and have now been incorporated into the live register.
- **“Ineffective privacy controls and protection of data held by Council”**. This risk relates to the compliance requirements associated with the control and protection of information within the public sector. The likely mitigation to this risk will be a new Data Policy that addresses the requirements of the Privacy Act and Public Records Act
 - **“Ineffective provision for the future planning and development needs of the district”**. This risk cross-references closely to the historical SR1 risk with a more direct planning focus. The risk reflects the holistic challenge associated with promoting and supporting sustainable growth within the district.
- 7 **Advice** – No recommendations are associated with this matter as it is for noting only.

CONSULTATION PROCESS | HĀTEPE MATAPAKI:

> SIGNIFICANCE AND ENGAGEMENT | TE WHAKAMAHI I KĀ WHAKAARO HIRAKA

- 8 This matter is of **low** significance, as determined by reference to the [Council’s Significance and Engagement Policy](#) because it will:
- Not significantly impact on the environment, culture and people of the District
 - Not significantly affect individuals, organisations, groups and sectors in the community
 - Is not inconsistency with existing policy and strategy
 - Will not significantly impact the objectives set out in the Financial Strategy, Ten Year Plan and Annual Plan

- 9 As the significance of this matter is low and only for noting, no consultation with the community or local iwi is required.

RISK AND MITIGATIONS | NGĀ RARU TŪPONO ME NGĀ WHAKAMAURUTANGA

- 10 This matter relates directly to the Strategic/Political/Reputation risk category. It is associated with RISK00038 Lack of Alignment- Strategy and Policies within the [QLDC Risk Register](#). This risk has been assessed as having a Moderate inherent risk rating.
- 11 This matter also relates more broadly to the management and governance framework for all Strategic and Operational risks that are documented within the [QLDC Risk Register](#). The establishment of this new framework will help to support the development of a more engaged and capable risk culture across the Council; leading to more effective risk identification, evaluation and mitigation outcomes.

FINANCIAL IMPLICATIONS | NGĀ RITENGA Ā-PŪTEA

- 12 There are no financial implications associated with this matter.

COUNCIL EFFECTS AND VIEWS | NGĀ WHAKAAWEAWE ME NGĀ TIROHANGA A TE KAUNIHERA

- 13 The following Council policies, strategies and bylaws were considered:

- QLDC Risk Management Policy

- 14 The recommended option is consistent with the principles set out in the above policy.

- 15 This matter supports the Ten Year Plan/Annual Plan through ensuring that effective mitigations are in place that support risks that could impact plan objectives.

LOCAL GOVERNMENT ACT 2002 PURPOSE PROVISIONS | TE WHAKATURETURE 2002 O TE KĀWANATAKA Ā-KĀIKA

- 16 The recommended option:

- Is consistent with the Council's plans and policies; and
- Would not alter significantly the intended level of service provision for any significant activity undertaken by or on behalf of the Council, or transfer the ownership or control of a strategic asset to or from the Council.