

Risk Management Framework

Framework Review

This framework will be fully reviewed every three years and in line with any reviews of the Risk Management Policy

Authorised by	CE and Executive Team		
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Risk Management Framework

Introduction

Tauranga City Council (TCC) provides a wide range of services to the residents and businesses of Tauranga. We are expected to meet our statutory obligations and deliver on our objectives defined in the Long-term Plan 2021-31 to 'Make Tauranga better'.

All our council business activities operate with areas of uncertainty and there is a chance that things will not always go according to plan to achieve those objectives. Each step of the way initiates an element of risk that needs to be managed. Results can be negative (risks or threats), positive (opportunities or benefits), or a combination of both, with internal and external factors contributing to the unexpected.

The Risk Management Framework

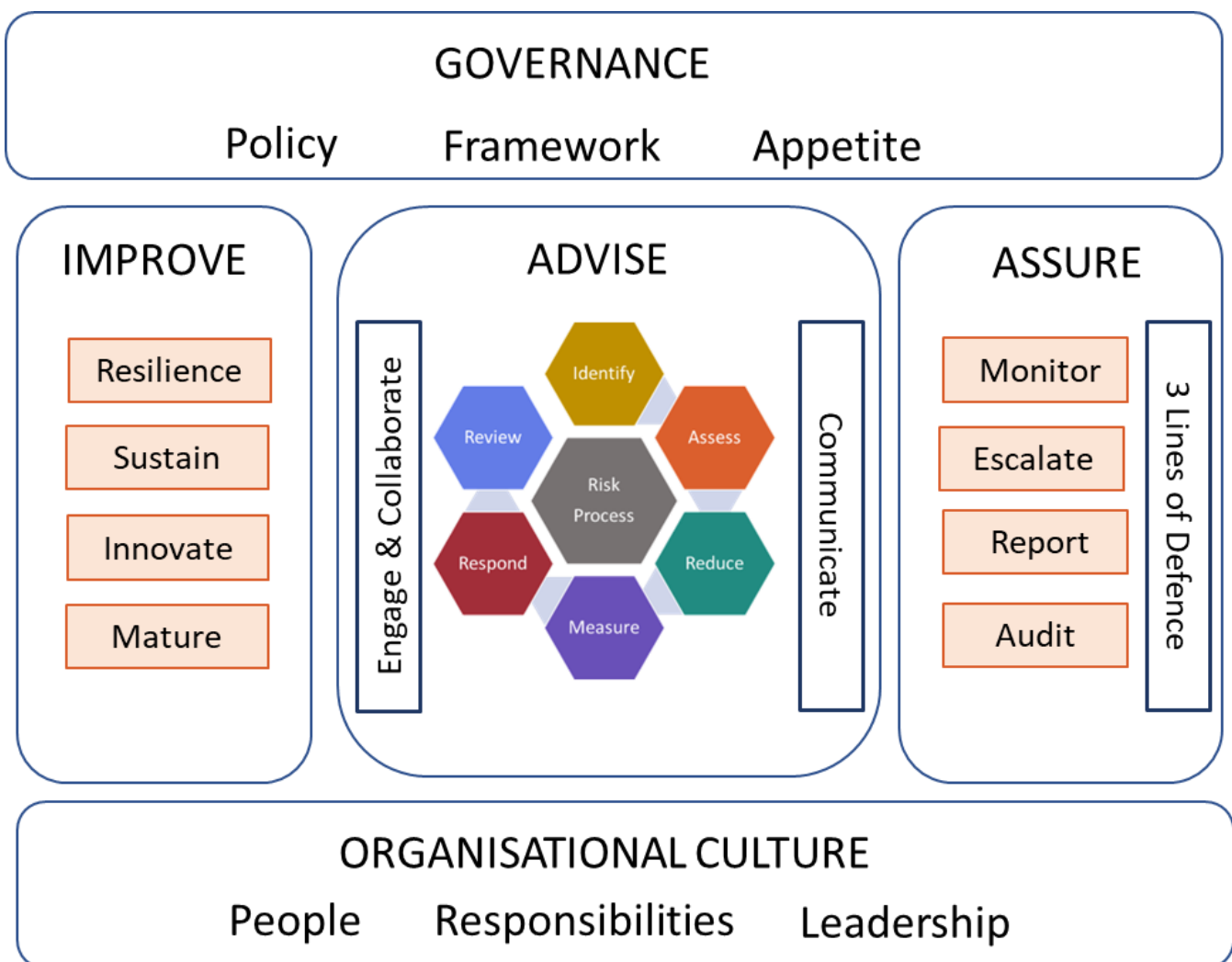


Figure 1: Risk Management Framework

Our Risk Management Framework (Figure 1) contains five main components:

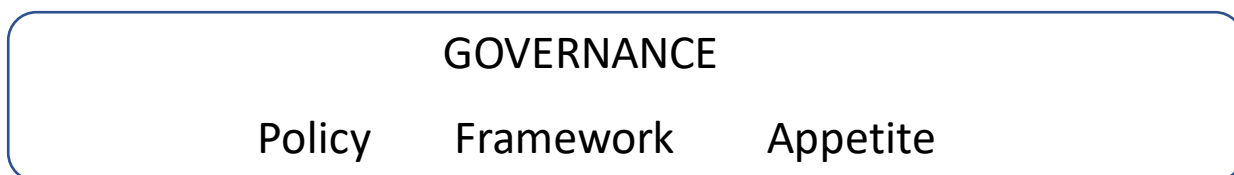
1. The 'cover' for the framework sits with our GOVERNANCE structure in relation to accountability, accompanied by the Risk Management Policy, Risk Appetite and this Framework.
2. The 'engine room' within the framework is made up of three strategies i.e. the how: TO IMPROVE our risk learning and risk maturity on an ongoing, continual cycle.

- TO ADVISE risk management best practice through our systems and processes.
 TO ASSURE Council that its risks are being managed through reporting and assurance.
3. The 'foundation' for the framework is the underpinning of our CULTURE in relation to risk management practices affecting risk awareness, attitudes and behaviour of staff.

The Risk Management Framework is a set of references and tools we have adopted to:

- integrate risk management into all our activities in a consistent and standardised way
- enable decision-makers to manage their risks and opportunities to make well-informed decisions
- support and sustain risk management throughout council.

Governance



The Council and Executive retain overall responsibility for our approach to strategic decision-making and effective risk and opportunity management. This requires oversight of risks, how it is managed, and appropriate accountability to its stakeholders (Figure 2).

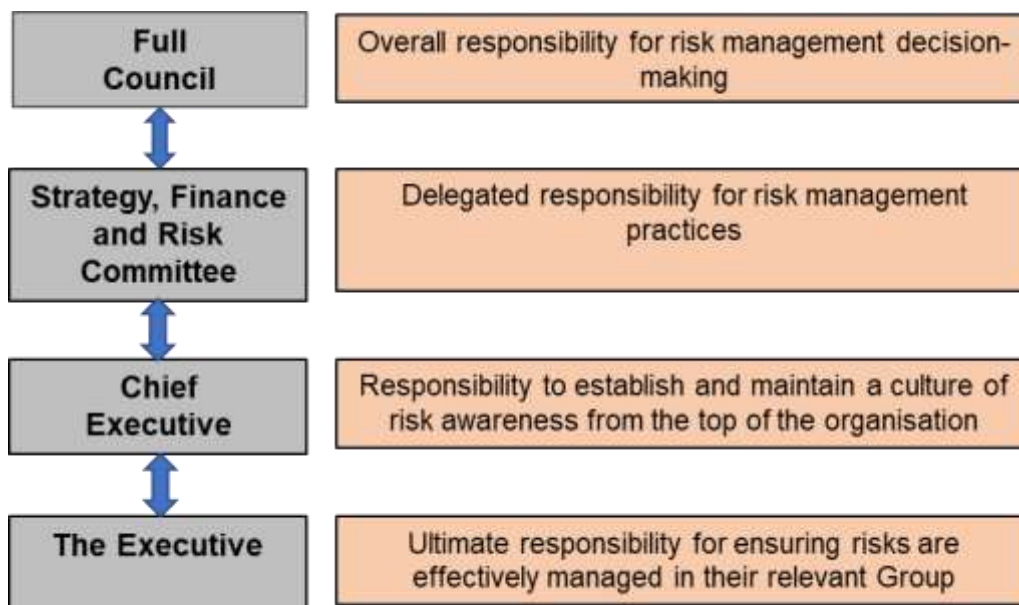


Figure 2: Risk Governance Structure

For more information on roles and responsibilities, refer to the [Risk Management Policy](#)

Risk Management Policy

The Risk Management Policy outlines Council's intent with respect to governance arrangements, commitment and expectations. It provides guidance and helps to clarify expectations regarding appetite, awareness and accountabilities relating to risk management.

It enables threats to our objectives to be minimised (value protection) and opportunities to be exploited (value creation). It helps improve performance, encourages innovation, and supports the achievement of our objectives. It also minimises the impacts of disruptive events through effective business continuity management. Risk management is governed by the guiding principles set out in ANS/NZS ISO 31000:2018.

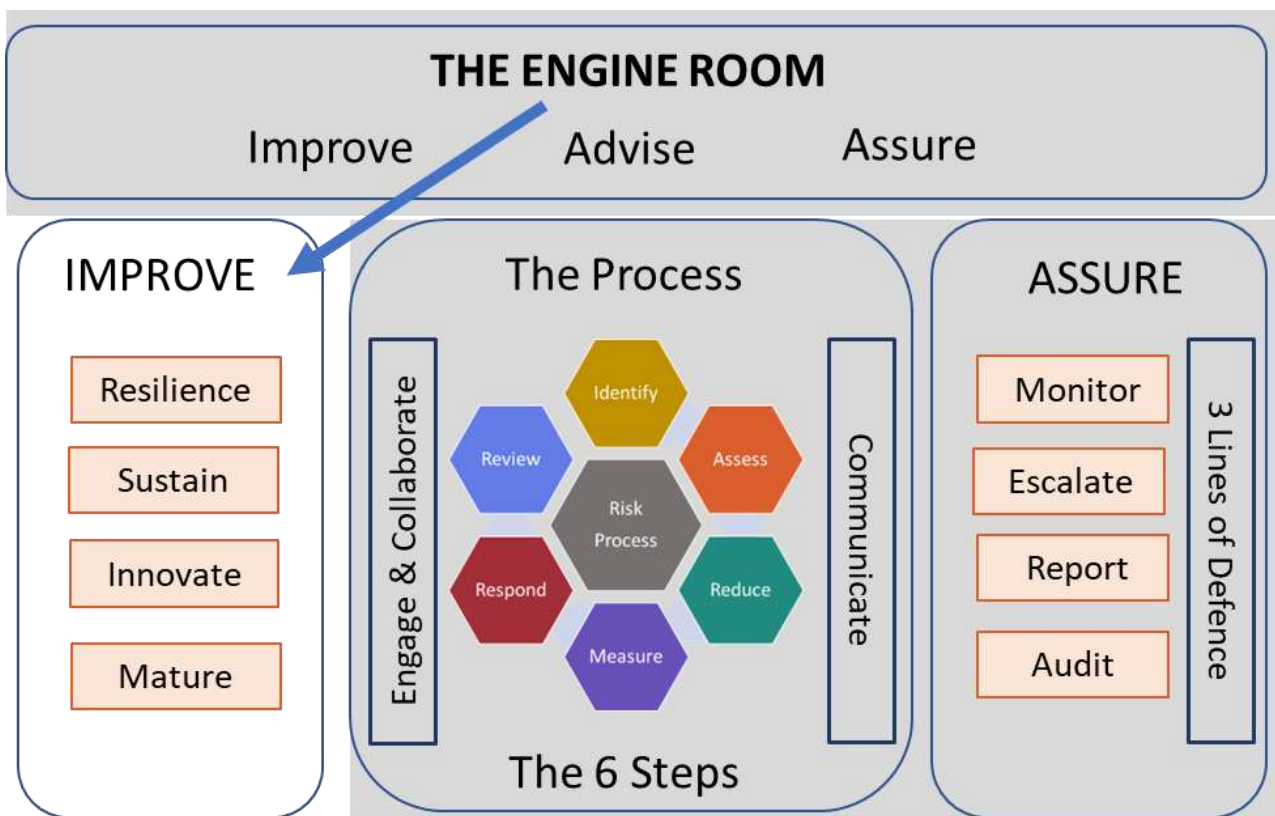
Risk Appetite

Effective risk and opportunity management is driven from the top. Our risk appetite sets out the amount and level of risk that Council is prepared to pursue, retain, or take in order to meet its objectives. In simple terms, it creates a set of guardrails for managers to operate within when making strategic decisions.

Risk appetite balances risk with innovation by maximising safety (not taking unnecessary risks or compromising safety), whilst encouraging risk taking or creative thinking in other areas. Every risk should be managed within risk appetite boundaries.

Risk appetite is set by Council and is based on this framework as set out in Appendix 1.

Improve



Risk management is a continual process, a journey to manage what we have, celebrate success, and identify future areas for improvement.

Resilience

Business continuity is the ability to continue delivery of services at predefined levels following a disruption. It is a proactive process, based on standards outlined in AS/NZS 5050 and ISO:22301.

Business resilience builds on the principles of business continuity, by being able to adapt in a changing environment, safeguarding our people and assets to deliver outcomes in a world that is evolving.

Both call for preparing for the unknown, which involves:

- preparing our people to be resilient
- anticipating potential disruptions through scenario planning

- adapting operations to gradual changes as well as major disruptive events
- improving our agility using tools and technology.

The guidance for business continuity preparedness to recover and maintain operations can be found in the [Business Continuity Management System Manual](#).

Sustain

Sustainability refers to our ability to maintain or support a process continuously over time and is made up of three core components: environmental, social and economic. The purpose of sustainability is to prevent the depletion of natural or physical resources and effects on humans, so that they remain available in the long-term.

Sustainability is categorised into (but not limited to), the following areas:

- physical natural hazards e.g. weather
- procurement practice
- responsible use of natural resources and materials
- human rights and labour practices
- ecosystem services and biodiversity
- waste, emissions and effluents to land, air or water

As new types of sustainability risks are constantly emerging, it is a key component of corporate risk and opportunity management strategy to:

- set appropriate metrics for monitoring
- identify emerging risks and transition planning
- use assessments to embrace initiatives to risks with direct or indirect impacts
- ensure controls and measures provide assurance in long term strategy and planning
- embed and integrate sustainability impacts and dependences in business management
- report publicly on risks and opportunities for compliance requirements.

Innovate

This Risk Management Framework will be reviewed in line with the review date of the Risk Management Policy to determine its suitability, adequacy, effectiveness and integration. This will include identifying any improvement and innovative opportunities to:

- improve effectiveness – regularly re-evaluate the risk management strategy and practices to identify improvements and ensure it is fit for purpose, including assurance audit and opportunity management
- enhance risk awareness and risk culture - building knowledge through training, support and role responsibility
- improve integration – develop mechanisms to provide clear linkages to TCC's strategy, partnerships, business resilience and assurance.
- add value and performance - utilise quantitative measures and metrics to reporting and assurance
- support decision-making and management action – align risk information to business outcomes.

Mature

The more mature a risk management system, the more effective it will be in enabling better decisions, taking the right risks, and achieving better outcomes. Improving maturity also provides improvement opportunities in our risk strategy objectives, namely to:

- increase our risk maturity level over time

- increase our understanding of risk
- integrate risk management into daily decision-making
- embed risk and business continuity as part of our organisational culture.

We use the risk maturity model below (Figure 3) to understand our capabilities and choices (qualitative elements) and the use of metrics (quantitative elements) to support decision-making.

It is our aim to annually audit our current level of maturity to be the same or better against the following components as part of our internal audit plan and reporting regime:

- Governance
- Culture
- Assessment and measuring
- Risk management and monitoring
- Reporting and insight
- Data and technology

Risk Management Maturity Levels

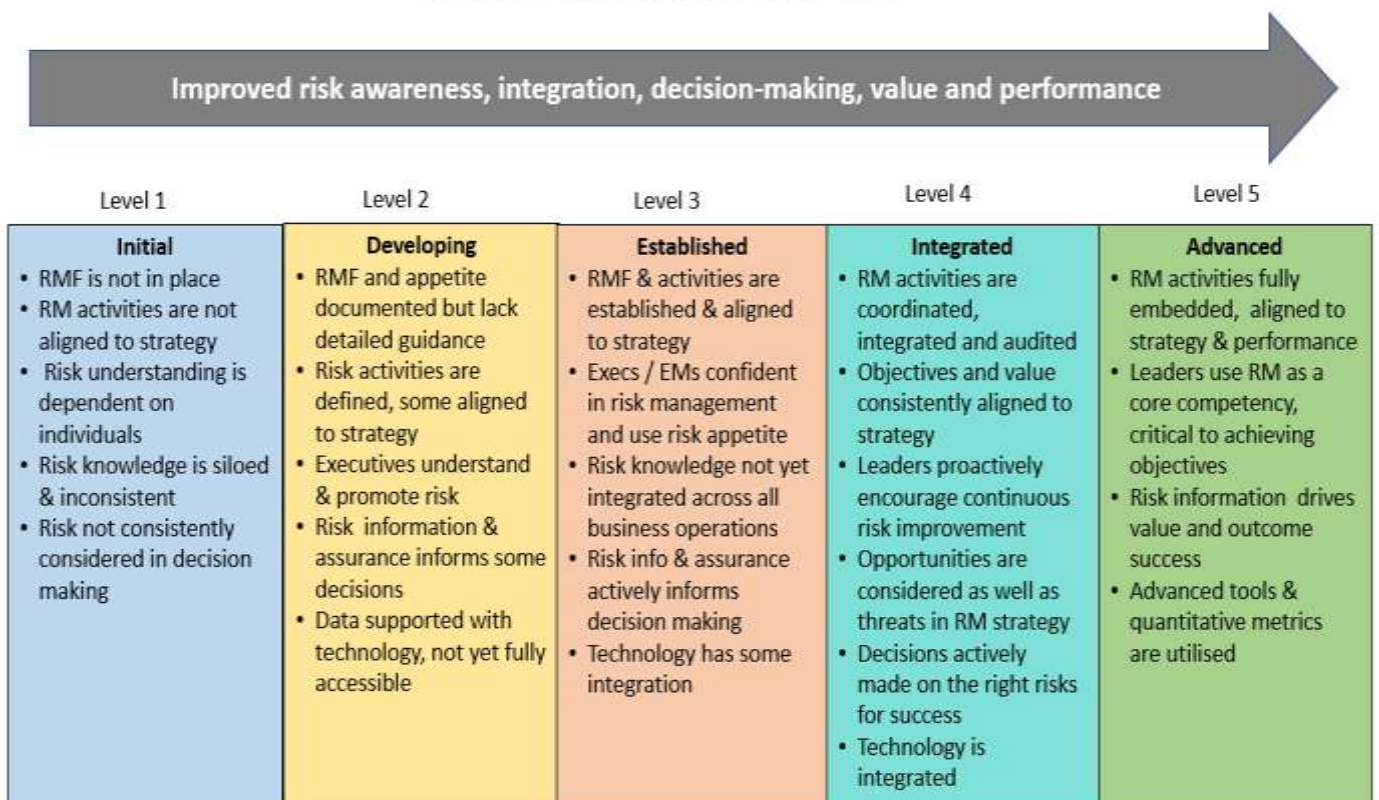
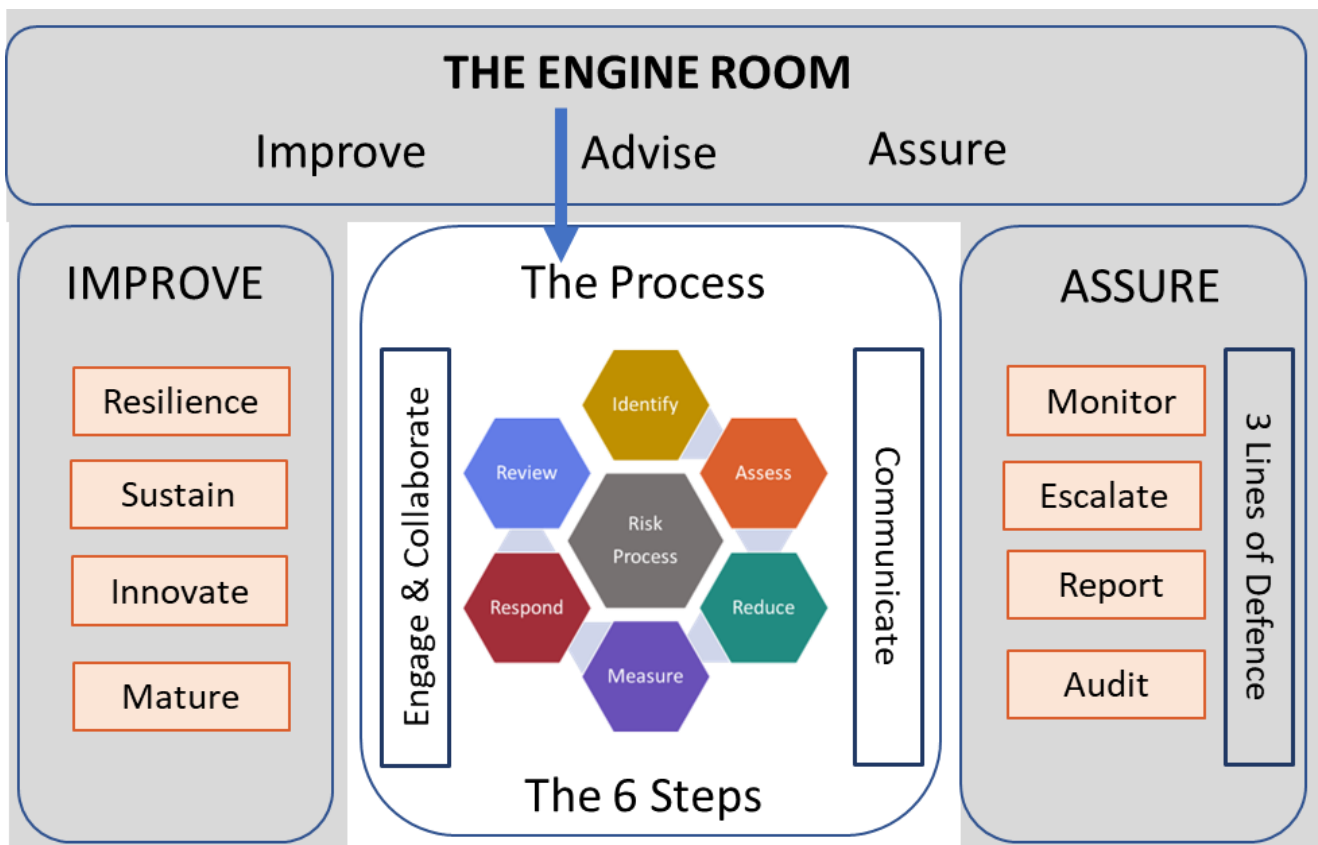


Figure 3: Risk Maturity Levels

Advise – The Process



The risk and opportunity management process provides a generic, consistent, and standardised set of steps and tools.

They are designed to support businesses to identify risks in their area, document them and take ownership of them as a component of their business plans, with the risk management team providing advice and support. For more detail on each of the steps, refer to the [Risk Management Process Guide](#).

The 6 Steps

Risk management at all levels is a cyclic and iterative process made up of six steps:

Step 1 - Identify the risk (*What could possibly go wrong? What might be improved?*)

This is the process to scan the business and its environment for new and emerging risks and opportunities and to maintain an understanding of existing risks. It includes organisational context, a risk-cause-impact description, categories of risk sources and risk ownership.

Step 2 – Assess the risk (*What is the worst-case scenario? How much benefit could there be?*)

This step determines how severe the risk could be and is generally assessed on a qualitative judgment by those working in the business. It is also based on quantitative descriptors to assess the likelihood and consequence / impact of the risk or opportunity occurring (see Appendices 2 & 3)

Step 3 – Reduce the risk (*What are we currently doing to stop the risk? How can we reduce time or money?*)

Step 3 aims to quantify control measures that either reduce the likelihood of a risk occurring or reduce the impact of a risk. It is also important to know how effective those controls are. The more effective a control is, the more confidence you will have that the risk is being managed as expected.

Step 4 – Measure the risk (*How bad, or good, could this be?*)

This part seeks to prioritise the risks identified by analysing and evaluating likelihood versus consequence by using a risk matrix (see Appendix 4). It helps us to understand the level of risk and how well the risk is being managed.

Step 5 – Respond to the risk (*What else can we do?*)

The purpose of this step is to determine and implement an appropriate response to the risk based on Council's appetite for risk. It is a decision-making step with four action options to either: Treat, Transfer, Tolerate or Terminate the risk.

Step 6 – Review the risk (*What has changed?*)

Reviewing is a continual activity carried out to determine whether we are managing the risk in a suitable, adequate, and effective way to achieve our objectives.

Other significant risk processes:

- The Integrity Framework policies and procedures
- Business Continuity Management planning process
- Project Delivery Lifecycle (PLDC) Process

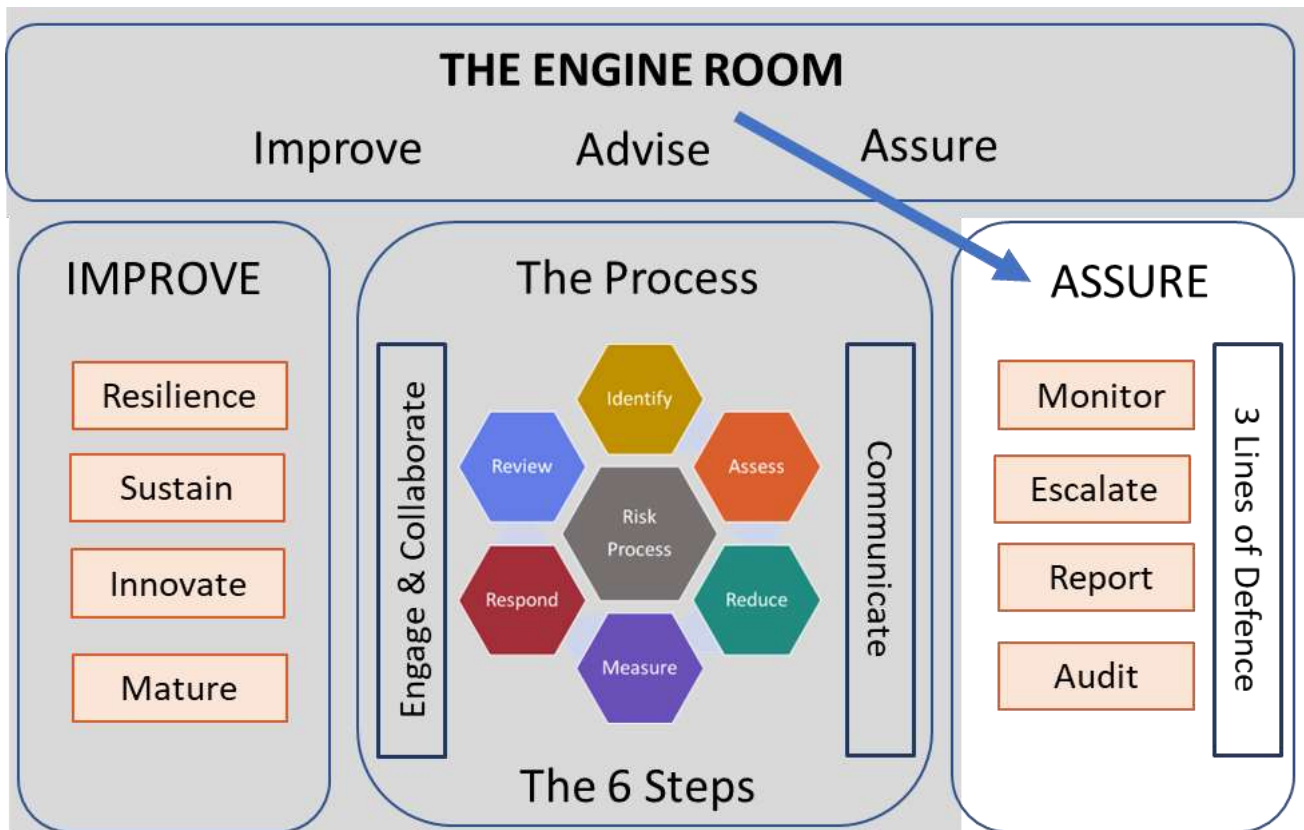
Engagement and Communication

Engagement is the two-way dialogue between people across business functions, including corporate finance, strategy, regulation, procurement, human resources, legal and sustainability.

Parallel to this dialogue, communication exchanges the information in a factual, timely, relevant, accurate and understandable manner between council, its internal and external stakeholders and wider local government relationships to:

- share and receive risk information
- ensure that different perspectives are considered
- obtain feedback and information to support decision-making
- build a sense of inclusion and ownership by those affected by the risk
- meet regulatory requirements.

Assure



Assurance

Assurance activity verifies how well our risks are being managed. This allows informed decisions to be made, resources to be allocated, and appropriate action to be undertaken.

Total assurance covers a broad spectrum of subject areas and methods, the components of our Assurance Framework (Figure 4).

The Office of the Auditor General (OAG) encourages local authorities to prioritise assurance activity. The tools we regularly use to carry out this assurance include internal audits, external audits, large project assurance, risk management, probity assurance, business continuity management and legislative compliance. It is important that a wide mix of assurance methods are used to meet the OAG's best practice guidelines.



Figure 4: Assurance Framework

Three Lines of Defence

We follow the Three Lines of Defence (Figure 5) as an approach for risk management assurance and governance to ensure roles, responsibilities and accountabilities for decision-making are structured.

Management control is our first line of defence, the risk control and reporting function / team is second, and independent assurance and internal audit is the third line of defence.

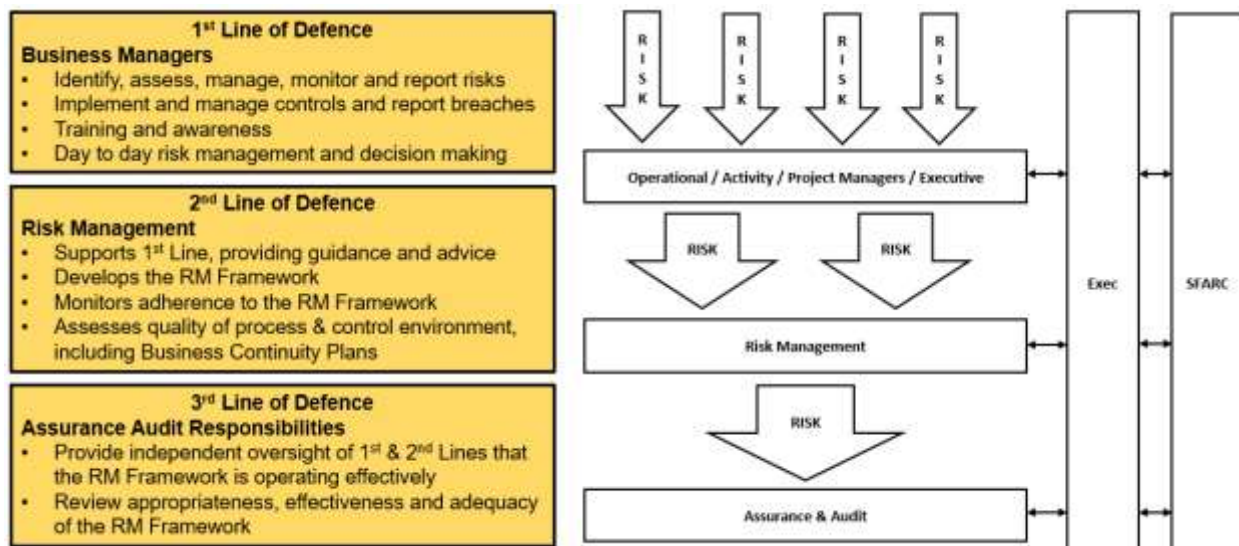


Figure 5: Three Lines of Defence Model

Monitor & Escalate

Changing circumstances can result in risks increasing or decreasing in severity and priority. The purpose of monitoring is to:

- provide assurance and improve the effectiveness, efficiency and quality of our risk and business continuity management processes
- continually check our current status and assess achievement of expected performance levels
- identify escalating risks to a higher management level (see [Risk Management Process Guide](#))
- authorise the closing of a risk through informed decision-making

Report

The purpose of reporting is to generate a conversation about risk and opportunity management activities across the organisation for information, decision-making and improvement.

All risks are maintained in a risk register so that risks can be reviewed and reported on a quarterly basis at management level, at the Executive level, to the Strategy, Finance and Risk Committee (SFARC) and at full Council level.

A quarterly risk report, approved by the Executive, is presented to the SFARC. It provides an update on all 'critical' corporate risks with planned actions; emerging risks; any significant changes or trends impacting the risk profile; and deep dives for insights into any key activities undertaken. See Guide to the Risk Management Process for more detail.

Audit

Internal audit is an independent, objective assurance and consulting activity designed to add value and improve our operations. We do this through an integrated and systematic approach to evaluate the effectiveness of risk management, control and governance processes.

In addition to significant risk issues identified, internal audit follows up on recommendations or findings from external audits and reviews, both statutory and ad hoc, to ensure that actions are implemented and reported to the Executive and the SFARC.

Organisational Culture

ORGANISATIONAL CULTURE

People Responsibilities Leadership

The culture we adopt in our organisation determines the decisions we take in our day-to-day business activities. In effect, it is the glue which binds all the elements of risk management together because it reflects our shared values, goals, practices and mechanisms that embeds risk into everything we do.

A good risk culture encourages open two-way communication, allows shared knowledge and best practice, makes continual improvement and is conducive to strong ethical and responsible business behaviour.

A risk aware culture will be evident in staff who know their risks, are comfortable discussing their risks with others and who are willing to help others resolve risks. By identifying risks, embedding mitigations and controls and overlaying business continuity practices into what we do, we reduce the impacts of adverse events.

People & Responsibilities

People are at the heart of council. Every member of staff, contractor, and volunteer plays a part in identifying risks and opportunities, actively managing them within their sphere and scope of work.

Just as council's performance framework 'Our Development Conversations' is focused on regular and meaningful conversations, so risk conversations lead to an improved and mature risk-aware culture.

Each person has a part to play in risk management and we consider every person is important wherever they work in our organisation. Responsibilities for each of us will differ and depend on the level at which we work. These are set out in the Risk Management Policy.

Leadership

Risk management is all about people, but behaviour is hard to measure. Leaders make all the difference, acting on the right and the smart thing to do. They have a key role in shaping, supporting and encouraging a positive risk culture by:

- encouraging open and transparent risk discussions with the whole team, welcoming different opinions and points of view
- being a good role model – 'actions speak louder than words'
- taking an active, positive and visible part in the risk and business continuity processes
- balancing aspiration with realism – they show a determination to contribute to the benefit of the organisation, act with integrity when dealing with stakeholders, and care about the community to deliver better outcomes
- promoting collaboration for a joined-up risk approach.

Appendices and Related Documents

Appendix No.	Title
1	Risk Appetite Statement
2	Risk & Opportunity Likelihood Descriptors
3	Risk and Business Impact Descriptors
4	Risk & Opportunities Matrix

Links to relevant documents

- Risk Management Policy – Objective ID: [A12225426](#)
- Business Continuity Management System - Objective ID: [A11882148](#)
- Internal Audit & Assurance Framework
- Risk Management Process Guide - Objective ID: [A14030972](#)

Appendix 1 Risk Appetite Statement – adopted by Council (date)

Risk Category	Appetite	Statement
STRATEGIC OUTCOMES Moderate		Council accepts that the needs of the community are not static. We must be responsive to these changing needs over time and will enable innovation to meet the needs of the community.
	Moderate	Strategic projects, controlled and aligned to strategic priorities
FINANCIAL None to Moderate		Council does not accept risks leading to financial policy breaches but does acknowledge that, as we set achievable targets to drive our growth strategy and cost control agenda, these may result in risks to financial performance.
	None	Financial control risks, fraud, theft
	Low	Adverse credit rating, spend outside approved budget / LTP
	Moderate	Pursuit of commercial opportunities
PEOPLE None to Low		Council does not accept risks that adversely affect the health, safety, and wellbeing of our people. It implements systems, procedures and controls to protect staff and limit the exposure to circumstances which may harm people's wellbeing.
	None	Practices or behaviours causing harm to staff while at work
	Low	Risks affecting staff physical and mental wellbeing
ORGANISATION CAPACITY / CAPABILITY Low to Moderate		Council recognises the need to be flexible but also compliant within our HR standards and processes but also our mandatory legislative and regulatory obligations.
	Low	Inability of council to function within regulatory obligations
	Moderate	Reduction in capability of council to attract and recruit
SERVICE DELIVERY Low to Moderate		Council does not accept risks adversely affect core services to the community but acknowledges strategic initiatives to build a stronger economy and a more attractive city for families.
	Low	Inability to deliver core services to the community
	Moderate	Transformational initiatives to achieve our strategic outcomes
REPUTATION Low to Moderate		Council acknowledges that reputational risk cannot be completely eliminated. In the pursuit of innovation, excellence and service delivery, there may be some negative perceptions by our community related to operational matters to allow us to achieve our strategic objectives and business goals.
	Low	Any activity or behaviour which questions our integrity
	Moderate	Loss of community confidence, damage to relationships with our stakeholders, or adverse media coverage.
REG & LEGISLATIVE None		Council has NO risk appetite for breaches of our mandatory requirements as a local government. Identified legal or compliance breaches will be remedied as soon as practicable.
	None	Risks relating to laws and regulations when meeting our compliance requirements
ENVIRONMENT Low		Council has a LOW appetite for risks that adversely affect our natural environment. attracting people to live and do business in our city.
	Low	Damage to our environment due to activities we undertake
TECHNOLOGY None to Low		Council recognises that technology touches every part of our business, enabling risks as well as opportunities.
	None	Information mismanagement e.g. unauthorised access, use or release of personal information or sensitive data
	Low	Threats to the availability or usability of the systems supporting its critical functions, data integrity of our reports

Appendix 2 Risk & Opportunity Likelihood Descriptors

Likelihood		Risk Likelihood Descriptors
Almost Certain	5	<ul style="list-style-type: none"> • >90% chance of occurring within a short period of time / or during the life of a project • A 'real possibility' that it could occur within 1 year • Controls: <10% of current controls are effective
Likely	4	<ul style="list-style-type: none"> • 60%-90% chance of occurring in next 12 months / or during the life of a project • More chance than not' that it could occur within 5 years • Controls: 10-30% of current controls are effective • There is limited management oversight and no audits have been performed
Possible	3	<ul style="list-style-type: none"> • 25% to 60% chance of occurring in next 12 months/ or during the life of a project • 'Not likely, but don't be surprised' if it occurs within 5 years • Controls: 30-70% of current controls are effective • The event has occurred elsewhere with similar levels of controls in place e.g. some management oversight and some audits performed
Unlikely	2	<ul style="list-style-type: none"> • 2-25% chance of occurring in next 12 months / or during the life of a project • 'A surprise, but not beyond imagination' in 5-10 years • Controls: 70-90% of current controls are effective • The event has not occurred elsewhere, there is timely management oversight with audit assurance
Rare	1	<ul style="list-style-type: none"> • <2% chance of occurring in the next 12 months / or during the life of a project • Will only occur in exceptional circumstances in 10+ years • Controls: >90% of current controls are effective • An uncontrollable event could occur in exceptional circumstances

Opportunity Likelihood Descriptors		Likelihood	
<ul style="list-style-type: none"> • >90% chance of the opportunity occurring / or benefitting a project • A favourable outcome is likely to be achieved in 1 year • There is a strong opportunity for achievement within current management processes 	5	Almost Certain	
<ul style="list-style-type: none"> • 60%-90% chance of the opportunity occurring / or benefitting a project • A favourable outcome likely to be achieved within 2 years • The opportunity is desirable, but will require careful management 	4	Likely	
<ul style="list-style-type: none"> • 25%-60% chance of the opportunity occurring / or benefitting a project • There is a possible prospect of favourable results in 2-3 years T • The opportunity is a possibility, but may be over and above the current plan 	3	Possible	
<ul style="list-style-type: none"> • 2-25% chance of the opportunity occurring / or benefitting a project • There is a reasonable chance of favourable results in 3-5 years • The opportunity is a 'nice to have', but will require further investigation outside current resources 	2	Unlikely	
<ul style="list-style-type: none"> • <2% chance of the opportunity occurring / or benefitting a project • There is a small chance of a favourable outcome in >5 years • The opportunity provides low benefit, based on current management resources 	1	Rare	

Appendix 3 Risk and Business Impact / Consequence Descriptors

Category	Sub-category	Low - 1	Minor - 2	Moderate - 3	Significant - 4	Severe - 5
Achievement of Outcomes or Objectives		<p>Minimal delay or interruption to work on a single strategic outcome / objective.</p> <p>No impact on the agreed delivery timeframe.</p>	<p>Short-term delay or interruption to work on a single strategic outcome / objective.</p> <p>OR</p> <p>Short-term delays or interruptions to work on multiple strategic outcomes / objectives.</p> <p>Achievement is managed within pre-agreed contingency timeframe(s).</p>	<p>10% of strategic outcomes / objectives:</p> <ul style="list-style-type: none"> - unable to be achieved, and / or - no longer meets the needs of the community. <p>Medium-term delays or interruptions to work on a single strategic outcome / objective.</p> <p>OR</p> <p>Short-term delays or interruptions to work on multiple strategic outcomes / objectives.</p> <p>Achievement of some outcomes / objectives can be managed with pre-agreed contingency timeframe(s).</p> <p>The LTP or project plan requires revision.</p>	<p>25% of strategic outcomes / objectives:</p> <ul style="list-style-type: none"> - unable to be achieved, and / or - no longer meets the needs of the community. <p>Medium-term delays or interruption to work on multiple strategic outcomes / objectives.</p> <p>Achievement is not managed with pre-agreed contingency timeframe(s).</p> <p>The LTP or project plan requires significant revision.</p>	<p>50% of strategic outcomes / objectives:</p> <ul style="list-style-type: none"> - unable to be achieved, and / or - no longer meets the needs of the community. <p>The LTP or project plan requires rewriting.</p>
Financial		No increase in cost.	Cost increase can be reallocated from within current budget.	Cost increase can be absorbed within current budget parameters, including contingency funding.	<p>Cost increase cannot be absorbed within budget parameters, including contingency funding.</p> <p>Funds are re-prioritised from other budgets to continue the impacted project / activity.</p>	<p>Cost increase results in decision not to continue to fund project / activity.</p> <p>Additional funds need to be obtained to meet legislative requirements.</p>
Health, Safety & Wellbeing	Health & Safety	Near miss with potential to cause injury or illness. First aid not required.	Injury or illness that requires first aid or minor treatment.	<p>Injury or illness that requires medical treatment, other than first aid.</p> <p>Notification to Worksafe may be required.</p>	<p>Serious injury or illness that requires medical treatment through hospitalisation.</p> <p>Multiple people affected by the same event where they require medical treatment, other than first aid.</p>	<p>One or more fatalities or permanent disability (or unable to participate in work)</p> <p>Multiple people with serious injury or illness by the same event where they require medical treatment through hospitalisation.</p>

					Notifiable event reported to Worksafe.	Notifiable event reported to Worksafe.
	Wellbeing	No absence from work People Leader / HR Business Partner support required.	Potential for absence Possibility of external support required e.g. Employment Assistance Programme.	Absence from work for up to 10 days External support required.	Absence from work for up to 3 weeks Ongoing external support required.	Absence from work for more than 1 month Professional support required.
Regulatory / Legal	Contractual	No contractual breaches.	Minor contractual breaches with potential impact on the delivery of obligations and outcomes. Potential for verbal warning to be issued.	One or more moderate contractual breaches with an impact on the delivery of obligations and outcomes. Potential financial impact through activation of penalty clauses. Potential for financial loss or additional expenditure for TCC to remediate. Potential for written warning to be issued.	Significant contractual breach or multiple breaches with an impact on the delivery of obligations and outcomes. Financial impact through activation of penalty clauses. Potential financial loss or additional expenditure for TCC to remediate. Consider contract termination and litigation.	Severe contractual breach or multiple significant contractual breaches with impact on the delivery of obligations and outcomes requiring court proceedings or criminal action. Likely financial impact. Termination of contract.
	TCC bylaws	No impact to TCC's ability to administer /enforce bylaws.	Minor impact to TCC's ability to administer /enforce bylaws resulting in potential regulatory scrutiny and verbal warnings. Potential financial impact to TCC in fines/penalties for not administering / enforcing bylaws.	Moderate impact to TCC's ability to administer /enforce one or more bylaws resulting in regulatory scrutiny and written warnings. Potential financial impact to TCC in fines/penalties for not administering / enforcing bylaws.	Significant impact to TCC's ability to administer /enforce multiple bylaws resulting in regulatory action and/or restrictions on Council activities. Potential financial impact to TCC in fines/penalties for not administering / enforcing TCC bylaws.	Central government intervention following suspension of TCC operational licenses or certifications. Full regulatory review of TCC's ability to enforce legislation. Substantial financial impact to TCC in fines / penalties. Judicial reviews on Council management.
	External legislation	No non-compliance by TCC.	Minor non-compliance by TCC resulting in potential regulatory scrutiny and verbal warnings. Potential financial impact to TCC in fines/penalties.	One or more non-compliances by TCC resulting in regulatory scrutiny and written warnings. Potential financial impact to TCC in fines/penalties.	Significant non-compliance, or multiple non-compliances by TCC, resulting in regulatory action and/or restrictions on Council activities. Potential financial impact in fines/penalties to TCC.	Regulatory authority review of legislative non-compliance by TCC, resulting in regulatory action and / or restrictions on Council activities. Substantial financial impact in fines/penalties to TCC.
Organisational Capability / Capacity		Minimal reduction in capability and / or capacity in one area with no impact on service delivery.	Short term reduced capability and / or capacity in one or more areas, requiring some temporary workarounds to maintain service delivery.	Reduced capability and /or capacity in one or more areas resulting in a reduced level of service with continued use of workarounds.	Reduced capability and /or capacity in one or more areas resulting in an unacceptable delivery of some key services to a significant proportion of the community (more than 25%).	Reduced capability and /or capacity in one or more areas resulting in an unacceptable delivery of some key services to a substantial proportion of the community (more than 50%).

Reputation	Corporate	<p>Localised attention.</p> <p>Negative comments from individuals.</p> <p>No impact to community confidence.</p>	<p>Regional adverse political or media comment for 1 or 2 days.</p> <p>Sustained 'letters to the editor' (or online equivalent) commentary in usual sources.</p> <p>Reduction in community confidence of a cross-section of the community.</p>	<p>Regional adverse political or media comment for more than 2 days.</p> <p>Adverse social media commentary from usual and new sources, gaining regional attention.</p> <p>Reduction in community confidence to one or more cross-section(s) of the community requiring engagement effort to raise awareness and influence confidence.</p>	<p>National adverse political or media comment for more than 2 days; and /or</p> <p>Regional adverse political or media comment for more than 1 week.</p> <p>Adverse social media campaign from usual and new sources, gaining national media attention.</p> <p>Reduction in community confidence requiring significant engagement effort to re-build.</p>	<p>National adverse political or media comment for more than 1 week; and / or</p> <p>International adverse political or media comment.</p> <p>Adverse campaigns by social media influencers/groups.</p> <p>Reduction in community confidence requiring extensive engagement effort to re-build.</p> <p>Possible requirement for an explanation to the Department of Internal Affairs or Minister of Local Government.</p>
	Council Governance	<p>No impact from public scrutiny.</p> <p>Managed by internal council resources.</p>	<p>Minor impact from public scrutiny.</p> <p>Managed and rectified by internal council resources.</p>	<p>Regional adverse media attention questioning Councillors' governance abilities/ commissioners democratic right to govern.</p> <p>Moderate engagement effort to raise awareness and influence confidence managed by internal council resources.</p>	<p>High degree of regional and national adverse media attention questioning Councillors' governance abilities/ commissioners democratic right to govern.</p> <p>Significant use of unplanned council and specialist external resources to re-build public trust and confidence.</p> <p>Attention from Department of Internal Affairs and observation on governance practices put in place.</p>	<p>Widespread regional and national adverse public scepticism and scrutiny about Councillors' governance abilities /commissioners democratic right to govern.</p> <p>Substantial use of specialised external resources to re-build public trust and confidence.</p> <p>Alternative governance arrangements are put in place by Minister of Local Government.</p>
Service Delivery		<p>Critical services are briefly unavailable and are quickly returned to BAU with no impact on the community.</p> <p>All services are returned to BAU within predetermined timeframes.</p>	<p>Critical services are temporarily unavailable and returned to BAU within predetermined timeframes with no impact on the community.</p> <p>All services are returned to BAU within predetermined timeframes, some requiring a temporary workaround.</p>	<p>Critical services are resumed to a reduced level, impacting some of the community.</p> <p>All services are resumed to a pre-agreed reduced level within predetermined timeframes, some require a workaround to continue.</p>	<p>Critical services are not available to more than 25% of the community even at a pre-agreed reduced level.</p> <p>Unable to resume some services to pre-agreed level, within predetermined timeframes, despite implementing workarounds.</p>	<p>Critical services are not available to more than 50% of the community even at a pre-agreed reduced level.</p> <p>Unable to resume all services to pre-agreed reduced levels, within predetermined timeframes, despite implementing workarounds.</p>
Environmental		<p>Minimal damage to the natural environment or ecosystem, no restoration effort required.</p>	<p>Localised damage to the natural environment or ecosystem, taking up to 1 year to recover with limited restoration work.</p>	<p>Widespread damage to the natural environment and ecosystem, taking up to 3 years to recover with moderate restoration work.</p>	<p>Widespread damage to the natural environment and ecosystem taking up to 5 years to recover with significant restoration work.</p>	<p>Irreversible or extensive widespread damage to the natural environment and ecosystem, taking more than 5 years to recover with substantial restoration work.</p>

Technology		No loss of access to all TCC's IT hardware, systems and data.	Loss of access to all TCC's IT hardware, systems and data is quickly returned within predetermined timeframes.	Loss of access to all TCC's hardware, systems and data is returned within predetermined timeframes, with some possible reduced functionality and/or performance.	Loss of access to some of TCC's IT hardware, systems or data is unable to be returned within predetermined timeframes. Those that are returned may have reduced functionality and / or performance.	Prolonged loss of access to some or all of TCC's IT hardware, systems, or data. Those that are available have reduced functionality and / or performance.
		No impact on the community.	Minor level of data loss since last 'save'. Managed with existing internal resources. Minor impact on the community.	Potential for low level data loss and/or release of personal information. Managed within internal resources and existing external support arrangements. Delay for community, employees, and stakeholders to access TCC systems.	Potential for significant temporary data loss. Potential for public release of significant amounts of personal and/or commercial information. Managed with specialised external resources. Community, employees and stakeholders temporarily unable to access TCC systems.	Substantial permanent data loss. Public release of substantial amounts of personal and/or commercial information. Managed with specialised external resources and/or Government Agency support. Community, employees and stakeholders unable to access TCC systems.

Appendix 4 Risk & Opportunities Matrix

Risks and Opportunities Matrix														
Risks							Opportunities							
		Consequence Rating					Consequence Rating							
		Low	Minor	Moderate	Significant	Severe	Substantial	Significant	Moderate	Minor	Low			
		1	2	3	4	5	5	4	3	2	1			
Likelihood Rating	Almost Certain	5	Moderate	High	Critical	Critical	Critical	Pursue	Pursue	Pursue	Recommend	Possible	5	Almost Certain
	Likely	4	Moderate	High	High	Critical	Critical	Pursue	Pursue	Recommend	Recommend	Possible	4	Likely
	Possible	3	Low	Moderate	High	High	Critical	Pursue	Recommend	Recommend	Possible	Low Benefit	3	Possible
	Unlikely	2	Low	Moderate	Moderate	High	High	Recommend	Recommend	Possible	Possible	Low Benefit	2	Unlikely
	Rare	1	Low	Low	Low	Moderate	High	Recommend	Possible	Low Benefit	Low Benefit	Low Benefit	1	Rare

Appendix 5 Risk Reporting and Response Table

Risk Reporting and Response Table	
Risk Rating Level	Reporting and Escalation
Critical	<ul style="list-style-type: none"> • Immediate notification to Exec / Risk Owner / Risk Manager • 3 monthly review by GM / Risk Owner / Risk Manager • 3 monthly reporting to Exec / SFARC
High	<ul style="list-style-type: none"> • Attention of Exec / Risk Owner / Risk Manager • 3 monthly review by GM / Risk Owner / Manager with specific control / treatment ownership • 3 monthly reporting to Exec / SFARC
Moderate	<ul style="list-style-type: none"> • GM attention • 6 monthly review by GM / Risk Owner and Manager with specific action / monitoring ownership • 3 monthly reporting to Exec / SFARC if required
Low	<ul style="list-style-type: none"> • GM-delegated Risk Owner / Manager attention • 6-12 monthly routine review and management • Ensure likelihood & consequence continues to pose a low level

Glossary

Term	Definition / Description
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Assurance	A communicated level of confidence that council has in its governance, risk management and control processes
Business Continuity	The capability of council to continue the delivery of products or services at acceptable pre-defined levels following a disruptive incident
council	Tauranga City Council (TCC)
Council	The Mayor and Elected Members or Commissioners
Executive	The senior leadership with functional expertise
ISO Guidelines	The International Organisation for Standardisation (ISO). It provides a concise set of principles, standards and high-level guidelines
Long Term Plan (LTP)	The key planning tool for councils with a purpose to describe the council's activities and the community outcomes it aims to achieve
Opportunity	An uncertainty which, if occurs, could have a positive effect to help us achieve our objectives or goals
Risk	The effect of uncertainty which, if occurs, could prevent us achieving our objectives or goals
Risk Appetite Statement	A description of the amount of risk that the Council is willing to accept to protect or benefit the communities we serve
Risk Culture	The attitudes, behaviours, and understanding about risk, both positive and/or negative that influence our decisions, reflecting our core values
Risk Management Framework	A structured set of components which defines the foundation and process for managing risks
Risk Management Process	The process that allows individual risks or opportunities to be understood and managed proactively
Risk Register	A documented record of identified risks, their consequences, likelihood, rating and treatments and reviewed periodically
Strategy, Finance & Risk Committee (SFARC)	The committee responsible for overseeing risk governance, risk management and providing assurance to the Council.
Three Lines of Defence	An approach for effective and efficient governance, grouped by functional responsibilities