

# Risk Management Policy

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## 1 Introduction

- 1.1 This policy outlines Waikato District Council's approach to identifying and managing risks that could impact the achievement of its strategic objectives or disrupt business continuity. It sets out the roles, responsibilities, and processes for risk management across strategic, operational, and project levels within the organisation.
- 1.2 The policy works alongside the Council's Risk Management Framework, which provides further detail on risk processes and reporting. Together, they support a proactive, consistent, and transparent approach to managing risks and ensuring the resilience of Council services.

## 2 Purpose

- 2.1 To explain the system Waikato District Council has in place to identify and manage risks which could prevent the Council from achieving its strategic objectives or maintaining business continuity at a strategic, operational and project level.
- 2.2 Waikato District Councils approach to risk management, the risk management process, and the main risk reporting procedures are set out in detail in the Risk Management Framework, which supplements this document.

## 3 Definitions

**Business Continuity Planning ("BCP")** means the ability of Waikato District Council or part thereof, to continue to provide essential services to customers during and following any event which affects the normal capacity to deliver those services.

**Councillors** means Councils Elected Members

**Executive Leadership Team ("ELT")** refers to the Chief Executive, Chief Operating Officer ("COO"), General Managers and Managers reporting to the COO.

**Resilience Manager and Senior Risk Advisor** means the staff member responsible for co-ordination of risk management activity within the organisation, including administration of the Organisational Risk Register ("ORR").

**Low, Moderate, High or Extreme Rated Risks** means risk ratings as defined by using the organisation's Likelihood and Consequence Tables in the Risk Management Framework.

**Organisational Risk Register ("ORR")** means the Risk Register containing the organisation's strategic risks and associated risk mitigations

**Risk** means an uncertain event or condition that, if it occurs, has a positive or negative effect. Risks can occur from various sources (such as financial, reputation/image, environmental, etc.) and be relevant at either project, operational or strategic levels within the organisation. A risk is quantified in terms of likelihood (probability of occurrence) and consequence (impact).

**Risk Appetite** refers to the level of risk the Council is willing to accept.

**Risk Assessment** refers to the overall process of identifying, analysing, and evaluating risks. It includes qualitative and where appropriate, quantitative assessment.

**Risk Management** means the culture, processes, coordinated activities and structures that are directed towards managing adverse effects. The risk management process involves communicating, consulting, establishing context, identifying, assessing and evaluating, treating, monitoring and reviewing risks.

**Risk Management Framework** means a set of components that provide the foundations and organisational arrangements for designing, implementing, monitoring, reviewing and continually improving risk management throughout Waikato District Council.

**Council** means the Waikato District Council as an organisation.

## **4 Application**

This policy applies to all Waikato District Council staff and contractors

## 5 Policy statements

### **Risk**

- 5.1 Waikato District Council is committed to managing and regularly reviewing risks at strategic, operational, and project levels.
- 5.2 The organisation does this by maintaining a Risk Management Framework and a range of risk management and business continuity processes and tools that apply across the organisation.
- 5.3 Risk assessment is a major consideration in developing processes at all levels in the organisation. Risks must be considered and documented as part of the justification for all new projects, services, and activities. Risk assessment and monitoring must form part of the management of operational activities.
- 5.4 Strategic risks are contained within the Organisational Risk Register ("ORR") and managed using the Strategic Risk Management Tool. The risk and its associated treatments are reviewed monthly by the Executive Leadership Team and reported quarterly by the Senior Risk Advisor to the Risk and Assurance Committee.
- 5.5 New risks are recorded in the appropriate Risk Register. Emerging risks must be reported to the Senior Risk Advisor and the Executive Leadership Team, where appropriate.
- 5.6 If identified risks exceed the established risk appetites, or if the risks fall outside those outlined in the Council's strategic risk statements, they must be escalated to the executive manager. The executive manager will then determine the appropriate risk appetite to guide further action.
- 5.7 Council has eight identified risk consequence portfolios. Risk events will derive from, or have consequences in, one or more of the portfolios. These are defined as follows:

Business Continuity	People
Reputation/Image	Financial
Compliance regulatory	Environmental
Political & Strategic	Technical

### **Risk Appetite**

- 5.8 Risk appetite is defined as the level of risk Council is willing to accept for each of the risk portfolios to achieve objectives. Risk appetite is determined by Council based on recommendations from the Risk and Assurance Committee and the Executive Leadership Team. Risk appetite is recorded as Risk Appetite Statements captured in Waikato District Councils Risk Appetite Statement document, which forms part of the Risk Management Framework. The risk appetite statements are located in Promapp.

## **Roles & Responsibilities**

- 5.9 All Waikato District Council employees have a responsibility to manage risk in accordance with the Risk Management Policy and Risk Management Framework, including the risk management processes documented in Promapp.
- 5.10 Staff are expected to be familiar with the Council's strategic risks and the associated risk appetites set by Council. These risk appetites serve as enablers, guiding the appropriate application of risk in all areas of work. This approach allows the organisation to effectively identify risks, determine suitable mitigations, and ensure the right risk management is in place to proceed with confidence.
- 5.11 Project risks are managed by the responsible Project Manager and must be escalated where risk exceeds organisational risk appetite. Project risks are recorded in the organisation's project management software.
- 5.12 Business units are responsible for managing their operational risks using Operational Risk Registers and/or the online Promapp Risk Module.
- 5.13 Business units are responsible for maintaining their team Business Continuity Plans, including any identified essential services they deliver or support. The Resilience Team is responsible for maintaining the Organisational Business Continuity Plan.
- 5.14 Each identified risk within the organisation will have a designated Risk Owner. The Risk Owner is accountable for managing their assigned risk, ensuring that appropriate mitigation actions are taken, and regularly reviewing the risk to update its status. Risk Owners must collaborate with the Resilience Manager and Senior Risk Advisor to ensure that all risk information is accurately captured in the ORR in Promapp
- 5.15 The Resilience Manager and Senior Risk Advisor are responsible for the overall coordination of risk management activities within the organisation. They ensure the effective administration of the Organisational Risk Register (ORR) and provide guidance to business units on risk identification, assessment, and mitigation strategies. They are also responsible for escalating significant risks to the Executive Leadership Team (ELT) and ensuring that these risks are reviewed and reported in a timely manner.
- 5.16 To foster a culture of risk awareness, the Resilience Team will provide regular training and awareness programs for all employees. These programs will cover the key principles of risk management, the use of risk management tools and processes, and individual responsibilities under this policy.
- 5.17 Council, through its Risk and Assurance Committee, have a focus on strategic level risks and have a significant role to play in ensuring the ongoing integrity and transparency of risk management and risk reporting at Waikato District Council. The Risk and Assurance Committee provides governance for the organisation's risk management. The Resilience Team/Senior Risk Advisor will provide a quarterly

risk reporting summarising key strategic risks, which will be presented to the Risk and Assurance Committee.

## **6 Policy review**

This policy shall be reviewed at five yearly intervals or as otherwise required by the Chief Executive or Risk and Assurance Committee.