DRAFT RISK MANAGEMENT POLICY

Policy type	City		
Authorised by	Council		
First adopted	28 October 2014	**Minute reference**	M14/78.4
Revisions/amendments	5 December 2022	**Minute reference~~s~~**	SFR13/22/11~~5~~
	2025	**Minute reference**	
Review date	~~October 2024~~ November 2028		

1. PURPOSE

1.1 This policy aims to ensure ~~council~~Tauranga City Council undertakes effective risk and opportunity management by:

- setting ~~council~~Tauranga City Council's commitment to risk management and business continuity
- establishing a framework to deliver a consistent approach to risk management
- clarifying risk management roles and responsibilities across the organisation
- providing assurance that risks are being appropriately addressed and managed.

1.2 Risk is *the effect of uncertainty on achieving objectives*. The uncertainty can be negative (a risk or threat), positive (an opportunity or benefit), or both. Managing risk is therefore a critical part of achieving our objectives by reducing threats and maximising opportunities.

1.3 Effective risk management supports good decision-making, improves performance, encourages innovation, and increases the chances of achieving our purpose. ~~to 'Make Tauranga better'.~~

2. SCOPE

2.1 This policy applies to all ~~council~~Tauranga City Council activities and all council staff. ~~employees of the council.~~

3. DEFINITIONS

Term	Definition
Business Continuity	The capability of the Tauranga City Council to continue delivery of products or services at acceptable pre-defined levels following a disruptive incident.

Council	~~the Tauranga City Council, its elected members, management and staff, and the activities undertaken on its behalf.~~ The elected member body representing Tauranga City.
Council staff	Includes all current permanent, fixed term staff, contractors and consultants.
Division	Is led by a Tier 3 manager (i.e. a head of a division or similar)
ERMS	Enterprise Risk Management System, also known as the Camms/Riskonnect software solution.
Group	Is led by a Tier 2 manager (i.e. a general manager, the chief operating and financial officer or similar)
Risk	The effect of uncertainty on achieving objectives, whether negative, positive, or both. Risk is calculated using likelihood and consequence.
Risk Management Framework	A set of components that provide the foundation and process for managing risks and opportunities.
Risk Register	A record of all identified risks and opportunities, their consequences, likelihood, rating and treatments, reviewed on a periodic basis.
Tauranga City Council	Means Tauranga City Council or any Committee, Sub Committee or elected member of Council or officer or other person authorised to exercise the authority of Council
The Committee	~~The committee responsible for risk.~~ The committee that is responsible to assist and advise Council in discharging its responsibility and ownership of risk management (as of July 2025, this is the Audit and Risk Committee).

4. PRINCIPLES

4.1 ~~Council~~Tauranga City Council's approach to risk management is consistent with the Joint Australian New Zealand International Standard Risk management – Principles and guidelines (AS/NZS ISO 31000:2018).

4.2 The values outlined in the Tauranga City Council's Code of Conduct/ Ngā Kawa Arataki guide the approach to risk management. This includes:

- Whanaungatanga & Collaboration: Early, proactive and reflective engagement with communities and stakeholders, including tangata whenua in partnership with the Takawaenga Māori Unit (using hui and kanohi ki te kanohi where appropriate)
- Manaakitanga & Respect: Timely and considerate actions that build inclusive, respectful and supportive relationships
- Whāia te tika & Service: Making ethical, holistic decisions through collaboration and shared responsibility, considering broader implications and connections
- Pono & Integrity: Respect the mana of risk by ensuring review by appropriate experts with clear escalation pathways.

5. POLICY STATEMENT

5.1 Commitment to Risk Management and Business Continuity

5.1.1 ~~Council~~Tauranga City Council is committed to embedding risk and opportunity management and business continuity into everyday practice at all levels of the organisation to achieve its objectives.

5.1.2 ~~Council~~Tauranga City Council will promote a culture where all council staff are empowered to own their risks and continuity plans through collaborative engagement.

5.2 Risk Appetite and Threshold Statement

5.2.1 The amount of risk that ~~council~~Tauranga City Council is prepared to take, accept or avoid will be set by resolution of Council and reviewed periodically or, at a minimum, each triennium.

5.3 Risk Management and Business Continuity Approach

5.3.1 Risk management will be consistent with the AS/NZS ISO 31000:2018 standard (Risk) and Business Continuity Management will be consistent with AS/NZS ISO 22301 (Business Continuity).

5.3.2 Everyone in ~~the council~~Tauranga City Council will follow a consistent process for identifying and managing risks and opportunities as detailed in the Risk Management Framework which sits alongside this policy and aligns with our Risk and Opportunity Matrix (Appendix 1).

5.4 Risk Management Roles and Responsibilities

5.4.1 Risk management is everyone's responsibility relevant to their role as set out below:

Role	***Responsibilities***
~~The~~ Council	• Owns and governs risk management • Evaluate risks, as escalated by the Committee to ~~Confirm and evaluate risks to the delivery of the Long-Term Plan (LTP) and~~ ensure they align to ~~c~~Council's objectives • Determine the risk appetite and set the risk threshold
The Committee ~~responsible for risk~~	• Assist and advise Council in discharging its responsibility and ownership of risk management • Review the effectiveness of risk management and internal control systems • Review and approve the Risk Management Policy • Review strategic risks to ensure effective mitigation and alignment with organisational objectives • Review reports from management and auditors and monitor the effectiveness of risk and opportunity management processes and implementation
Chief Executive	• ~~Approve~~ Endorse the Risk Management Policy and recommend it to the Committee ~~responsible for risk~~ • ~~Approve the Risk Management Framework~~ • Lead and promote a strong risk and opportunity management and resilience culture across the organisation

The Executive Team	• Owner of corporate risks • Accountable to Council for an effective risk management system • Endorse the Risk Management Policy, approve ~~and~~the Risk Management Framework and champion ~~it~~ them to the organisation • Monitor effective implementation of risk and opportunity management and business continuity across the organisation • Receive and review risks on the risk register on a quarterly basis • Receive and review other risk-related reports on an as-required basis • Provide direction on risk tolerance at a general and risk-specific level • Periodically review the Risk Management Policy to ensure it remains appropriate
~~General~~ Group Managers	• 'Own' risks relevant to, or arising from, their groups • Lead and promote a risk aware culture within their groups
Risk and Assurance Team	• Develop and maintain the Risk Management Policy and Framework • Lead the rollout of the risk management framework into ~~council~~ the decision-making processes used by council staff • Regularly review the high-level corporate risk register • Manage the interface between operational risk management plans and the high-level corporate risk register • Advise and, where necessary, challenge the risks, controls, treatments and accountabilities in risk and opportunity management plans across the organisation • Educate and assist operational managers and leaders to implement the risk management framework in their divisions and teams
Operational managers and leaders	• Develop and manage risk and opportunity management plans for their team in accordance with the Risk Management Policy and Framework • Lead and promote a risk aware culture within their teams
council ~~S~~staff	• Identify, evaluate, report and manage risks in their daily activities and projects

5.5 Risk Recording and Reporting

5.5.1 Identified risk and opportunity management plans will be documented and recorded ~~electronically as risk registers~~in the ERMS. Risk registers will be reviewed ~~quarterly~~ by each division regularly.~~department~~.

5.5.2 This policy covers the following types of risk, which cascade through all levels of ~~council~~Tauranga City Council:

Risk Type	Description	Recording
Strategic	The strategic risks that could impact Tauranga City Council's ability to achieve long-term goals, deliver services, and meet community needs focus on: workforce, service delivery, financial stability, city economy, planning and growth, digital infrastructure, resilience, and governance and reputation.	Strategic risks are recorded in the ERMS with all relevant corporate risks linked to the appropriate strategic risk.
Corporate	High level risks and opportunities relating to internal or external events	Risks with ~~council~~Tauranga City Council-wide significance will be

	which could impact on ~~council~~Tauranga City Council achieving its community outcomes.	recorded in the corporate risk register.
Operational	Risks and opportunities that may impact daily operations and ~~council~~Tauranga City Council's service delivery to the community.	Operational risk management plans will be recorded in the ERMS or locally as appropriate to the risk.~~corporate risk register.~~
Emerging	Risks and opportunities which are on the 'radar' and could potentially develop but where the impact is not yet fully known.	Emerging risks will be recorded on the risk report to the ~~Strategic, Finance and Risk~~ Committee.
Business continuity	Disruptive events foreseen or otherwise that could impact the delivery of essential business operations.~~Risks or unexpected events which could disrupt the delivery of essential business operations.~~	Business Continuity Plans ~~Plans~~ will be recorded on Microsoft Teams for ease of access.
Project	Risks or opportunities which may impact on individual projects achieving their objectives.	The accountable programme team will maintain an electronic risk register for the duration of the project
Health, ~~&~~ Safety ~~&~~ Wellbeing (HSW)~~(H&S)~~	Risks which may cause harm to or impact the health, safety and wellbeing of ~~employees~~ council staff or contractors when exposed to a hazard.	Health, ~~&~~ Safety & Wellbeing risks will be managed in 'Vault / Damstra' by the H~~&~~SW team, covered by a Safety Management System standard.

5.5.3 The risk registers and relevant risk and opportunity management plans will be reported regularly in a format agreed from time to time with the chief executive and chair of the relevant committee in line with the Risk Reporting and Response table (Appendix 2).

5.6 Review of Risk Management

5.6.1 Risk and opportunity management will be reviewed regularly to ensure that the desired outcomes and benefits are being achieved.

5.6.2 The effectiveness of ~~council~~Tauranga City Council's risk management will be independently assessed by internal and external audits or as mandated by New Zealand legislation.

6. RELEVANT DELEGATIONS

6.1 The chief executive or their nominee has delegated authority for the implementation of this policy.

7. REFERENCES AND ASSOCICATED POLICIES

AS/NZS ISO 31000:2018 Risk management – Principles and Guidelines

AS/NZS ISO 22301:2019 Business Continuity

8. ASSOCIATED POLICIES/PROCEDURES

Corporate Risk Register

Risk Management Framework

Business Continuity Management System

9. APPENDICES

Appendix 1: Risk and Opportunity Matrix

Appendix 2: Risk Reporting and Response Table

APPENDIX 1 RISK & OPPORTUNITY MATRIX

Risk and Opportunity Matrix

Risk

Likelihood Rating			Consequence Rating: Low 1	Minor 2	Moderate 3	Significant 4	Severe 5
	Almost Certain	5	Moderate	High	Critical	Critical	Critical
	Likely	4	Moderate	High	High	Critical	Critical
	Possible	3	Low	Moderate	High	High	Critical
	Unlikely	2	Low	Moderate	Moderate	High	High
	Rare	1	Low	Low	Low	Moderate	High

Opportunity

Consequence Rating: Substantial 5	Significant 4	Moderate 3	Minor 2	Low 1			Likelihood Rating
Pursue	Pursue	Pursue	Recommend	Possible	5	Almost Certain	
Pursue	Pursue	Recommend	Recommend	Possible	4	Likely	
Pursue	Recommend	Recommend	Possible	Low Benefit	3	Possible	
Recommend	Recommend	Possible	Possible	Low Benefit	2	Unlikely	
Recommend	Possible	Low Benefit	Low Benefit	Low Benefit	1	Rare	

Footnote: The risk matrix is linked to descriptors used when assessing the likelihood and consequence / impact of the risk or opportunity occurring. These descriptors can be found in the appendices of the [Risk Management Framework]

APPENDIX 2 RISK REPORTING AND RESPONSE TABLE

Risk Reporting and Response Table	
Risk Rating Level	**Reporting and Escalation**
Critical	• Immediate notification to Exec / Risk Owner / Risk Manager • 3 monthly review by GM / Risk Owner / Risk Manager • 3 monthly reporting to Exec / the Committee
High	• 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 / the Committee
Moderate	• GM attention • 6 monthly review by GM / Risk Owner and Manager with specific action / monitoring ownership • 3 monthly reporting to Exec / the Committee if required
Low	• GM-delegated Risk Manager attention • 6-12 monthly routine review and management • Ensure likelihood & consequence continues to pose a low level