



Risk + Assurance Management

Wellington Regional Council Risk Criteria

1. Likelihood

Name	Full Description	Value
Almost Certain	Occurrence of the event within this 10-yearly LTCCP may be credibly regarded as a 'real possibility' i.e. the probability of occurrence is greater than non-occurrence. Is likely to occur at least once in this 10-year LTCCP period.	99
Likely	Occurrence of the event within this 10-yearly LTCCP may be credibly regarded as a 'real possibility' i.e. the probability of occurrence is similar to non-occurrence. Occurrence is more likely than non occurrence during the 10-year LTCCP period.	65
Unlikely	Occurrence of the event within this 10-yearly LTCCP would be considered as having some potential to occur. i.e. a reasonable probability of occurrence over time, but less than the probability of non- occurrence. Chance of occurrence is less than non occurrence. During the 10-year LTCCP period.	25
Highly Unlikely	Whilst possible, occurrence of the event within this 10-yearly LTCCP would be regarded by most people as unlikely i.e. the probability of non-occurrence is somewhat larger than occurrence. Has less than 10% chance of occurrence in this 10-year LTCCP period.	12
Rare	It is not expected that the event would occur within this 10-yearly LTCCP. Occurrence of the event would probably be regarded as unusual. (the probability of occurrence is quite small). Has less than 1% chance of occurrence in this 10-year LTCCP period.	3



2. Consequence; Value at Stake

Financial		
Level 1	Cost of unplanned expenditure or loss of income or cash over \$15 million	80
Level 2	Cost of unplanned expenditure or loss of income or cash over \$10 million	65
Level 3	Cost of unplanned expenditure or loss of income or cash over \$5 million	35
Level 4	Cost of unplanned expenditure or loss of income or cash over \$1 million	12
Level 5	Cost of unplanned expenditure or loss of income or cash over \$0.5 million	5
No Financial Impact	No measurable financial impact	0

Stakeholders/Reputation		
Level 1	<p>Extreme dissatisfaction and loss of confidence by stakeholders and/or Regulatory Body investigation and/or statutory management installed and/or significant sanctions against the organisation.</p> <p>Regulatory action resulting in major prosecution and conviction of council (e.g. fine of >\$100k).</p> <p>Note: 'Stakeholder' means clients, public, industry groups (such as forestry/agriculture), local government bodies, lobby groups, or Iwi.</p>	90
Level 2	<p>Major loss of stakeholder confidence and/or extensive stakeholder dissatisfaction expressed through media resulting in a long period of negative coverage (>2 months). Widespread, unified, coordinated revolt by consent holders and/or ratepayers against fees/conditions or sanctions imposed against the organisation.</p> <p>Regulatory action resulting in moderate prosecution and conviction of council (e.g. \$25-\$100k)</p>	75
Level 3	<p>2-3 stakeholders sectors dissatisfaction expressed through media resulting in a long period of negative coverage (>2 months). Central Government impose statutory sanctions.</p> <p>Regulatory action resulting in prosecution but no conviction.</p>	45
Level 4	<p>Single stakeholder sector express dissatisfaction through media for up to one month and/or</p> <p>Central Government – CEO MFE directed by Minister to make enquiries and/or</p> <p>Regulatory action resulting in investigation but no prosecution</p>	15
Level 5	<p>Individual(s) express dissatisfaction through media or directly and/or</p> <p>Individual(s) refuse to pay fees/rates as a stand against council activities and/or</p> <p>Breach of law with internal investigation with minor changes to operations.</p>	5
No Impact	No significant impact on stakeholders or image	0



Operational Capability		
Level 1	<p>Event results in management diversion from strategic objectives for a period of > 2 months and/or</p> <p>Delivery of LTCCP outcomes across work area significantly affected for greater than six months. Critically detrimental effects on stakeholders. Long term loss of capability (>2 months) and/or</p> <p>Severe staff morale problems leading to loss of a significant number (>10) of key senior staff, impacting on skills, knowledge and expertise.</p>	90
Level 2	<p>Event results in management diversion from strategic objectives for a period of <2 months and/or</p> <p>Delivery of LTCCP outcomes across work area significantly affected for up to six months. Moderate detrimental effects on stakeholders. Event results in loss of operational capability for up to 2 months and/or</p> <p>Major morale or other organisational problems affecting performance and productivity leading to loss of key staff within two or more areas of council (up to 60% of 2nd, 3rd tier management), resulting in skills, knowledge and expertise deficits.</p>	55
Level 3	<p>Event results in management diversion from strategic objectives for a period of a few days and/or</p> <p>Delivery of LTCCP outcomes across work area significantly affected for up to one month. Minor detrimental effects on stakeholders and/or</p> <p>Major morale or other organisational problems affecting performance and productivity leading to loss of key staff within one area of council (up to 60% of 2nd, 3rd tier management), resulting in skills, knowledge and expertise deficits within this area of council.</p>	35
Level 4	<p>Event affects limited efficiency or effectiveness of service. Managed internally and/or</p> <p>Moderate staff morale problems resulting in some staff resignations but managed through minor restructuring.</p>	12
Level 5	<p>Event causes minor disruption felt by limited small group of stakeholders and/or</p> <p>Minor staff morale impact resulting in minor dissent but managed over a short period of time.</p>	5
No impact	No impact on operational capability	0