

Attachment 1:



Risk + Assurance Management

Wellington Regional Council Risk Criteria

1. Likelihood

Name	Full Description	Value
Almost Certain	Occurrence of the event within a 10-year period may be credibly regarded as a 'real possibility' i.e. the probability of occurrence is greater than non-occurrence. Expected to occur at least once within a 10-year period, ie a 1 in 5 year event.	99
Likely	Occurrence of the event within a 10 year period may be credibly regarded as a 'real possibility' i.e. the probability of occurrence is similar to non-occurrence. There is a 50% probability of occurrence within a 10-year period, ie between a 1 in 10 and 1 in 20 year event.	65
Unlikely	Occurrence of the event within a 10-year period would be considered as having some potential to occur. ie. a reasonable probability of occurrence over time, but less than the probability of non- occurrence. Chance of occurrence is less than 50% within a 10-year period, ie between a 1 in 20 and a 1 in 50 year event.	25
Highly Unlikely	Whilst possible, occurrence of the event within a 10-year period 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 within a 10-year period ie between a 1 in 50 and 1 in 100 year event.	12
Rare	It is not expected that the event would occur within a 10-yearl period. 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 a 10-year period., ie a 1 in 100 year event	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 or below \$0.5 million	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 lwi.</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) and/or 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 Central Government – CEO, Ministry for the Environment directed by Minister to make enquiries and/or Regulatory action resulting in investigation but no prosecution</p>	15
Level 5	<p>Individual(s) express dissatisfaction through media or directly and/or Individual(s) refuse to pay fees/rates as a stand against council activities and/or 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	Event results in management diversion from strategic objectives for a period of > 12 months and/or Delivery of LTCCP outcomes across work area significantly affected for greater than six months. Critically detrimental effects on stakeholders. Long term loss of capability (>12 months) and/or Severe staff morale problems may likely arise leading to loss of a significant number of key senior staff, impacting on skills, knowledge and expertise.	90
Level 2	Event results in management diversion from strategic objectives for a period of > 6 months and/or 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 Major morale or other organisational problems affecting performance and productivity may arise and could lead to loss of key staff within two or more areas of council, resulting in skills, knowledge and expertise deficits.	55
Level 3	Event results in management diversion from strategic objectives for a period > 2 months and/or Delivery of LTCCP outcomes across work area significantly affected for up to one month. Minor detrimental effects on stakeholders and/or Major morale or other organisational problems affecting performance and productivity may arise and could lead to loss of key staff skills, within one area of council, resulting in skills, knowledge and expertise deficits within this area of council.	35
Level 4	Event reduces efficiency or effectiveness of service. Managed internally with no or limited diversion from strategic objectives and/or Moderate staff morale problems resulting in some staff resignations but managed through minor restructuring.	12
Level 5	Event causes minor disruption felt by limited small group of stakeholders and/or Minor staff morale impact resulting in minor dissention but managed over a short period of time.	5
No impact	No impact on operational capability	0