

Report 12.237  
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Committee Audit, Risk and Assurance  
Author Mike Timmer, Treasurer

## Draft Risk Management Policy

### 1. Purpose

To provide the committee with an update on the status of the Risk Management Policy by way of a draft policy document and to seek comments, if any, in relation to the draft.

### 2. The decision-making process and significance

No decision is being sought in this report.

### 3. Background

The Council formally adopted the process on reporting on risk around September 2009. A deliberate decision was made not to implement a risk management policy until the risk register was well bedded in and working satisfactorily. Coupled with this, a new ISO on risk management (ISO 31000) was not available until around the beginning of 2010.

Over the last year we have gathered information on Risk Management Policies and the Treasurer recently attended a risk management workshop.

The Policy is based on what can be determined as best practice and has had two informal reviews one by Chris Peace of Risk Management Limited, possibly New Zealand's leading risk management expert, and another by MSF Consultants who recently assisted us with our Asset Management, and Critically scoring of Assets in relation to the Plant Maintenance Register. Both these organisation gave a favourable opinion on the Policy.

### 4. Comment

At this juncture the Policy has been reviewed with the organisation on an informal interest basis. It is yet to be formally reviewed and adopted by the Executive Leadership Team.

However, we thought it timely at this juncture, given it is not completed, to submit it to the Committee for any comments.

Some changes have been made to the risk measurement criteria, these are noted below.

Two more Consequence Criteria are being considered:

- Environment; and
- Health and Safety.

We have altered the numbering system of these by making Level 1 minor and Level 5 extreme, this is now consistent across the whole organisation.

## **5. Communication**

No communications are required at this stage.

## **6. Recommendations**

*That the Committee:*

1. ***Receives the report.***
2. ***Notes the content of the report.***
3. ***Provides any comments on the Policy back to Management.***

Report prepared by:

Report approved by:

**Mike Timmer**  
Treasurer

**Bruce Simpson**  
Chief Financial Officer

**Attachment 1: Draft Risk Management Policy and Procedure**