RISK MANAGEMENT POLICY

Document Type	Operational Policy
Adopted by	Council
Date Adopted	19 May 2026
Date Effective	19 May 2026
Responsible Department	Corporate Support
Responsible Officer	GM Corporate Support
To be reviewed	Every three years

1. Background

a. Gore District Council ("Council") is committed to managing risks in an informed manner to effectively and efficiently minimise, monitor and control the negative effect risk could have on the achievement of its organisational goals.

b. The Risk Management Policy sets out the Council's overarching approach to risk and risk management.

2. Scope of Policy

a. This policy applies to:

- Council employees
- Elected members
- Any person engaged or contracted under a contract for services to do work with the Council
- Any person who is engaged as a volunteer by the Council
- All Council activities, including CCOs (Council Controlled Organisations)
- All asset classes, services, and strategic projects.

3. Definitions

Term	Definition
Risk	The effect of uncertainty on objectives.
Risk Management	Coordinated activities to direct and control an organisation with regard to risk.
Risk Appetite	The amount of risk that Council is willing to take (pursue or retain) in order to achieve its objectives.
Risk Assessment	The processes of identifying, analysing and evaluating risks.
Risk Register	A document containing a record of identified risks, including risk type, risk statement, consequence and risk rating.
Likelihood	Chance of something happening.
Consequence	Outcome of an event affecting objectives.
Control	Measure that maintains and/or modifies risk.
Internal Context	Internal context refers to Council's internal environment - such as structure, culture, policies, resources and capabilities – that influence how we manage risk and achieve our objectives.
External Context	External context covers the external environment which Council operates - such as, social, political, economic, technological, legal and environmental factors that can influence our risk profile and decision-making.
Inherent Risk	Refers to the assessed level of untreated risk; that is the natural level of risk inherent in a process or activity without doing anything to mitigate the risk.
Residual Risk	Refers to the risk remaining after risk mitigation.
Risk Owner	The person with the accountability and authority to manage both the risk assessment and treatment plan implementation.
Risk Exposure	Risk exposure is the degree to which Council is vulnerable to potential loss or harm resulting from identified risks.

4. Principles

a. The Council's Risk Management Policy is aligned with the principles and processes described within AS/NZS ISO 31000:2018 Risk Management - Guidelines. This incorporates the following core principles which form the basis for fostering an effective and sustainable risk management culture.

b. Integrated: Risk management will be an integral part of all activities of Council.

c. Structured and comprehensive: The Council will adopt a structured and comprehensive approach to risk management to ensure consistent and comparable results.

d. Customised: The Council's approach to risk management will be customised and proportionate to our external and internal context related to its objectives.

e. Inclusive: The Council will ensure appropriate and timely involvement of stakeholders to enable their knowledge, views and perceptions to be considered. This results in improved awareness and informed risk management.

f. **Dynamic:** The Council commits to dynamic risk management by continuously monitoring and adapting to changes in our internal and external environments. We will proactively anticipate, identify and respond to emerging, evolving, or diminishing risks in a timely and appropriate manner, ensuring our risk management practices remain relevant, responsible and resilient.

g. **Best available information:** The Council will use robust and relevant inputs in our risk management practices, drawing from historical data, current information, and future expectations. We will explicitly consider any limitations and uncertainties associated with these inputs, and ensure that information is timely, clear and accessible to those involved in the risk management process.

h. **Human and cultural factors:** The Council will consider and respect human behaviour and cultural factors that influence risk management at each level and stage.

i. **Continual improvement:** The Council will strive to continually improve through learning and experience.

5. Roles & Responsibilities

a. The roles and responsibilities of risk management at Gore District Council are outlined below.

Council	Set the tone for risk management across Council. Define Council's risk appetite. Maintain awareness of the organisational risk context. Support risk identification. Delegate risk governance oversight to the Risk & Assurance Committee as appropriate. Adopt the Gore District Council Risk Management Policy.
Risk & Assurance Committee	Provide independent oversight of risk management practices. Recommend the Risk Management Policy to Council for adoption. Review the effectiveness of Council's risk management framework, policies and controls. Ensure internal controls are in place and functioning. Supporting elected members by providing assurance that risks are being managed appropriately. Challenge assumptions and test new ideas or initiatives from a risk perspective.
Chief Executive	Lead the implementation of the Council's Risk Management Framework. Ensure integration of risk management into strategic and operational planning. Report regularly to the Risk & Assurance Committee and elected members on risk matters. Promote a risk-aware culture across the organisation.
Senior Leadership Team (SLT)	Identify and manage risks within their portfolios – reviewing and providing oversight of risk registers. Embed risk management into day-to-day operations and decision making. Escalate significant risks to the CE or Risk & Assurance Committee.

	Monitor and report on risk mitigation actions. Foster a proactive risk culture. Responsible monitoring of organisational risks Approval of risk outside of the Council's appetite.
All staff	Identify and report risks in their areas of work/projects. Follow risk management procedures and controls. Ensure risk management and process are embedded in strategies, policies, business cases, contracts and standard operating procedures. Participate in training and awareness activities. Be vigilant and proactive.

6. Risk Types and Categories

a. The Council distinguishes between three types of risk:

- **Strategic**: Strategic risks are those that threaten the organisation's strategic priorities. SLT is responsible for ongoing monitoring and reporting to the Risk & Assurance Committee.
- **Operational**: Operational risks are those arising from day-to-day activities, processes, systems or human error that impact service delivery or internal operations. Extreme and high risks rated operational risks are to be reported to the Risk & Assurance Committee.
- **Project**: Project risks are those specific to the planning, execution, and delivery of projects, which may affect timelines, budgets, or outcomes. These are overseen by project teams, with ownership held by the project manager or sponsor. Any risk that remains relevant post-project are either transitioned into an operational risk, strategic risk or transferred to a third party.

b. Eight broad risk categories or risk sources have been identified. These are areas in which a risk may have a consequence or an impact to the Gore District Council. They may not be mutually exclusive.

Financial	Risks related to the Council's ability to manage its financial resources effectively and sustainably. This includes risks from revenue shortfalls, cost overruns, debt servicing, funding uncertainty, and financial mismanagement that may impact service delivery, infrastructure investment, or long-term viability.
Environmental	Risks related to environmental impacts of activities undertaken by the Council or changes that may affect the Council's operations, assets, or community wellbeing. These include climate change, pollution, natural disasters, and resource degradation.
People	Risks related to the Council's workforce, including recruitment, retention, capability, conduct, and wellbeing. This encompasses challenges in attracting and retaining skilled staff, maintaining a safe and inclusive workplace, and ensuring staff are equipped to deliver services effectively.
Service Delivery	Risks that affect the Council's ability to deliver essential services to the community in a consistent, reliable and timely manner. These may result

	from infrastructure/asset failure, IT outages, contractor performance issues. Or emergency events that compromise service continuity.
Compliance	Risks associated with failing to meet legal, regulatory, policy, or contractual obligations. Non-compliance can result in penalties, reputational damage, or operational restrictions, and may arise from a lack of oversight, awareness or inadequate systems or controls.
Reputation	Risks that damage the Council's public image, stakeholder relationships (including with iwi/ Mana Whenua), or community trust. These may result from poor service delivery, governance issues, communication failures, or controversial decisions, and can affect engagement, influence, and long-term credibility.
Governance	Risks related to elected members, governance effectiveness or the political environment. Risks may arise from elected members conduct, blurred governance-operational boundaries or political pressures such as shifting priorities.
Strategic	Risks that impact the Council's ability to achieve its long-term goals, priorities or vision. These may result from poor strategic planning, failure to respond to external change or inadequate anticipation of future needs.

7. Risk Appetite

a. Risk appetite is the amount and type of risk that the Council is willing to accept to reach organisational objectives, strategic priorities and community outcomes.

b. Overall Risk Appetite Statement:

The Gore District Council adopts a careful and considered approach to risk, recognising our duty to protect and deliver public services and infrastructure. While our overall risk appetite is low, we acknowledge that some level of risk is necessary to achieve strategic objectives and respond to evolving community needs.

We are willing to accept limited and well-managed risks where there is clear potential to improve outcomes, enhance efficiency, or deliver long-term benefits to the district.

c. The Council's risk appetite varies across different risk categories. Appendix 1 outlines the appetite level of each category to support consistent decision making. Risk appetite should be considered when evaluating potential actions, allocating resources and determining the level of risk that is acceptable in pursuit of organisational objectives.

d. Risk Appetite terminology:

Appetite	Description	Typical approach	Choice	Trade-off
None - Averse	No acceptance of risk. Council will avoid any activity or decision that carries this type of risk.	Full avoidance; strict controls and compliance required.	Choose only fully compliant, low risk options.	Never.
Very low - Conservative	Risk is only accepted in exceptional circumstances where there is no viable alternative, and the consequences are minimal and tightly controlled.	Rarely tolerated; requires senior level approval and strong mitigation.	Choose alternatives only when no other viable option exists.	With extreme reluctance.
Low - Measured	Risk is accepted only if there is a clear benefit, and the likelihood and impact are minimal.	Cautious approach; strong controls and regular monitoring in place.	Choose cautiously beneficial options with strong safeguards.	Prefer to avoid.
Medium - Justified	Some risk is accepted where the benefits outweigh the potential downsides, and the mitigation strategies are in place.	Balanced approach; risk is managed and monitored regularly.	Choose progressive options that align with strategic goals.	Willing under the right conditions.
High - Open	Willing to accept significant risk where the potential benefits are substantial and align with strategic objectives.	Proactive approach; requires robust justification and comprehensive contingency planning.	Choose bold initiatives with transformative potential.	Willing to trade off.

8. Risk Assessment

a. The Council's risk assessment process is consistent with ISO31000:2018 Risk Management-Guidelines. The following sections describe the high-level approach used to identify, analyse and evaluate risks across the organisation.

Risk Identification

b. All staff members are expected to identify and communicate risks. Identified risks should be recorded appropriately.

c. Staff can report risks through their direct reporting line, to the Senior Leadership Team or directly to the Chief Executive.

Risk Analysis

d. Risks are analysed to determine the level of inherent risk. This involves ascertaining:

- The likelihood of the risk event occurring without controls and,
- The severity of the consequences of the risk event without controls.

e. Inherent risk analysis provides a baseline understanding of the nature and magnitude of the risk before considering existing controls or mitigations.

Risk Evaluation

f. Risk evaluation determines how well risks are currently being managed. It bridges the gap between analysis and decision making by showing the Council's true risk position.

g. Controls are assessed to establish effectiveness. Controls may include any process, policy, device, practice or other action that modifies a risk.

h. A residual risk rating is then determined, reflecting the Council's current level of exposure after considering control effectiveness.

i. The residual risk rating is compared to the Council's established risk appetite. This comparison determines whether additional action is required. Possible outcomes include:

- taking no further action
- considering additional risk treatment options
- undertaking further analysis to better understand the risk
- maintaining or strengthening existing controls
- reconsidering objectives

9. Risk Treatment

a. The purpose of risk treatment is to select and implement options for addressing risk.

b. The Council's aim is to apply measures to minimise the residual risk rating to the prescribed appetite level or below. Residual risks that are above the prescribed appetite level must have a treatment plan in place or be escalated for acceptance.

c. Risk treatment options are not necessarily mutually exclusive or appropriate in all circumstances. Options for treating risk may involve one or more of the following:

- Avoiding the risk by decision to not start or continue with the activity that gives rise to the risk;
- Taking or increasing the risk in order to pursue an opportunity;
- Removing the risk source;
- Changing the likelihood;
- Changing the consequences;
- Sharing the risk (e.g. through contracts or buying insurance);
- Retaining the risk by informed decision

d. Risk treatment activities must endeavour to achieve the target risk appetite level within a reasonably practicable timeframe, subject to any resource and technical constraints.

10. Risk Owner

a. The risk owner is accountable for the overall management of a risk. This includes ensuring the risk is appropriately analysed, evaluated, treated and monitored over time. Risk owners must hold a level of delegated authority that enables them to effectively manage both the risk and the required treatment plan resourcing.

b. Where applicable, the risk ownership will be assigned:

- to the department that will have primary responsibility for the risk treatment, and
- at a management level appropriate to the anticipated level of risk and the authority needed to approve the treatment activity.

11. Recording of Risks

a. Risks, controls and treatment plans will be recorded in a Risk Register.

b. A high-level organisation wide risk register will be maintained to record and report on strategic risks of council wide significance.

c. Subsidiary risk registers will be prepared as appropriate throughout the organisation. These may include, but will not be limited to:

- Group risk registers
- Activity risk registers
- Asset risk registers
- Specialist risk registers (e.g. health & safety)
- Project risk registers

12. Reporting, Monitoring & Review

<u>Reporting:</u>

Risk level (residual)	Risk Ownership	Reporting requirements
Extreme	CE or sub-delegate	Quarterly – SLT/RAC
High	General Managers or sub-delegate	Quarterly – SLT/RAC
Medium	General managers or tier 3 Managers (by delegation)	6 monthly – SLT
Low	Tier 3/Tier 4 Managers	6 monthly - SLT
Minimal	Tier 3/Tier 4 Managers	As required.

a. Strategic risks (see cl. 6.a) must be reported to the Risk and Assurance Committee irrespective of risk level.

<u>Monitoring & Review</u>

b. The overarching responsibilities for managing risk within the Gore District Council sits on everyone.

c. Ongoing monitoring and periodic reviews of the Council's risk management process will take place.

d. Monitoring and review should be undertaken at all stages of the risk management process.

e. Quarterly reporting, or as determined by the Council timetable, will be provided to the Risk & Assurance Committee.

13. Review and Implementation of the Risk Management Policy

This policy comes into effect on 19 May 2026.

This policy is to be reviewed no later than three years from the date it comes into effect.

This policy was adopted by the Gore District Council at its meeting held on 19 May 2026.

Deborah Lascelles
Chief Executive
19 May 2026

Document History and Version Control Table

Version	Action	Approval Date	Approval Authority	Due for Review
1.0	Creation of original document	19 May 2026	Full Council	May 2029

Appendix 1:

Risk category	Risk Appetite				
	High	Medium	Low	Very Low	None
Financial					
Environmental					
People					
Service Delivery/ Business Continuity					
Compliance					
Reputation					
Governance					
Strategic					