



Report **05.224**
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Committee **Planning & Monitoring Subcommittee**
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Risk Management

1. Purpose:

To advise the subcommittee on a proposed approach to preparing a Risk Management Policy for Greater Wellington, and to recommend that, pending a comprehensive policy, we continue to monitor and report on currently identified compartmentalised risks.

2. Significance of Decision:

The matters in this report do not trigger the significance policy of the Council or otherwise trigger Section 76(3)(b) of the Local Government Act 2002.

3. Background:

At its meeting of 1 February 2005 the Committee noted that a schedule of reviews addressing the risks that might face the organisation will be drawn up in consultation with the relevant officers for consideration by the Subcommittee.

4. Comment:

Greater Wellington has a range of specific risk policies covering a variety of particular exposures. For example, the Treasury Management Policy (see Appendix 1) covers specific financial risks. There is a Health and Safety Policy for staff. There are operational policies, e.g. relating to bulk water, and we have other risks covered by insurance. We do not, however, have a comprehensive risk management policy as such.

Accordingly, before we can produce the suggested schedule of reviews, I recommend that we systematically prepare a risk management policy. I have carried out some research and have found a number of such policies for other councils and have also received guidance from Audit as to specific approaches set out in the Australian / New Zealand Standard on Risk Management AS/NZS 4360 : 2004.

Based on the above, I recommend that we take a systematic approach (drawn from the standard) as in the attachment (Appendix 2):

Following this approach I would anticipate that we will produce a risk management policy statement akin to that attached (Appendix 3), which will then allow us to progress the schedule and carry out the necessary reviews.

5. Communications:

No communication required at this stage.

6. Recommendation:

That the Subcommittee:

- (1) notes that it is proposed that a systematic and comprehensive risk management policy should be brought together by the officers and that a draft policy will be reported to a future meeting of this Subcommittee;*
- (2) That pending development of the full risk management policy, officers continue to report as appropriate against the components contained in the Treasury Management Policy and other specific policies.*

Report prepared by:

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