

Risk	Risk Factors/Drivers	Description	Inherent Risk				Treatment Description	Residual Risk				Treatment Status
			Likelihood	Severity	Score	Rating		Likelihood	Severity	Score	Rating	
Central Government Policies	Changes to Local Government Legislation	On-going central government reviews and legislative changes to the legislation that controls what Councils do and how they do it. Potential for significant impact on Council's long term financial sustainability and failure to meet customer & ratepayer commitments. May result in unscheduled changes to strategic plans	Almost Certain	Moderate	18	High	MC00147 Monitoring and reporting on legislation and central government policies that affect the Council and it's ratepayers	Almost Certain	Minor	12	Moderate	Communications strategy in place and monitored. High levels of customer contact and communications in road safety, compliance, community liaison etc.
	Removal of the Council by the Government	Removal of the sitting by the Government in the event they consider the Council is performing to the required standards. Financial risks associated with costs involved. Reputational risks and could result in unscheduled changes to strategic plans	Unlikely	Catastrophic	15	High	MC00112 This risk is to be retained but monitored with regular scheduled performance reporting to elected representatives to identify any issues that could escalate to the point that government intervention is considered.	Rare	Catastrophic	10	Moderate	Regular scheduled performance reporting to elected representatives that identifies any issues that could escalate to the point that government intervention is considered are in place
Communications	Public Lack of Understanding of Local Government	A lack of understanding of local government's functions, responsibilities and legislative constraints by the public is the catalyst for many actions that affect the Council's ability to function in an efficient and effective manner.	Almost Certain	Major	24	Extreme	MC00148 Adoption of a communication strategy and numerous educational and promotional programmes for departments with high levels of customer interaction	Possible	Moderate	12	Moderate	Communications strategy in place and monitored. High levels of customer contact and communications in road safety, compliance, community liaison etc.
Employment Relations	Employment of the CEO	Possible non compliance with legal requirements. Reputational risks. Potential to impact on ability to meet customer and ratepayer commitments	Likely	Major	20	High	MC00093 Modification of the risk with training and induction for new Council. Assistance provided by external HR consultants.	Unlikely	Major	20	High	New CEO employed with assistance from external consultants. 3 monthly performance reviews being undertaken. Delegations to the Chief Executive Officer have been confirmed by the Council and are recorded in the Delegations Manual. No recorded issues to date.
	Failure to Separate Employer and Governance Roles	The responsibilities of the CEO not being clearly delegated or communicated from elected representatives. Possible non-compliance with legal and regulatory obligations. Reputational risks. Possible breaches of internal policies and standing orders. Financial risks associated with inefficiencies created	Likely	Major	20	High	MC00093 Modification of the risk with training and induction for new Council. Assistance provided by external HR consultants. MC00104 Avoidance of the risk by delegation to the Chief Executive Officer by Council resolution and recording of these delegations in a delegation manual.	Unlikely	Major	12	Moderate	New CEO employed with assistance from external consultants. 3 monthly performance reviews being undertaken. Delegations to the Chief Executive Officer have been confirmed by the Council and are recorded in the Delegations Manual. No recorded issues to date. CEO recruitment completed. Delegation to the Chief Executive Officer has been confirmed by the Council and are recorded in the Delegations Manual. No recorded issues to date.
Inadequate Strategic Vision & Planning	Lack of Long Term Focus	Short term focus and long term uncertainty due to political swings in strategy and objectives. In breach of LGA 2002. Reputational risk. Inability to meet customer and ratepayer commitments	Likely	Catastrophic	25	Extreme	MC00106 Training and induction for new Council. Preparation of LTP and APs in accordance with sections 93 & 95 of the LGA 2002	Unlikely	Catastrophic	15	High	Long term planning is ongoing accordance with the requirements of the LGA. Audited by Audit NZ. Any issues identified in audits are managed accordingly with improvements and changes implemented as needed.
	Creating Future Liabilities	Policies commit the organisation to particular courses of action can result in ratepayers in the future being liable. Significant impact on Council's long term financial sustainability	Almost Certain	Major	24	Extreme	MC00100 Adherence to the requirements of section 93 of the LGA 2002.	Possible	Moderate	12	Moderate	LTP and AP subject to external audits for compliance. Any issues identified in audits are addressed accordingly to ensure plans meet statutory requirements.
	Inadequate Resourcing.	Inadequate resourcing of the organisation to effectively achieve council's required outcomes for the community. Negative impact of long term financial sustainability. Non-compliance with legal and regulatory obligations. Failure to achieve LTP outcomes	Likely	Major	20	High	MC00106 Training and induction for new Council. Preparation of LTP and APs in accordance with sections 93 & 95 of the LGA 2002	Unlikely	Major	12	Moderate	Long term planning is ongoing accordance with the requirements of the LGA. Audited by Audit NZ. Any issues identified in audits are managed accordingly with improvements and changes implemented as needed.
	Inadequate Consultation and Communication	Failure to identify and consult with key stakeholders when decision making and delivering of services. Can result in reputational risks ,financial risks associated with delays and actions taken against Council and affects the ability to meet customer and ratepayer commitments	Possible	Catastrophic	20	High	MC00096 LGA 2002 consultation requirements are identified and addresses in all agenda items and Council decisions	Unlikely	Major	12	Moderate	All procedures for consultation are in place. Procedural issues identified in past year have been resolved.
	Inadequate Strategic Planning	Failure to adhere to robust business planning processes and planning beyond the immediate and foreseeable future. Failure to meet customer & ratepayer commitments.	Possible	Catastrophic	20	High	MC00106 Training and induction for new Council. Preparation of LTP and APs in accordance with sections 93 & 95 of the LGA 2002 MC00113 Asset Management Plans, growth strategies, economic development plans etc.	Rare	Catastrophic	10	Moderate	Long term planning is ongoing accordance with the requirements of the LGA. Audited by Audit NZ. Any issues identified in audits are managed accordingly with improvements and changes implemented as needed. Asset Management Plans in place. Updated to new LGA requirements and incorporated into LTPs. Condition assessments have been completed and these findings are being incorporated into these plans as needed.
Key Relationship Failures	Failure of Key Relationships	Breakdown of relationships with other authorities/organisations currently joined with in joint ventures (BOPLASS, LTP, etc.). Failure to achieve LTP outcomes. Negative effects the development and implementation of improvements to service delivery, non compliance with legal requirements (MOUs SLAs etc.) Impact on reputation	Possible	Major	16	High	MC00158 Training and induction for new councillors that covers current relationships and agreements the Council is involved in. Regular reporting to on all key external relationships.	Possible	Major	16	High	Training completed. Reporting taking place. No issues identified.
	Dysfunctional Relationship with Iwi	Breakdown of relationships and inadequate communications and relationships with local iwi affects ability to to meet statutory obligations relating to participation for iwi in local government within their areas. May adversely affect many developments in the district	Possible	Major	16	High	MC00145 Training and induction for new Council on Treaty of Waitangi and LGA 2002 requirements. MC00178 Employment of a Strategic Relationships Manager to assist in consultation and relationships and a Strategic Development Manager to assist with Treaty of Waitangi claims	Unlikely	Moderate	9	Moderate	Strategic Relationships Manager is employed to assist in consultation and relationships. No significant issues to date. No complaints or incidents of officer interference recorded
Legal Liabilities	Judicial Reviews and Appeals	Reputational risks. Financial risks associated with defence costs and other court imposed costs.	Possible	Major	16	High	MC00097 Training and induction for new Council. Regular monitoring and improvement of it's performance where required	Possible	Major	16	High	2 Emerging risks. 1. New civic building; submitter's reference to the potential for judicial review of the Council's decision-making processes; and 2. Freedom Camping Bylaw; threat of judicial review by the New Zealand Motorhome and Caravan Association in relation to whether the Council's approach to the draft Freedom Camping Bylaw is consistent with the Freedom Camping Act 2011.
	Undertaking Quasi Judicial Roles	Participation in quasi judicial hearings and processes and the risks of appeals, judicial reviews can sometimes result in claims against the Council from their involvement and non-compliance with legal and regulatory obligations.	Almost Certain	Major	24	Extreme	MC00094 Professional Indemnity Insurance for civil liability maintained. Professional advice provided as necessary. MC00097 Training and induction for new Council. Regular monitoring and improvement of it's performance where required	Possible	Moderate	12	Moderate	Insurances in place. In house legal support to assist when needed. No legal appeals or reviews identified at time of report.
	Health & Safety at Work Act	The Health and Safety at Work Act Bill has specific requirements and responsibilities to ensure employees safety & welfare. Failure to comply could result financial penalties, non achievement of LTP & AP outcomes and liabilities for elected representatives.	Possible	Major	16	High	MC00146 Chief Executive Officer has appropriate processes and procedures in place to reduce and this is managed with specific KPIs in their individual employment agreement	Unlikely	Moderate	9	Moderate	Delegated authority to the CEO and employment KPIs in place. Maintained secondary level in ACC Accredited Employers Programme secondary but achieved tertiary status. Internal audits and reviews being undertaken to ensure compliance with HSAW Act requirements.
Policy Breaches	Community Grants Programme	Community grants given out by the Taupo District Council not used for the purposes they were sought and granted for. Possibility for reputational risks, failure to achieve LTP and AP outcomes and breaches of internal policies and standing orders.	Possible	Moderate	12	Moderate	MC00163 Recipients of grants are required to complete a Grants Audit Certificate and confirm that the grant received has been used for the purposes that it was granted for by the Council. Failure to supply this certificate results in the recipient being ineligible for future grants	Unlikely	Moderate	9	Moderate	Forms are being completed and returned as required. No issues identified.
Underperforming Council	Conflicts of Interest & Prejudice	Individual conflicts of interest, prejudices and predeterminations creating possibility for judicial reviews and/or claims against Council. Loss of reputation. Breach of internal policies and standing orders. Breach of legal duties	Likely	Major	20	High	MC00107 Training and induction for new Council. All Councillors provided with the Office of the Auditor General guidelines on conflicts of interest. Elected Members Register of Interests as per requirements of the Local Authorities (Members' Interests) Act 1968	Possible	Major	16	High	Induction completed. Members Declared Interest Form completed by elected representatives. No issues identified to date
	Disclosure of Confidential Information	Disclosure of information obtained in confidence to third parties. Reputational risks. Financial risks associated with potential claims against Council. Possible breach policies and/or standing orders	Likely	Major	20	High	MC00111 Training and induction for new Council Adoption of a Taupo District Council Code of Conduct which identifies expectations surrounding confidentiality and the processes for dealing with breaches should they occur.	Possible	Major	16	High	TDC Code of Conduct adopted by the Council on 28 February 2017. No issues identified to date
	Failure to Complete Due Diligence	Insufficient opportunity and/or failure to complete due diligence on advice received when exercising Council duties. Possible non compliance with legal requirements. Financial risks associated with acceptance on bad advice. Possible third party contract failures. Possible breach policies and/or standing orders	Likely	Major	20	High	MC00114 Council agendas are made available in time to allow appropriate due diligence to be made. All agendas use a template to ensure all relevant Local Government Act requirements are identified and addressed and are also reviewed and approved by the Senior Leadership Group.	Unlikely	Major	12	Moderate	All agendas reviewed and approved by the SLG and complying with all LGA requirements are made available to elected representatives in time for them to complete appropriate due diligence. No recorded issues to date
	Lack of Knowledge of Elected Representatives Roles & Incorrect Decision Making Processes	The role and responsibilities of the Elected Representatives not being clearly understood by newly elected representatives can affect reputation and ability to achieve desired outcomes.	Almost Certain	Major	24	Extreme	MC00101 Training and induction for new Council. Adoption of Standing Orders that apply to all meetings, committees and subcommittees.	Unlikely	Major	12	Moderate	2016 elections delivered an experienced Council. Training completed post 2016 elections. Standing orders adopted 25/10/2016. Training and induction completed. No issues identified to date
	Failure to Separate Policy Development & Implementation	Failing to separate policy making from implementation of policy prevents the those from delivering the service being able to do so efficiently and free from distractions of evaluating alternative policies.	Likely	Major	20	High	MC00105 Modification of the risk by reducing the likelihood of it occurring by completing training for all elected representatives to understand and prepare for their roles.	Unlikely	Major	12	Moderate	2016 elections delivered an experienced Council. Training completed post 2016 elections. Standing orders adopted 25/10/2016. No issues identified to date
	Not Maintaining Collective Goals	Failure to maintain collective goals and objectives of the Council limits the ability of the Council to deliver the outcomes the community expects. Possible risks arising from failure to meet customer & ratepayer commitments, breaches of internal policies and standing orders	Likely	Catastrophic	25	Extreme	MC00101 Training and induction for new Council. Adoption of Standing Orders that apply to all meetings, committees and subcommittees.	Possible	Moderate	12	Moderate	2016 elections delivered an experienced Council. Training completed post 2016 elections. Standing orders adopted 25/10/2016. Training and induction completed. No issues identified to date
Unsatisfactory Officer Relations	Officer Interference	Failure of staff to remain impartial and using undue influence to affect the outcomes of governance processes and/or decisions. Possible risks arising from failure to meet customer & ratepayer commitments, breaches of internal policies and standing orders. Potential for non-compliance with legal and regulatory obligations	Almost Certain	Moderate	18	High	MC00159 Adoption of staff work rules that identify unacceptable behaviours and managed by the CEO in their role as the employer. MC00177 Adoption and enforcement of a conflict of interest policy for staff and communication of minimum accepted behaviours for staff	Possible	Moderate	12	Moderate	No incidents of officer interference have been identified in past 12 months Audit of conflicts of interest completed in 2016. No issues identified.
	Inappropriate Treatment of Elected Representatives	Action or inaction by staff that affects the ability of the elected representatives to perform their roles effectively for the community. Possible non-compliance with legal and regulatory obligations. Potential to fail to meet customer & ratepayer commitments.	Possible	Major	16	High	MC00162 Adoption of staff work rules that identify unacceptable behaviours and managed by the CEO in their role as the employer	Unlikely	Moderate	9	Moderate	No incidents of inappropriate treatment that would fall into this category have been identified.

CONFIDENTIAL ITEMS (SEPERATE REPORT)

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