

Top Risk Register 13 February 2019

Risk Identification						Workshop Output - Risk Assessment						
Risk No.	Risk Theme	Risk and Impact Description	Risk Drivers (Existing and Potential Causes)	Risk Category	Risk Owner	Inherent Likelihood	Inherent Consequence	Inherent Risk	Controls (Existing and Additional Controls Suggested)	Residual Likelihood	Residual Consequence	Residual Risk
<b>Director, People &amp; Performance</b>												
1	Health, Safety and Wellbeing	External or internal events may have a material impact on the health and safety or wellbeing of staff, contractors and the public (including volunteers and vulnerable children), which may result in physical and/or emotional harm, low staff morale, prosecutions leading to financial loss and reputation damage.	<p>Lack of or inadequate:</p> <ul style="list-style-type: none"> <li>Health and Safety Framework.</li> <li>Consistent application of policies, frameworks and demonstrating expected behaviours.</li> <li>Consistent and/or effective performance monitoring.</li> <li>Effective Health and Safety training and awareness (competence).</li> <li>Sharing of lessons learned across council.</li> <li>Sufficient resources and/or capability of staff.</li> <li>Supportive work environment (workloads, bullying).</li> </ul> <p>In addition:</p> <ul style="list-style-type: none"> <li>Disease Outbreak (e.g. flu and other contagious diseases).</li> <li>Organisational changes.</li> <li>Staff unknowingly acting as designers.</li> <li>Safety in design is not implemented consistently by third parties.</li> <li>Risk Manager software not fit for purpose or has performance issues.</li> </ul>	<p>People</p> <p>Legal &amp; Regulatory Compliance</p> <p>Reputation</p> <p>Asset</p>	Director, People & Performance	Almost Certain	Extreme	Extreme	<p>1. Health, Safety and Wellbeing (HS&amp;W) management system will allow us to meet requirements of Health and Safety at Work Act (2015). The health and safety management system comprises of health and safety standards, processes, procedures, guidance (including key safety requirements) and tools. This has been approved by AC.</p> <p>2. Development &amp; implementation of a Corporate Health and Safety (H&amp;S) Strategy has been approved by ELT. This is due for review in 2020.</p> <p>3. Implementation of Safety Management Framework that will drive H&amp;S behaviours throughout council.</p> <p>4. Risk Manager is the system used for recording and managing all health and safety issues/incidents.</p> <p>5. An approved Governance Arrangements framework is in place that describes the accountabilities and responsibilities of all departments.</p> <p>6. ELT receive a monthly H&amp;S snapshot on performance.</p> <p>7. H&amp;S committee comprising of ELT members perform deep dives of critical H&amp;S areas. Fleet management and Regulatory services already completed deep dives.</p> <p>8. Governing Body and ARC receive quarterly snapshot reports of H&amp;S performance.</p> <p>9. Set Corporate H&amp;S Standards for H&amp;S:</p> <ol style="list-style-type: none"> <li>Policy &amp; Procedure control.</li> <li>Risk Assessment Framework.</li> <li>Incident, Near Miss Reporting &amp; Investigation.</li> <li>Contractor Management Procedures.</li> </ol> <p>10. Creation of Key Safety Requirements (KSR) to support the business. There is now a process in place for developing key safety requirements.</p> <p>11. H&amp;S Team monitor Risk Manager performance and taking appropriate action to address gaps.</p> <p>12. HS&amp;W safety leaders forum where H&amp;S issues and lessons are discussed.</p> <p>13. Mandatory HS&amp;W training as part of staff induction. Managing safely training is provided as part of the people leader HS&amp;W training.</p> <p>14. Safety in design framework that integrates health and safety risk identification and assessment methods throughout the design.</p> <p>15. ELT set the tone from the top and demonstrate leadership commitment and meet their due diligence requirements.</p> <p>Additional Controls Proposed:</p> <ol style="list-style-type: none"> <li>Corporate standards under development: <ol style="list-style-type: none"> <li>Training - standard developed, expected roll out 30 Nov 2018</li> <li>Occupational Health</li> <li>Asbestos</li> <li>Safety in design framework</li> <li>Volunteer standards - expected completion date 30 Nov 2018</li> </ol> </li> <li>Setting and Commencing Auditing Frameworks for assurance.</li> <li>Verification of safe 365 capability assessments for assurance purposes.</li> </ol>	Possible	Major	High

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<b>Chief Financial Officer</b>												
2	Cyber Security	Increased cyber attacks, which may result in loss of personal data, intellectual property, reputational damage, business interruption due to loss of systems, impact on supply chains and financial loss.	<ul style="list-style-type: none"> <li>Increased digitisation without proper integration with processes.</li> <li>Inadequate cyber security mechanisms \ strategy.</li> <li>Technical failure to protect IT systems.</li> <li>Malicious or innocent employee activities.</li> <li>Ineffective training \ awareness.</li> <li>Move to flexible working hours creates less secure connections.</li> </ul>	Financial Reputation Operations Information Management	Chief Financial Officer	Likely	Major	High	<p>1. Auckland Council's approach to Cyber Security is based on the National Institute of Standards and Technology (NIST) Cyber Security Framework.</p> <p>2. Information security guides have been updated and implemented through the Our Charter programme under the "We look after our information" heading.</p> <p>3. ICT management run information security awareness campaigns via stories and articles published on Kotahi.</p> <p>4. New staff are required to review the ICT policies as part of their induction.</p> <p>5. Network perimeter controls (e.g. Firewalls) are in place to detect and prevent suspicious attempts to access the network.</p> <p>6. Council's external, customer-facing websites are in a demilitarised zone (DMZ) on the network.</p> <p>7. Anti-spam and anti-phishing controls are in place to monitor email traffic and block emails from locations or senders that have been marked as suspicious.</p> <p>8. Website tracking and monitoring controls are in place to track and restrict access to websites that are either unsafe, illegal or inappropriate.</p> <p>9. Network traffic is encrypted for both physical and wireless connections.</p> <p>10. Access to the corporate wireless and remote network is authenticated via 2 Factor authentication.</p> <p>11. Critical security system log files are monitored for suspicious activity daily by the Cyber Security team.</p> <p>12. Backup and offsite storage mechanisms are in place to allow for the recovery of data in the event of data loss or a successful ransomware attack.</p> <p>13. Backups are monitored for failures and any issues are communicated to the Network Operations Centre for investigation and remediation.</p> <p>14. The creation administrator accounts is managed through an automated approval workflow within Awhina.</p> <p>15. Automated alerts have been configured to alert management of suspicious administrator activities.</p> <p>16. Monthly system-generated reports of network administrator user accounts are provided to and reviewed by ICT management.</p> <p>17. Monthly vulnerability scans are performed on the Auckland Council network by the ICT department.</p> <p>18. Annual penetration scans are performed.</p> <p>19. All projects that impact on the ICT environment require the security and technical specifications reviewed by the Information Security team.</p> <p>20. Auckland Council subscribes to a third-party service that notifies Auckland Council ICT if an email address has been compromised due to it being used to authenticate to an external website.</p> <p>21. Tools have been implemented to automatically deploy, track and report on the completeness of system patches and anti-malware software updates across council devices.</p> <p>22. All changes are required, to be reviewed and approved by the Change Team and by the security team (where applicable)</p> <p>23. Testing is a requirement prior to the deployment of projects that impact the ICT environment. Post-implementation testing is required to be performed by the person assigned the change prior to the change task being closed by the change team.</p> <p>24. An automated configuration management tool is in place to detect and record the configurations of devices on the network.</p> <p>25. A formal Major Incident Response process is in place to analyse, classify and resolve incidents.</p> <p>26. Cyber insurance cover has been purchased as part of the Insurance renewal process.</p> <p>27. Various ICT meetings take place to communicate and discuss ICT related matters, including Information and cyber security.</p> <p>Additional Controls Proposed:</p> <ol style="list-style-type: none"> <li>Creation of a council family Security Operations Centre to centralise security mechanisms and initiatives.</li> <li>Replace the internet content filtering solution with a more enhanced solution.</li> <li>Allow for more control and visibility into backups.</li> <li>Perform regular testing of backups to confirm recoverability</li> <li>Implement additional Cyber Security and Phishing awareness and training mechanisms.</li> <li>Replace outdated software in the environment.</li> </ol>	Possible	Major	High

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<b>Chief of Strategy</b>												
3	Climate change readiness and response	Preparedness and risk mitigation activities may not be adequate to respond, absorb and/or reduce impacts of climate change (including severe weather events) which may result in environmental, economic (disruption to private businesses), loss of life/injury, financial and reputation loss.	<p>Lack of or inadequate:</p> <ul style="list-style-type: none"> <li>• Consideration of climate change impacts in land use and urban planning and design.</li> <li>• Consistent risk perceptions (across public and private sectors) and different understandings and prioritisation of climate risks.</li> <li>• Quality of advice to decision makers.</li> <li>• A focus on disaster prevention rather than disaster recovery and building climate resilience.</li> <li>• Building professionals in Auckland.</li> <li>• Sufficient resources and/or capability of staff.</li> <li>• Design quality of coastal and climate resilience projects.</li> <li>• Strategic approach to coastal erosion and sea level rise issues.</li> <li>• Collaboration between internal departments and CCOs.</li> <li>• Adequate / consistent resource consenting processes.</li> </ul> <p>In addition:</p> <ul style="list-style-type: none"> <li>• Changes to extreme weather patterns (frequency, extent and intensity).</li> <li>• Legacy risk caused by historic decisions to permit development (including critical assets) in areas of risk (e.g. housing, roads, utilities etc.).</li> <li>• Rapid urbanisation - Increased population, more property development, increase in infrastructure provision and resource use.</li> <li>• The complex urban planning system also creates a lack of alignment between spending, policy, regulation and development.</li> </ul>	<p>Environmental</p> <p>Socio - Cultural</p> <p>Economic Assets</p> <p>Innovation</p> <p>Reputation</p>	Chief of Strategy  Director Infrastructure and Environmental services	Likely	Major	High	<p>1. Planning for preparedness and risk mitigation to respond, absorb and mitigate loss from a weather event or catastrophe.</p> <p>2. NIWA climate projections in place to support decision making.</p> <p>3. Council's Coastal Management Framework sets out a system for managing. Auckland's 3,200km of coastline. The Framework requires the development of Coastal Compartment Management Plans (CCMPs) for discrete areas which will manage coastal hazards in the short, medium and long term. The first 1-2 pilot plans will be finalised by end of FY 2019.</p> <p>4. Auckland Council Climate Change Adaptation Guidelines designed to help council (and CCO) staff understand more about climate change and to consider how it might impact their role and functions.</p> <p>5. Chief Sustainability Office initiating and supporting sustainability initiatives across council and externally.</p> <p>6. Active involvement in the special interest groups with other regional councils, many of which focussed on the environmental impact.</p> <p>7. Ongoing review of plans and effectiveness.</p> <p>8. Environmental monitoring and frequent reporting of data.</p> <p>Additional Controls Proposed:</p> <p>1. Mapping of decision points across land-use planning and roles and responsibilities.</p> <p>2. Integration of climate projections as appropriate.</p> <p>3. Upskilling and disseminating climate projections and provision of support as needed.</p> <p>4. Establishing a coordinated approach to climate action across Council and partners.</p> <p>5. Working in partnership to deliver of an integrated climate action plan for Auckland.</p> <p>6. Mainstreaming resilience into day-to-day decision-making.</p>	Possible	Moderate	Moderate
<b>Chief Operating Officer</b>												
4	Crown reforms	Crown initiatives stretch council resources around strategic planning, consenting and infrastructure funding and delivery, which may result in an inability to deliver expected outcomes within timeframes, reduced trust and confidence in council and greater Crown intervention in traditional council functions.	<p>Lack of or inadequate:</p> <ul style="list-style-type: none"> <li>• Sufficient funding to meet delivery expectations.</li> <li>• Sufficient resources and/or capability of staff.</li> <li>• Integrated approach between Crown and council.</li> <li>• Processes and safeguards to identify and reduce future exposure arising out of increased building and regulatory activity.</li> </ul> <p>In addition:</p> <ul style="list-style-type: none"> <li>• Crown reforms (including infrastructure, housing, finance and funding models).</li> <li>• Growing demand for housing and infrastructure delivery at pace creates pressures onto Council from central government.</li> <li>• Political agendas outside of council's control.</li> <li>• Unrealistic timing expectations for delivery.</li> <li>• Challenges with the partnership model between council entities, communities, private sector and Crown.</li> <li>• Statutory reforms.</li> <li>• Increase in complexity of consent applications due to the shift from single houses to medium / high density housing.</li> <li>• Non-delivery of necessary technical systems (SAP, NewCore and Hybris) to enable efficiencies and process improvements.</li> </ul>	<p>Reputation</p> <p>Delivery of Commitments</p> <p>Financial</p>	<p>Director, Growth &amp; Housing</p> <p>Director Regulatory Services</p>	Likely	Major	High	<p>1. Ongoing discussions with the Crown:</p> <p>a. With MBIE on building act and building code limitations to streamline consenting.</p> <p>b. MBIE and Treasury on different funding models.</p> <p>c. Mayoral task housing task force workstreams on procurement, infrastructure funding, building act and skills / capacity of the construction industry.</p> <p>2. Continue internal governance and oversight through Housing steering group.</p> <p>3. Growing capacity to lead complex development projects across council family.</p> <p>4. Ongoing use of Forward Land and Infrastructure Planning (FLIP) model decision making tool.</p> <p>5. Communication and engagement enhanced:</p> <p>a. Council family (e.g. CE growth and infrastructure meeting).</p> <p>b. Externally with the CE briefings, Auckland infrastructure &amp; Procurement Group etc.</p> <p>6. Continue to embed streamline, standard, qualified partners and premium customer service delivery models.</p> <p>7. Maintaining quality assurance and auditing of building consenting processes to ensure compliance with accreditation framework.</p> <p>8. Recruitment and retention, including offshore attraction of skilled staff.</p> <p>9. Ongoing development of codes of practice, technical guidance, practice notes. Training of staff and industry.</p> <p>10. Resource consents involve the necessary specialists to contribute and advise on consents. Consents are signed off by the team leaders for standard cases or by an independent commissioner that is appointed through a formal RFP process. for higher risk / complexity cases.</p> <p>11. Appointment of Director Growth and Housing to build direct and effective relationship with Crown and to provide valuable thought process and influence in the Crown Urban Growth Agenda.</p> <p>Additional Controls Proposed:</p> <p>1. NewCore requirements for regulatory fast-tracked (provide enterprise system consistency).</p> <p>2. Integration between Hybris and SAP to enable full realisation of digital lodgement, processing, booking and tracking enhancements.</p>	Possible	Moderate	Moderate

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5	Fit for purpose infrastructure and community assets	Failure to effectively manage and protect council owned assets and infrastructure so they are fit for purpose, which may result in the inability to meet growth demands and deliver the planned level of services to support social, environmental and economic outcomes sought by Aucklanders, health and safety issues, financial loss (e.g. loss of investment, significant unbudgeted maintenance and repair costs) and reputational damage.	<p>Lack of or inadequate:</p> <ul style="list-style-type: none"> <li>• Readiness for climate change impacts (storms causing landslips and tree damage to property, king tides accelerating deterioration of coastal assets etc.).</li> <li>• Understanding and management of significant asset risks: <ul style="list-style-type: none"> <li>o Asbestos</li> <li>o Mould</li> <li>o Seismic resilience of assets.</li> <li>o Durability of assets.</li> <li>o Weather tightness.</li> </ul> </li> <li>• Asset management strategy, plan or policy for re-investment or divestment opportunities.</li> <li>• Complete, accurate and timely information and data on assets.</li> <li>• Tools to manage the utilisation, criticality and performance of the assets.</li> <li>• Funding shortfall, including: <ul style="list-style-type: none"> <li>o Historical lack of funding for collecting and recording adequate asset information management.</li> <li>o Historical renewal funding shortfall for aged assets.</li> </ul> </li> <li>• Knowledge on the status of all sites, including a list of those protected (Maori heritage).</li> <li>• Efficient and effective asset management practices due to inadequate suppliers, staff capability, standardised processes and asset systems.</li> <li>• Compliance with regulatory and legislative obligations.</li> <li>• Management of changes in demand intensity.</li> </ul> <p>In addition:</p> <ul style="list-style-type: none"> <li>• Over- or under-maintenance.</li> <li>• The use of materials that are of poor quality or fake by third parties.</li> <li>• Assets that are liabilities (active / passive hazards) such as closed landfills.</li> </ul>	Assets Financial Delivery of Commitments Reputation People	Chief Operating Officer  Director Community Services	Almost Certain	Major	Extreme	<ol style="list-style-type: none"> <li>1. Asset delivery governance via Capital Asset Planning and Performance Steering Group, supported by AC Investment Decision-making Framework disciplines and 'Gateway'.</li> <li>2. Asset performance, utilisation, condition and data improvement project successfully completed.</li> <li>3. Community Services and Community Facilities structure reinforced for operational efficiencies through Strengthening our Delivery and continuous improvements.</li> <li>4. Services and asset strategy aligned (joint between CFO and COO) that defines asset / non-asset solutions based on demand growth and changing demographic needs.</li> <li>5. Project17 integrated region-wide facilities management contracts successfully implemented to enable further transfer of assets to manage from Auckland Transport in 2018 to realise economies of scale and procurement strategies.</li> <li>6. Integrated and structured planning for asset acquisitions (including vested assets) to disposals led by the asset owner accountable for optimising whole-of-life costs / benefits / risks.</li> <li>7. Risk assessment of catch pit assets in conjunction with Auckland Transport.</li> <li>8. Review of asset management of all built assets commencing (including assessment for fit for purpose, utilisation, asbestos and seismic issues).</li> <li>9. Leveraging New Core as one source of data 'truth'.</li> <li>10. Embed digital via the customer centric transformation initiatives.</li> <li>11. Asset Management Information Strategy implemented to establish data standards and asset management systems enhancement.</li> <li>12. Asset Information collection plan to enhance efficient collection of asset information on data, risks, condition, performance, fit-for purpose and utilisation.</li> <li>13. Structured asset performance/condition monitoring and modelling to inform asset management strategies (e.g. renewals, repair &amp; maintenance, disposals).</li> <li>14. Monitoring of asset Facebook pages.</li> <li>15. Better customer information due to digitisation of booking for assets.</li> </ol> <p>Additional Controls Proposed:</p> <ol style="list-style-type: none"> <li>1. Better communication / transparency on the costs of maintaining current assets</li> <li>2. Moving to fully depreciate assets underway.</li> <li>3. More sophisticated information, tools to gather and share information of physical asset and utilisation of asset.</li> <li>4. Ensure adequate maintenance programmes are in place to maximise the life expectancy of assets.</li> <li>5. Pragmatic delivery of projects relating to asset enhancement and maintenance.</li> <li>6. CFAME (council wide asset management system to be rolled out) to effectively use and share asset information and knowledge.</li> <li>7. Smart Growth Portal (FLIP) progress as planned – contracts successfully let for analytics. Procurement risk with NEC Portal build, significant challenge getting through procurement and legal – still working through final details – contract in negotiation.</li> </ol>	Possible	Moderate	Moderate

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6	Significant internal and external disruptions	Significant disruptions in the operations of Auckland Council and/or a civil emergency due to major natural catastrophes, technology and/or communication failure, power outage, asset failure and cyber attacks, which may result in financial loss or reputation damage, loss of life and loss of public trust and confidence in Auckland Council.	<p>Lack of or inadequate:</p> <ul style="list-style-type: none"> <li>Business continuity and/or disaster recovery framework.</li> <li>Civil emergency management framework.</li> <li>Effective and/or consistent BCPs across council due to lack of BCP testing for each business unit.</li> <li>Clarity of BCP accountability across council.</li> <li>Commitment to crisis management team process.</li> <li>Insurance protection and cover.</li> <li>Deployment of system upgrades and changes.</li> <li>Patch Management.</li> <li>Performance monitoring.</li> <li>Problem and incident management processes.</li> <li>Alternative / backup facilities for key operations (including systems and buildings).</li> <li>Sufficient resources and/or capability of staff.</li> </ul> <p>In addition:</p> <ul style="list-style-type: none"> <li>Increased natural catastrophes (super storms, sever winds, coastal inundation, flooding, volcanoes, earthquakes, etc.).</li> <li>Infectious human and animal disease pandemics.</li> <li>Break in the supply chain inter-dependencies.</li> <li>Withdrawal of regulatory approval or service license (Including downgrade of credit rating).</li> <li>Technology failure (including Lifeline).</li> <li>Human error.</li> <li>System and power outages.</li> <li>Loss of communication and building.</li> <li>Increased cyber attacks (e.g. Ransomware).</li> </ul>	<p>Operations</p> <p>Delivery of Commitments</p> <p>Technology</p> <p>Customers</p>	<p>Chief Operating Officer</p> <p>Chief Financial Officer</p>	Likely	Major	High	<p><b>Business Continuity Management</b></p> <ol style="list-style-type: none"> <li>Auckland Emergency Management holds the lead for business continuity planning at Auckland Council.</li> <li>Mandate for departments to have business continuity plans through the Business Continuity Policy and the Self-Audit Checklist.</li> <li>Department heads across the organisation are given guidance on best practice continuity planning and on how to plan for disruptive or extreme events.</li> <li>A range of partners contribute to emergency and business continuity planning at council. This is coordinated via a Crisis Management Plan, with a nominated Crisis Manager, from a range of senior managers in the business. Core partners, including welfare and lifelines partners, are coordinated via AEM interfaces to ensure that they are aware of BCP good practice and hazard information to enable the development of suitable plans.</li> <li>AEM coordinates the update of business continuity plans across the council on a six monthly basis, with the call tree included in BCPs expected to be updated quarterly.</li> <li>Each business is required to use standard Business Continuity Plan templates. The template includes information on multiple vendors to provide key services (data, power, communications) in case of a business continuity incident.</li> <li>Second data centre has been set up, and services are now being migrated to the new data centre.</li> <li>AEM coordinates the testing of the crisis management team (annually).</li> <li>AEM coordinates the testing of the integration of the various business continuity plans.</li> <li>AEM coordinates and provides scenarios to businesses for testing of BCPs.</li> </ol> <p><b>Civil Defence and Emergency Management</b></p> <ol style="list-style-type: none"> <li>'Resilient Auckland', the Auckland CDEM Group Plan, is a statutory document required by the CDEM Act 2002. The plan identifies a range of 'disruptive and extreme events' for Auckland as well as a range of actions to reduce risk from them events. Specific events are also undertaken for specific hazards, such as tsunamis and documents have been prepared detailing the effects of the hazard. In addition, Auckland Emergency Management undertakes regular evidence-based emergency planning with CDEM Group partners including emergency services working to a series of standard operating procedures.</li> <li>Auckland Emergency Management (AEM) Group Plan 2016-2021 sets the direction for civil defence and emergency management in the Auckland region.</li> <li>Auckland Emergency Management has a Service Level Agreement with the Met Service. This SLA allows Auckland Council access to a range of weather-related indicators. These indicators allow pre-planning for disruptive events. Likewise, other major hazards such as volcanic hazards, earthquake and tsunami have a range of pre-defined indicators in place that allow for action to be taken in response. Communication of future likely adverse hazards to our business partners and managers is communicated via our Whispr messaging system to standard mailing lists.</li> </ol> <p>Post event analysis is standard CDEM sector protocol.</p> <ol style="list-style-type: none"> <li>Following every activation and event debriefs are held and actions identified are captured in an evaluation action plan. In addition, for significant events external reviews are generally undertaken and changes incorporated as part of the AEM work plan.</li> </ol> <p><b>Additional controls Suggested:</b></p> <ol style="list-style-type: none"> <li>Events are exercised for BCPs, an exercise programme is being implemented at present.</li> <li>Council's backup mechanisms are in place to ensure data is recoverable to acceptable levels. However, BCPs do not include recovery time objectives and recovery point objectives and therefore not tested.</li> <li>Governance, reporting, escalation and assurance processes in relation to business continuity for Auckland council should be implemented. Reporting should at minimum include status of BCP across councils, status of scenario testing, call tree testing and CMP testing across council, status of actions arising out of the testing and progress made in implementing improvements/issues identified.</li> <li>Governance, reporting and assurance processes to confirm effectiveness of CDEM should be implemented.</li> <li>While guidance is given to leaders on BCP, there is a lack of effective training and education across council on the requirements of BCP.</li> <li>Implementation of revised major incident management process.</li> </ol>	Possible	Major	High

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7	Service delivery	Council may be unable to maintain and deliver services and meet service performance targets (including those delivered by third parties or arms-length entities), while at the same time, being kept under constant scrutiny from the media and ratepayers with regard to good governance and responsible fiscal management, which may result in adverse impacts on communities / customers, reputation damage and/or financial loss.	<p>Lack of or inadequate:</p> <ul style="list-style-type: none"> <li>Consistent and/or effective performance monitoring of service level targets.</li> <li>Due diligence in vendor selection.</li> <li>Contract management and supervision competencies.</li> <li>Investment in infrastructure to meet future needs.</li> <li>Communication to citizens, customers and communities.</li> <li>Sufficient resources and/or capability of staff.</li> <li>Adherence to the project control framework from inception through to post-implementation reviews.</li> <li>Capability in performing comprehensive cost benefit analysis.</li> <li>Robust financial controls or a financial system which provide an up-to-date reporting ability.</li> <li>Alignment between delivery expectations and budgets.</li> </ul> <p>In addition:</p> <ul style="list-style-type: none"> <li>Perceived decreased or lack of understanding of communities needs.</li> <li>Negative media coverage or perceived negative media sentiment.</li> <li>Perceived poor value for ratepayers' money.</li> <li>Spend incurs waste or cost over-runs.</li> <li>Poor or declining levels of customer service and experience.</li> <li>Poor integration between aspirations and objectives of local boards, GB and CCOs and project outcomes.</li> <li>Lower than expected ratepayer growth due to disruptions.</li> <li>Ineffective relationship with Central Government in relation to forward planning for infrastructure.</li> </ul>	<p>Operations</p> <p>Delivery of Commitments</p> <p>Reputation</p> <p>Financial</p>	Chief Operating Officer	Likely	Major	High	<p>1. Implemented Service Strategy, supported by Community Facilities Network Plan, Local Board plans and Asset Management programme.</p> <p>2. Embed community empowerment model within ACE and extend progressively across council.</p> <p>3. Programme manager and Work stream leaders are out seeing relevant groups to inform of process. Work stream leads are also contacting relevant staff where required (including CCOs).</p> <p>4. Initiating early discussion between governing body and local boards to reach agreement on mutually acceptable completion dates for draft agreements.</p> <p>5. Service performance targets have been defined as part of the LTP. These will be monitored and reported regularly.</p> <p>Additional Controls Suggested:</p> <p>1. Performance framework needs to be developed and implemented.</p>	Possible	Moderate	Moderate



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8	Small Waters, Waste Systems and Stormwater management	<p>Water quality and supply risks for Council including:</p> <ul style="list-style-type: none"> <li>the quality (treatment, monitoring and reporting) and availability of potable water at council owned or managed regional/local parks and reserves may be inadequate.</li> <li>the wastewater management system (including monitoring and reporting) at council owned or managed regional/local parks and reserves may be inadequate and the non-reticulated system may not effectively remove and treat waste water.</li> <li>the capacity and management of storm water assets to cope with severe weather events may be inadequate.</li> </ul> <p>The above risks may result in health and safety issues, reputation damage, financial loss and non-compliance with national policy statements and/or legislation, increased flooding risks, potential effects on the ecological health of our urban streams and coastal waters, as well as on the economic, social and cultural value of these environments.</p>	<p>Lack of or inadequate:</p> <ul style="list-style-type: none"> <li>Up-to-date data (e.g. consenting framework is not robust enough to provide confidence in how we manage water).</li> <li>Integration of the consenting data and planning mechanisms at local and regional scales.</li> <li>Escalation processes to notify when information needs are to be increased / enhanced.</li> <li>Proportional information to the size of the consent.</li> <li>storm water overwhelming the capacity of drainage systems</li> <li>Asset understanding / management (capacity and age).</li> <li>A focus on disaster prevention rather than disaster recovery.</li> <li>Sufficient funding (including opex and capex) to achieve the desired environmental outcomes (e.g. targeted rate not approved).</li> <li>Technology upgrades / incentives.</li> <li>Integration and transparency of the Resource Management Act Reform.</li> <li>Security of water supply and standards of bore sources.</li> <li>Compliance with statutory requirements.</li> </ul> <p>In addition:</p> <ul style="list-style-type: none"> <li>Changing Climate (Increased rainfall intensity, storm, droughts, landslides, sea level rise, air temperature rise and flood events).</li> <li>Reliance on historic data to manage the future.</li> <li>Changes in land use (Rural land becoming urban / industrial) and tracking contaminants.</li> <li>Population growth and intensification.</li> <li>Cost of construction.</li> <li>Perception of value of natural, including intrinsic value.</li> <li>Treaty Settlements expectations.</li> <li>Increased water demand for different uses of land (horticulture).</li> <li>Unknown private devices (e.g. septic's and storm water).</li> </ul>	Environmental Socio - Cultural Economic Financial (Assets) Reputation	Chief of Strategy Chief Operating Officer Director Infrastructure and Environmental Services	Almost Certain	Major	Extreme	<ol style="list-style-type: none"> <li>Effective Auckland Unitary plan that is evaluated for specific water outcomes - does not fully incorporate National Policy Statement on Freshwater Management (NPSFM) outcomes.</li> <li>Monitoring / evaluating framework being developed.</li> <li>Network discharge consents to uniformly manage these consents.</li> <li>Relationship with central government (clear direction on how growth is managed in conjunction with environmental outcomes).</li> <li>Auckland plan 2050 - implementation of and recognising shift from 2012 version.</li> <li>Reporting and raising public awareness (SafeSwim).</li> <li>Reticulated wastewater collection and treatment plants.</li> <li>Stream improvements by Healthy Waters (planting and reinstating).</li> <li>Monitoring of water quality is being done by RIMU <ul style="list-style-type: none"> <li>Healthy Waters storm water operations and maintenance to ensure the hydraulic capacity of the storm water network</li> <li>Catchment management plans for developers (storm water models that take into account climate change and sea level rise)</li> </ul> </li> <li>Establishment of new Natural Environment Strategy team, working to embed improved environmental outcomes in council activities.</li> <li>National Policy Statement on Freshwater Management work streams delivered</li> <li>Completion and implementation of Hauraki Gulf Marine Spatial Plan.</li> <li>Hauraki Gulf forum (independent agency) monitoring reviews of overall health of marine ecosystem.</li> <li>Chief Sustainability Office initiating and supporting sustainability initiatives across council and externally.</li> <li>Active involvement in the special interest groups with other regional councils, many of which focussed on the environmental impact.</li> <li>Ongoing review of plans and effectiveness.</li> <li>Environmental monitoring and frequent reporting of data.</li> <li>Identifying sites without treatment equipment as potable/non-potable, and introducing treatment as required.</li> <li>All known sites without adequate treatment are signed as non-potable/ boil water.</li> <li>All known sites without adequate treatment to have emergency action plan implemented or alternatives provided.</li> <li>Sites to be connected to Watercare reticulated wastewater network wherever possible (1 completed and 1 being investigated as at July 2018).</li> <li>Public education &amp; signage provided.</li> </ol> <p>Additional Controls Proposed:</p> <ol style="list-style-type: none"> <li>Comprehensive Auckland water strategy is under development (July 2019) with Healthy Waters, WaterCare, AT and CPO.</li> <li>Water Quality Targeted Rates - 1 July 2018.</li> <li>Central interceptor / Western Isthmus Water Quality Improvement Programme - Underway.</li> <li>Integrated Asset management plans that talk to each other, shared environmental outcomes (WaterCare, healthy waters and AT).</li> <li>WOF assessments for private wastewater systems including septic tanks - 1 July 2018.</li> <li>Water Safety Plans (WSP) Improvement Schedule actions to be taken and improvements completed.</li> <li>Ongoing review of and identifying of additional sites without treatment equipment.</li> </ol>	Possible	Major	High

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9	Programme and Project Delivery	Project management, including the management of interdependencies and risks is inadequate, which may result in budget and scope overruns, project delays, substandard construction, workstreams not leveraging off each other to drive decision making and optimise efficiencies, adverse environmental impacts, financial loss (including return on investment / benefit realisation not met), reputation damage and not meeting LTP project deliverables.	<p>Lack of:</p> <ul style="list-style-type: none"> <li>Embedded fit for purpose project framework and project risk management framework including efficient risk assessment process for high risk projects and clear risk tolerances and escalation processes. [updated to reflect AoG letter Oct 2018]</li> <li>Robust financial controls or a financial system which provide an up-to-date reporting ability.</li> <li>Effective governance structures.</li> <li>Effective risk management.</li> <li>Effective tools / systems.</li> <li>Effective monitoring, review and challenge.</li> <li>Resources and/or capability of staff.</li> <li>Funding.</li> <li>Adherence to the project control framework through the life of the project due to low staff capability and lack of fit for purpose, tailored systems (sentient) to support the processes.</li> </ul> <p>In Addition:</p> <ul style="list-style-type: none"> <li>Poor integration between aspirations and objectives of local boards, GB and CCOs and project outcomes.</li> <li>LB plans generated prior to local board agreements adopted of LTP.</li> <li>Capability in performing comprehensive cost benefit analysis.</li> <li>Resistance to banking those benefits. Delivery of projects is reliant on individual departmental requirements and activities.</li> <li>Multiple departments have responsibility to deliver to the project management and quality standards which can result in inconsistency and reduced performance.</li> </ul>	<p>Delivery of Commitments</p> <p>Reputation</p> <p>Financial</p> <p>Customers</p>	Chief Operating Officer	Likely	Major	High	<p>1. Processes in place to provide increasing transparency and regular reporting of all projects over \$5M to the Finance and Performance committee, Audit and Risk committee as well as the Strategic Procurement committee.</p> <p>2. Investment Delivery Framework embedding programme including training programme around the project management framework.</p> <p>3. Use of Sentient system to record projects and maintain clear gates between project phases to ensure quality management processes.</p> <p>5. Projects referred to the Audit and Risk committee for independent review as requested by the CE, COO or Chair of the Strategic Procurement Committee, Finance and Procurement.</p> <p>7. Investment Delivery Framework (IDF) is in place in relation to delivery of projects.</p> <p>8. Conducting "health-checks" on project delivery.</p> <p>Additional Controls Suggested:</p> <p>1. Consistent performance of post-implementation reviews.</p> <p>2. Ensure Business Owners and Financial Managers identify the timeframes the benefits are to be realised in and report 6 monthly against progress to the relevant ELT Pillar and IG.</p> <p>3. Improve the current process and systems for project WBS codes or transfer of expenses into a project budget to ensure approval is required for all transfers and costs.</p> <p>4. Risk framework review to develop a project risk framework which will address management oversight of key project risks, escalations and risk tolerances</p> <p>5. Review project management processes and controls to explore improvements in efficiency and effectiveness of risk assessment and management and improve embedded controls in Investment Delivery Framework.</p>	Possible	Moderate	Moderate
10	Consent Processing	Delayed, unauthorised or inadequate consenting processes, which may result in the breach of statutory and regulatory requirements, unexpected environmental outcomes, inconsistent building resource and environmental consents being granted, loss of license as a building consent authority, reputation damage, future legal liability and/or costly maintenance of infrastructure assets.	<ul style="list-style-type: none"> <li>Lack of sufficient processes and safeguards to identify and reduce future exposure arising out of increased building and regulatory activity.</li> <li>High turnover of competent staff.</li> <li>Lack of resources and use of external suppliers without consistent approaches or systems.</li> <li>Increase in complexity of consent applications due to the shift from single houses to medium / high density housing.</li> <li>Increase in demand for new house builds.</li> <li>lack of effective engagement and communication with Qualified Partners e.g. HNZ to allow for planning for significant influx of building consent applications.</li> <li>Non-delivery of necessary technical systems (SAP, NewCore and Hybris) to enable efficiencies and process improvements.</li> <li>Focus on consent conditions as a deliverable.</li> <li>Undetected substandard and/or unapproved building products used in construction.</li> </ul>	<p>Operations</p> <p>Reputation</p> <p>Customers</p> <p>People</p>	<p>Chief Operating Officer</p> <p>Director Regulatory Services</p>	Likely	Major	High	<p>1. Continue to embed streamline, standard, qualified partners and premium customer service delivery models.</p> <p>2. Recruitment and retention, including offshore attraction of skilled staff.</p> <p>3. Maintain risk-based processes and compliance management approaches.</p> <p>4. Active advocacy to central government (including mayoral housing task force initiatives) on regulation, building product and system quality and liability issues.</p> <p>5. Training and development of staff.</p> <p>6. Maintaining quality assurance and auditing of building consenting processes to ensure compliance with accreditation framework.</p> <p>7. Ongoing development of codes of practice, technical guidance, practice notes. Training of staff and industry.</p> <p>8. Resource Consents is an administrator of the Unitary Plan and through this, are allowed to prosecute for breaches to this plan.</p> <p>9. Resource consents involve the necessary specialists to contribute and advise on consents. Consents are signed off by the team leaders for standard cases or by an independent commissioner that is appointed through a formal RFP process. for higher risk / complexity cases.</p> <p>10. Compliance team is in place to monitor applicant adherence to the conditions of their approved consent.</p> <p>11. Post July 2018, internal audit undertake testing on a monthly basis for both building consents and non- notified resource consents. The purpose of the test is to assess whether there has been an improvement in data quality. The results of the reviews are discussed with Regulatory Services and reported to ARC, CEO and General Counsel.</p> <p>Additional Controls Suggested:</p> <p>1. NewCore requirements for regulatory fast-tracked (provide enterprise system consistency).</p> <p>2. Integration between Hybris and SAP to enable full realisation of digital lodgement, processing, booking and tracking enhancements. Integration will go-live in three Phases – 26 November, 10 December and 2 February 2019.</p>	Likely	Moderate	High



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<b>Governance Director</b>												
11	Theft, Fraud and Corruption	Internal or external fraud, corruption or other unethical behaviour perpetrated within or against Council that could lead to financial loss, reputational damage, and/or operational risk to council.	Lack of or inadequate: <ul style="list-style-type: none"> <li>Pre-employment checks.</li> <li>Training and awareness.</li> <li>User access management controls.</li> <li>Segregation of Duties controls.</li> <li>Controls around procurement and contract management.</li> <li>Rigorous management of declarations and conflicts of interest.</li> <li>Mandate to review budgets vs actuals (Holly).</li> </ul> In addition: <ul style="list-style-type: none"> <li>Insider knowledge impacting tendering process.</li> <li>Collusion between staff and external suppliers.</li> <li>Poor financial literacy for budget holders.</li> <li>Inconsistently applying policies and demonstrating expected behaviours.</li> <li>Undetected substandard and/or unapproved building products used in construction.</li> </ul>	Reputation Fraud Financial	Governance Director	Likely	Major	High	1. Fraud risk mitigation is embedded in the organisation culture. 2. Internal Audit work program to review and identify potential fraud risks. 3. Fraud Risk Framework. 4. Integrity and Investigation Unit providing training, investigations and data analytical services. 5. Proactive training and awareness. 6. IS Security (User access management, segregation of duties, password management etc.). 7. Monthly Security Forum. 8. Insurance Policy related to fraud. 9. Integrated and coordinated process for sharing of critical and relevant information between Internal Audit and Risk departments. 10. SAP Repayment being reviewed by 2nd Team members and identifies if the bank account has been added. 11. Procurement and Purchasing policies. 12. Our Charter deployed to provide guidance to staff on expected behaviours. 13. Ariba - control framework around procurement and purchasing. 14. Delegation of Financial Authority Framework. 15. Anti-Money Laundering Framework and process. 16. Reporting and transparency around sensitive expenditure. 17. Monthly financial and management report reviews. 18. Background checks and controls around recruitment process. 19. Speak Up channels from OurCharter	Possible	Major	High
									Additional Controls Proposed: 1) Quality Assurance Framework to be implemented. 2) Mandate the creation of contractors in the system to allow for tracking of contractors.			