

Central Hawke's Bay District Council Governance Risk Register

Risk No	Risk Description	Objectives	Causes	Consequences	Risk Owner	Initial (Inherent) Risk Assessment			Controls	Effectiveness of Controls	Revised (Current) Risk Assessment			Risk Assessment	Risk Treatments (Actions)	Progress Reporting
						Consequence	Likelihood	Inherent Risk			Consequence	Likelihood	Current Risk			
1	<b>Fresh Water</b> Failure of water treatment, pumping and network infrastructure or lack of network capacity means the community does not receive an adequate supply of fresh potable water	Durable infrastructure  A prosperous district  Environmentally responsible  Smart growth	Inadequate water testing and operating procedures  Under investment in water treatment and water network assets.  Water contamination from system failure or backflow contaminants.  Poor contract management  Natural disaster (earthquake, flood etc.)	Gastro outbreak causing sickness and/or death.  No potable water available for some or all of the community  Need for "boil water" notice and public service disruption.  Prosecution of Council and of council staff.	Executive Leadership Team	Catastrophic	Almost Certain	Extreme	Adequate and implemented Water Safety Plans for all supplies  Active monitoring in accordance with the Water Safety Plans and Drinking Water Standard  Implementation of online diagnostics and controls	The controls in place are considered appropriate and in line with national norms. Council however acknowledge a need to continually improve, especially for some of our small supplies. This is evidenced through our commitment to reviewing Water Safety Plans and our increased investment in capital and maintenance activities	Catastrophic	Unlikely	Moderate amber	Treat	Full Review and Audit Programme for all water safety plans  Procurement of expert resource to increase capacity and capability for delivery and monitoring of Water Safety Plans  Complete review of SCADA system	Programme of review and audit for all Water Safety Plans for next 12 months  Successfully passed a Partial Implementation Audit for Waipawa and Otane  Ongoing improvement plans for each Water Safety Plan that is being managed and monitored and reported to th DHB SCADA review completed and list of actions developed with timelines and reporting (this fed into WSPs)
2	<b>Failure of Critical Assets</b> Incorrect maintenance and investment\replacement results in unexpected failure of critical assets and loss of levels of service	Durable infrastructure  A prosperous district  Environmentally responsible  Smart growth	Asset not managed effectively.  Under investment in asset renewals  Poor quality asset data  Poor contract management  Natural disaster (earthquake, flood etc.)  Turnover of or lack of trained staff	Asset failure results in service interruption to network services (Water\Sewer Transportation)  Road closure due to bridge failure impacts on ratepayer's access to properties.  Breach of resource consent conditions resulting in damage to the environment and prosecution.	Executive Leadership Team	Catastrophic	Almost Certain	Extreme	Asset Management Plans and asset renewals programme. Asset Condition Assessment and Maintenance programmes  Implementation of online diagnostics and controls Identification of critical assets and resilience considerations fed into long term asset planning to extend life  Financial peer reviews of critical assets supported by Council insurance programme.	The controls in place are considered appropriate but have significant room for improvement with specific regard to formality and alignment with modern best practice Asset Management discipline.	Catastrophic	Unlikely	Moderate amber	Treat	Identify Critical Assets within AMP providing a critical service Develop asset condition data & management strategy. Regularly carry out montiroing, condition assessment, planned and corrective maintenance of key assets  Independent reviews of all Asset Management Plans  Complete review of SCADA system	AMPs exist for all critical assets AMPs programmed for review in line with next LTP cycle  Capital and maintenance programmes developed, carried out and reported against.  SCADA review completed and list of actions developed with timelines and reporting
3	<b>Wastewater Treatment System Failure</b> System failing resulting in environmental impact and/or prosecution before a new solution is constructed and operational.	Durable infrastructure  A prosperous district  Environmentally responsible	Delays in choosing and constructing a new solution.  Discharge quality not effectively managed  Failure of key asset component such as pumps etc.	Breach of resource consent conditions resulting in damage to the environment and prosecution.	Executive Leadership Team	Major	Very Likely	High Red	Asset Management Plans and asset renewals programme. Asset Condition Assessment and Maintenance prgrammes  Listed projects and programmes of work to replace failing plants Routine monitoring/sampling and reporting as per consent requirements Implementation of online diagnostics and controls	The controls in place are considered appropriate and leading nationally in many respects with demonstrated organisational commitment to understanding and improving the condition and performance of our waste water infrastructure.	Major	Unlikely	Moderate amber	Treat	Replace or upgrade major failing plants Carry out routine planned and corrective condition assessment and maintenance  Complete review of SCADA system	Project to replace 3 major failing plants (Waipukurau, Waipawa, Otane) is progressing well as per agreed timelines with community, inspections have been increased at all plants as part of move to new contractor.  SCADA review completed and list of actions developed with timelines and reporting
4	<b>Health &amp; Safety - Community</b> Failure to create and maintain safe council facilities and a safe environment for the community leading to death or serious injury.	Strong communities  A prosperous district	Inadequate understanding of the scope of CHBDC's health and safety responsibilities towards the community.  Human error/inappropriate behaviours  Poor contract management & supervision of contractor H & S  Failure to repair\replace old and unsafe facilities and equipment Equipment failure	Death or Injury to a member of the public due to failure to provide safe facilities.	Executive Leadership Team	Catastrophic	Very Likely	Extreme	Health & Safety system and processes implemented to ensure all H & S risks are managed  System includes plans, procedures for work practices/activities for all high-risk areas  Pre-qualification engagement program - contractors	Organisational approach to H&S management is maturing with a growing focus on policy and process. This is reflected in the volume of policy updates in 2018/19. An informal risk-based approach to prioritiseing H&S work has existed to date with this now being formalised through creation of this register.	Catastrophic	Unlikely	Moderate amber	Treat	Creation of top-level framework/structure document to guide subsequent policies, procedures  Create clear picture of existing policies and procedures  Review and improve policies and procedures  Ensure all conractors are pre-qualified for work on the network through Site Wise or the Council pre-qualification process	Programme of work developed in P&C Group business plan for 2018/19.  List of existing procedures and their effectiveness in development  Some procedures reviewed and improved based on qualitative risk assessment  Currently 1 contractor outstanding for pre-qualification (this contractor not working on network at present)
5	<b>Health &amp; Safety - Workers</b> Failure to create and maintain a safe environment for staff leading to death or serious injury.	Strong communities  A prosperous district	H & S roles & responsibilities across the organisation not fully understood or accepted  Poor understanding of the H & S risks in the organisation  Poor safety/organisational culture  Human error/inappropriate behaviours  Unsafe or poorly maintained equipment	Death or Injury to a member of staff due to incorrect work practices or failure to provide safe facilities and equipment.	Executive Leadership Team	Catastrophic	Likely	Extreme	Health & Safety system and processes implemented to ensure all H & S risks are managed  System includes plans, procedures for work practices/activities for all high-risk areas  Pre-qualification engagement program - contractors  Engage staff in the H&S system	Organisational approach to H&S management is maturing with a growing focus on policy and process. This is reflected in the volume of policy updates in 2018/19. An informal risk-based approach to prioritiseing H&S work has existed to date with this now being formalised through creation of this register.	Catastrophic	Unlikely	Moderate amber	Treat	Creation of top-level framework/structure document to guide subsequent policies, procedures  Create clear picture of existing policies and procedures  Review and improve policies and procedures  Ensure all conractors are pre-qualified for work on the network through Site Wise or the Council pre-qualification process  Develop and implement staff engagement mechanism within H&S system	Programme of work developed in P&C Group business plan for 2018/19.  List of existing procedures and their effectiveness in development  Some procedures reviewed and improved based on qualitative risk assessment  currently 1 contractor outstanding for pre-qualification (this contractor not working on network at present) Safety and Wellbeing committee developed and H&S reps/committee members appointed
6	<b>Inadequate Civil Defence Response</b> Failure to respond adequately during a civil defence emergency results in undue harm to members of the community and delays in restoring the district to an operational basis.	Strong communities Connected citizens	Inadequate resources to respond to an emergency event. Delay in responding to an event.  Ineffective response due to inadequate training and response preparedness	Reputational damage - bad press and public backlash.  Unnecessary damage to property due to delayed response  Injury to or death of member of the public due to delayed response	Executive Leadership Team	Catastrophic	Likely	Extreme	Participation in HB Lifelines project  Simulation exercises and training program of staff to meet civil defence standards.  Senior leadership at CEG and HB regional emergency structure in place.	Mainly Effective	Catastrophic	Unlikely	Moderate amber	Treat	Implement corrective actions from audit in 2017	62% of corrective actions complete

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7	<b>Not able to retain or secure key staff</b> Shortage of skilled staff impacts on ability to deliver services to the community.	Strong communities  A prosperous district	Inability to attract appropriate staff to work in CHB.  Inability to offer appropriate remuneration to attract and retain staff	Services impacted from lack of resource to manage facilities\assets respond to community enquiries.  Poor decision making resulting in financial loss\wastage	Executive Leadership Team	Significant	Very Likely	<b>Significant Amber</b>	Ensure Councils remuneration system is competitive  Create and maintain employee development opportunities  Promote non-remuneration benefits  Promote employee wellbeing opportunities and benefits	Partially Effective	Significant	Unlikely	<b>Moderate green</b>	Treat	Complete annual market benchmark  Implement and maintain performance and development framework for all staff  Include non-rem benefits as key focus for organisation  Include employee wellbeing as key focus for organisation	Market remuneration review completed for 2018 and programmed for 2019 PDPs developed annually including training specific to role as well as stretch development opportunities Non-rem benefits included in P&C Group business plan Employee benefits developed through 2018/19 including: * recognising our people guideline * community service leave policy * sick leave bank policy Employee wellbeing included as focus in P&C Group Business Plan Safety and wellbeing committee given mandate to promote and implement employee wellbeing
8	<b>Business Interruption</b> Business interruption caused by some unexpected event impacting on service delivery.	Strong communities  A prosperous district  Connected citizens	Cyber attack causes critical failure of computer network.  Network outages interrupt ability to deliver services.  Loss of key records and data impacting on ability to provide services	Inability to function due to reliance on technology.  Service\network disruption Inability to provide information and advice resulting in delays and potential legal action due to poor data\advice	Executive Leadership Team	Major	Very Likely	<b>High Red</b>	Business Continuity Plan  Digitalisation project to capture key hard-copy records digitally  Managed firewall with NOW for internet access and connections  No servers on site - use RIVERA infrastructure as a service.  Back up power for Council offices and most computers have UPS	Mainly Effective	Major	Unlikely	<b>Moderate amber</b>	Treat	Development of a BCP for CHBDC  Digitalisation project underway	On the work programme but has not started yet.  Project to digitise property records underway
9	<b>Failure to effectively deliver services and projects</b> Failure to deliver Council strategic objectives, projects or normal business as usual service levels resulting in community dissatisfaction.	Strong communities  A prosperous district  Connected citizens	Unrealistic delivery timeframes in LTP and annual plan.  Poor scoping or project budgeting results in rework and need for additional funding\consultation. Lack of staff with appropriate skills to deliver  Failure to deliver capital programme due to - Poor planning and contract management - contracting industry unable to deliver projects - buoyant contracting industry pushes prices up to unacceptable levels  Too much staff time and resource consumed dealing with legacy issues Poor contract management	Reputational damage from public perception\reaction to project delays  Significant budget\cost increases on original budget caused by delays and low level of initial budget confidence.  Damage to council reputation - loss in community's faith in Councils ability to deliver projects and services.  Only part of programme can be delivered within available funding envelope. Project delays due to inability of market to deliver within proposed timeframes.	Executive Leadership Team	Major	Likely	<b>Significant Red</b>	Ensure Council is adequately resources to manage and deliver the work programme  Active staff recruitment & retention programme to ensure Council have sufficient skills staff to deliver projects and services  Regular project reporting to monitor progress	Partially Effective	Major	Likely	<b>Significant Red</b>	Treat	Increased reporting on projects as part of Council's financial reporting  A three waters programme delivery manager recruited to manage the work programme  Development of a Project\Contract Management programme over the first 6 months of the 2019 calendar year	Project reporting happens on a regular basis  Key three waters projects have been tendered and programme is underway.  Development of programme is underway.
10	<b>Adverse Environmental Change or events</b> Severe weather events and climate change effects impacting community wellbeing and property values	Strong communities  A prosperous district  A proud district	Sea level rise affects coastal communities resulting in loss of\damage to private property and council facilities.  More extreme weather events have adverse effect on Council facilities and private property.	Loss of ratepayer base and Council revenues. Significant ongoing repair\remediation costs to council assets.  Loss of failure of council infrastructure.	Executive Leadership Team	Catastrophic	Likely	<b>Extreme</b>	Asset Management Plans, work programmes and physical works contracts designed to ensure business continuity in adverse/extreme weather events	Mainly Effective	Catastrophic	Unlikely	<b>Moderate amber</b>	Treat	Ensure that AMPs, work programmes and contracts consider High Impact Local Probability (HILP) events for weather.  Second water supply source to be added to Waipukerau Supply to increase resilience  There is a piece of economic development assessment work underway to assess diversification options	Road maintenance contract management reviewed and improved to ensure a focus on resilience and restoration of service following major weather events. This completed and tested in 2018.  Project underway  Work is underway

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11	<b>Financial Strategy Failure</b> Implementation of council's Financial Strategy is not effective in guiding appropriate decision making to meet the financial pressures associated with maintaining the assets in a manner that is <u>affordable</u> to the CHB community.	Strong communities  A prosperous district  Smart growth	Materially incorrect financial strategy assumptions  Significant unforeseen event  Governance change and or change to council priorities impacting on ability to fulfil financial strategy parameters.  Pandemic  Economic downturn due to world recession, draught, sevberne weather event or similar.  Failure to deliver key projects.  Legislative change, including changing environmental standards.	Council's forecast financial situation is worse than that outlined to the community in the financial strategy   Forecast LTP projects or services cannot be delivered due to impact on financial parameters or community affordability   Economic downturns impacts on the community's ability to pay, reducing revenue to support projects and services  Damage to council reputation - loss in community's faith in Councils ability to deliver projects and services.	Executive Leadership Team	Catastrophic	Likely	Extreme	Financial strategy is reviewed at least 3 yearly (or earlier if an LTP amendment is required)  Internal Financial reporting is used to provide visibility of Council's financial performance to the Executive Leadership team and Council.  An external funding framework is being developed to look at non rates revenue sources The Financial Strategy is used to guide decision making where significant expenditure is required.	Mainly Effective	Catastrophic	Unlikely	Moderate amber	Treat	Work with HB region on Matariki Economic Development Project  Development of external funding framework	Ongoing  Project underway. Initial presentation to Council workshop. Initiatives such as PGF applications being explored
12								-					-			
13								-					-			
14								-					-			
15								-					-			