

Business Risk Management and Implementation Programme Policy (2000)

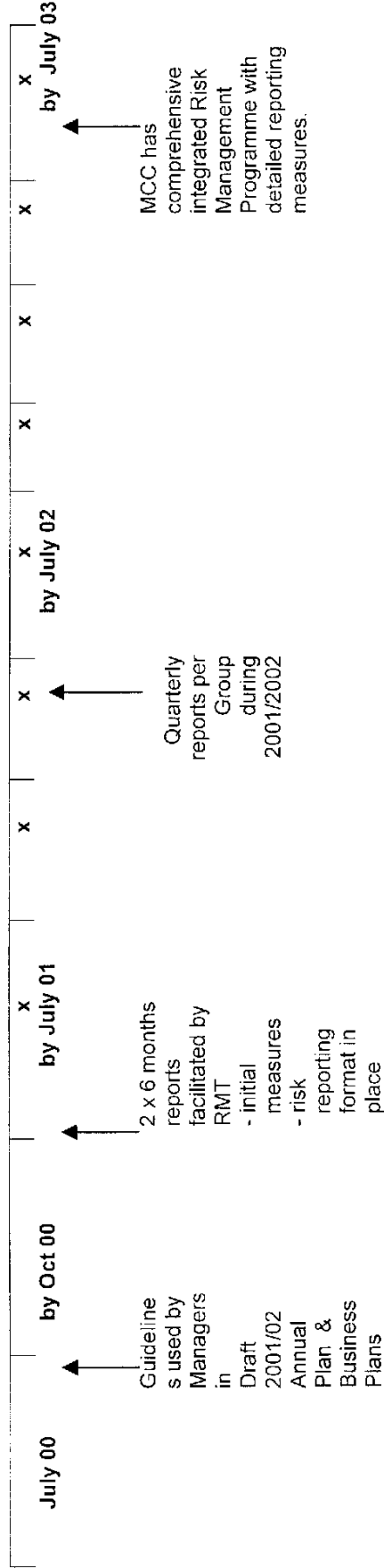
Minute Number: 1138/00

1. That the Business Risk Management and Policy Statement be approved.
2. That the City Manager provide six-monthly progress reports on the implementation of the three (3) year Risk Management Plan.

Business Risk Management Philosophy and Policy

1. Manukau City Council (MCC) aims to ensure sustainable urban development, to provide and maintain key infrastructure and services to ratepayers, and to meet all their other needs in accordance with the priorities outlined in the Strategic and Annual Plans.
2. MCC recognises that fundamental to the realisation of this philosophy are:
 - the efficient and effective use of ratepayers’ funds
 - the professional management of its physical assets, human and financial resources
 - the acquisition and maintenance of the relevant information required to make sound choices and decisions.
3. MCC wishes to proactively manage these risks which may compromise its ability to provide and maintain key infrastructure and services, maintain public health and safety and/or the future growth and economic well-being of the city.
4. MCC will adopt an approach to risk which permits risk taking where this is justified, provided that the risk can be managed appropriately according to agreed decisions criteria.
5. MCC will operate a corporate structure that:
 - delivers high quality, objective advice to elected members
 - delegates risk taking decisions to the lowest competent level of management
 - incorporates a rigorous decision-making process for new projects
 - manages through formal strategic and operational planning, and
 - measures performance according to integrated risk management practices.
6. MCC will foster an environment in which policy and management decision-making will be based on agreed risk management criteria, and practices including:
 - advice to senior management *immediately* of the occurrence and nature of any material risk event once it becomes apparent
 - delivery of a workable strategy for managing such event
 - accepting personal responsibility for ascertaining the cause of the event and taking steps to ensure that any lessons learned are incorporated into future risk management strategies.
7. Prior to implementation of alternative service delivery options/reduced involvement in the direct delivery of services, MCC will address the associated risks.

MANUKAU CITY COUNCIL
A TIMELINE FOR RISK MANAGEMENT PLAN IMPLEMENTATION



GLOSSARY OF TERMS

Where appropriate these have been based on the Australian New Zealand Standard AS/NZS 4360:1999

Control – a technique for mitigating or reducing risk

Raw Risk – the level of identified risk before existing mitigation or controls are taken into account.

Residual Risk – the remaining level of risk after risk mitigation measures have been taken.

Risk – the chance of something happening that will have an impact upon the achievement of objectives. It is best measured in terms of likelihood of occurrence and impact.

Risk Evaluation – the process used to determine risk management priorities by comparing the level of risk against predetermined standards, target risk levels or other criteria.

Risk Identification – the process of determining what can happen, why and how

Risk Management Process –the systematic application of management policies, procedures and practices to the tasks of establishing the context, identifying, analysing, evaluating, treating, monitoring and communicating risk.

Risk Mitigation – a technique or control for reducing the level of identified risk.