

Finance and Performance Committee

Meeting of 24 June 2026

Business Unit: Corporate

Date Created: 16 June 2026

Operational Risks Update

Purpose Te Aronga o te Pūrongo

To provide an update to the Committee on current operational risks that are assessed as being High or Extreme.

Recommendations Ngā Tūtohinga

That the Finance & Performance Committee receives the Operational Risks Update.

Report prepared by:

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Approved for submission by:

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General Manager – Corporate

1 Background Ngā Kōrero o Muri

- 1.1 The Risk Management Policy was reviewed by the Council at its meeting 17 June 2026. The Policy describes how the Council's risk framework works, which with regards to the operational risk register specifically covers:
- a. The likelihood scales (1 to 5) and impact scales (1 to 16);
 - b. Risk areas (e.g., Reputational, Service Delivery);
 - c. Quality and effectiveness of controls; and
 - d. Review and reporting schedules.
- 1.2 The population of risks for the operational risk register began in November 2024. Risks with a residual risk score of 'High' or 'Extreme' are reported to the Committee on a six-monthly basis.

2 Strategic Fit Te Tautika ki te Rautaki

- 2.1 Although this is largely an operational item, the reporting of high-level risks to the Committee furthers the Council's priority of "A future planned together". Officers welcome any feedback on the risks presented.

3 Discussion and Options Considered Ngā Matapakinga me ngā Kōwhiringa i Wānangahia

- 3.1 Attached to this report is the operational risk register for the Committee's information.
- 3.2 There are five current risks that are assessed as having residual risk ratings of 'High'. Four of these are within the Council's current risk appetite.
- 3.3 One risk is beyond appetite – 'Understated Income'. The reason for this is that the current ERP system presents some challenges in staff's ability to accurately track income, due to the lack of integration between our financial systems. Staff are required to complete many manual checks to compensate for this and rely on the imperfect financial reporting analysis that is achievable within the current system. The new ERP should streamline many of these issues, and it is expected that once the system is imbedded the residual score for this risk will be within appetite.

4 Risk Assessment Te Arotake Tūraru

- 4.1 The primary risk relates to ensuring that we remain current and responsive in the management of our operational risks. Officers have taken a modest approach to refurbishing Council's risk management framework (commenced in 2024). For example, it was determined early on that purchasing dedicated risk management software would not provide value for money. Instead, existing systems and staff resources have been utilised.
- 4.2 Officers are confident that this approach has been appropriate, and that any additional risks arising from it are minor and manageable.

5 Engagement Te Whakapānga

Significance of Decision

- 5.1 The Council's Significance and Engagement Policy is not triggered by matters discussed in this report. No stakeholder engagement is required.

Māori and Cultural Engagement

- 5.2 There are no known cultural considerations associated with the matters addressed in this report. No specific engagement with Māori or other ethnicity groups is necessary.

Community Engagement

- 5.3 No community engagement is warranted.

6 Operational Implications Ngā Pānga Whakahaere

- 6.1 There are no operational implications with this report.

7 Financial Implications Ngā Pānga Ahumoni

- 7.1 There are no financial implications with this report.

8 Statutory Requirements Ngā Here ā-Ture

- 8.1 There are no statutory requirements for this report.

9 Next Steps Te Kokenga

- 9.1 The next update will be provided to the Committee in December 2026.

10 Attachments Ngā ĀpitiHanga

- Operational Risk Register – June 2026