

## 7.2 Risk Update Report

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| Report To:     | Audit, Risk and Improvement Committee |
| Meeting Date:  | Wednesday, 18 June 2025               |
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### Purpose

To provide an update for the Audit, Risk and Improvement Committee on risk matters presently being managed by the Council.

### Recommendation

That the Audit, Risk and Improvement Committee:

- a. Receives and notes the Risk Update Report (Resolve # 2025-45).

### Executive Summary

As part of its responsibilities, the Audit, Risk and Improvement Committee has an oversight role in monitoring management's response to Council risk.

This report covers the following matters:

- Risk Framework
- Workplace Health & Safety and Wellbeing
- Emergency Management
- Fraud
- Waikato Water Done Well
- Cyber Security

### Discussion

#### Risk Framework

As previously advised at the last ARI Committee meeting, we have engaged David Robson, Risk and Insurance Specialist from AON Insurance to assist us in reviewing our risk management framework. David has extensive experience in risk management in Local Government and was the former Risk Manager at Hamilton City Council. To date we have completed a high-level review of the South Waikato District Council (SWDC) Risk Framework, Risk Policy, Strategic Risk Appetite Statements and our Business Continuity Planning template. The overall assessment is that the documentation is of high quality however it requires simplification to improve readability. It is proposed to incorporate the risk appetite statements and strategic risk register into the Risk framework

On the back of this work, an initial internal review has also been completed of our Business Resilience Framework, which includes Crisis/Incident Planning and Business Continuity Plans.

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**Feedback**

We had planned to present a revised framework for the Committee at this meeting; however, resource constraints due to the focus on Waikato Waters Done Well (WWDW) meant that we needed to defer this work.

The next phases of work will be to:

- undertake a risk maturity assessment of the understanding our Senior Leadership Team
- develop a training program
- update our strategic and operational risk registers
- update our Business Continuity Plans
- embed risk consideration, monitoring and reporting

**Workplace Health & Safety and Wellbeing**

As WHS is now considered an operational rather than strategic risk, incident reporting will primarily be reported through the Local Services Committee. Policy and critical incident reporting will continue to the Audit, Risk and Improvement Committee as needed together with an overall annual assessment.

There are currently no critical incidents which require reporting to the ARI Committee. An overall annual summary will be provided to the September meeting.

**Emergency Management**

A separate report on Civil Defence Emergency Management (CDEM) activity is provided in this agenda.

**Fraud**

We have reviewed and updated our Fraud Policy which is attached for consideration and input from the Committee.

Management is not aware of any instances of Fraud.

**Waikato Water Done Well (WWDW)**

A key risk identified for the Council is the Water reform process currently underway across the country. A separate report on WWDW is provided in this agenda.

**Cyber Security**

We continue to actively monitor and manage our cyber security risk. The Knowledge and Technology Manager is preparing a briefing paper for the next ARI Committee meeting on key actions and risks including internet security benchmarks and control plans for AI.