

Reference: 20150393

11 November 2015



Thank you for your Official Information Act request, received on 14 September 2015. You requested the following:

All current risk registers compiled by the department or on behalf of the department

On 12 October 2015 I wrote to you advising that the Treasury was extending the time limit for deciding on your request by an additional 20 working days.

Interpretation of your Request

I have interpreted your request to mean the high-level Treasury risk register.

Many areas of Treasury will have a risk register as part of 'business as usual' or for a special project. However, Treasury does not maintain a central record of such registers. I consider it would be an onerous task, and require diversion of significant resources, to attempt to research, compile, and assess every risk register that may exist in Treasury.

If you have a particular topic or area of interest, you may wish to make a fresh request with greater specificity.

Information Being Released

Please find enclosed the following document:

Item	Date	Document Description	Decision
1.	Current	Executive Leadership Team (ELT)/Kaiurungi risk register	Release in part

I have decided to release the document listed above, subject to information being withheld under section 9(2)(g)(i) of the Official Information Act:

- to maintain the effective conduct of public affairs through the free and frank expression of opinions.

In making my decision, I have considered the public interest considerations in section 9(1) of the Official Information Act.

Please note that this letter (with your personal details removed) and enclosed document may be published on the Treasury website.

This fully covers the information you requested. You have the right to ask the Ombudsman to investigate and review my decision.

Yours sincerely

Fergus Welsh
Chief Financial Officer

The Treasury - Risk Register										Residual Risk Assessment						
										Almost Certain	0	0	0	0	0	0
										Likely	0	0	0	0	0	0
										Possible	0	1	2	5	0	0
										Unlikely	0	0	2	9	0	0
										Rare	0	0	1	0	1	1
										Minimal	Minor	Moderate	Significant	Severe		
Inherent Risk Assessment										Residual Risk Assessment						
Risk that results in ... (provide a brief outline of the risk event and the impact)	What are main causes for the risk event to occur	Risk Owner	Assessment of control environment	Likelihood	Consequence	Risk Level	Other activities and actions taken to manage the risk	Risk Manager	Expected Completion Date	Likelihood	Consequence	Risk Level	Risk Direction	Acceptable/ not acceptable	Comments	
Focus on Right Areas Risk that the Treasury does not successfully focus on the initiatives and work programmes that will have the most impact on the achievement of the Treasury's intermediate outcomes and four year excellence horizon, resulting in sub-optimal delivery, lack of impact, and / or undue work pressures on staff. This includes the need to get the right balance between progressing Government priorities and initiatives and critical business as usual functions such as Government Budget and managing the Crown's financial assets and liabilities.	<ul style="list-style-type: none"> lack of the clarity on activities to be undertaken and including resource requirements. This includes core BAU as well as Big Rocks contributing to our Intermediate Outcomes unclear roles and responsibilities for the executive, line managers and the different executive management forums involved in the process lack of reliable and timely information on the status of key activities and resource requirements/implications 	CE /ELT	Satisfactory	Possible	Significant	High	<ul style="list-style-type: none"> Categorisation of resources through the planning process provides greater transparency of trade-offs that inform ELT and OLAG of prioritisation decisions Oversight role of ELT supported by OLAG - regular (weekly) area of focus by ELT Clarity of roles and responsibilities Strategic Intention Steering Groups, Deputy Secretaries and Directors Quarterly prioritisation discussions with Minister, which involves agreeing clear 3-6 month milestones and an assessment of progress to date (refer December 2014 meeting) The revised economic strategy and a focus on the impact of activities on achieving our intermediate outcomes will be used to inform the Treasury's prioritisation processes over the next few years - demonstrated through the 2015/16 Planning Process. 	DCE/ Int Outcome Owners	30-Jun-15	Rare	Significant	Medium	↘	Acceptable once implemented		
Responsive to Changing Requirements It is recognised that during the next four years there will be new and emerging areas of focus arising. The risk is that the Treasury is not agile and nimble enough to be able respond to emerging priorities.	<ul style="list-style-type: none"> Failure to identify emerging issues in a timely manner Unclear roles and responsibilities for the decision making process Inadequate information to scope resource requirements Lack of flexibility to reprioritise the organisation activity 	CE /ELT	Satisfactory	Possible	Significant	High	<ul style="list-style-type: none"> Clear linkage between strategy and planning processes and resource allocations driven off this Oversight role of ELT supported by OLAG including having clarity on trade-offs and informing Ministers of implications Medium term investment programme, LTFS, Investment Statement etc developed with strong engagement with Ministers and external stakeholders and findings inform future prioritisation of people capability, \$ and work programmes Reallocation of resources across the four year baseline, and use of tools such as the retention of under spends will assist in determining the sequencing and timing of initiatives. Clarity on purpose and main areas of emphasis of the Change Programme Ensure effective communication strategy with staff. 	DCE/ Int Outcome Owners	30-Jun-15	Rare	Significant	Medium	→	Acceptable once implemented	This risk reflects any unforeseen changes and shifts in priority areas that may occur during 2015 that would require the Treasury to change its focus.	
Changing Operating Model If the changes to the Operating Model set out in the Four-year Plan are not integrated and aligned strategically and operationally, they will not produce the required results in the change areas specified, and the Four-Year Plan will underachieve	<ul style="list-style-type: none"> The number of change initiatives occurring & the interdependencies Lack of clarity on deliverables, timeframes and accountabilities Lack of coordination across the the different change initiatives Stakeholders don't understand or accept the change in Treasury's approach Failure to embed the change as part of normal business as usual practice Inadequate monitoring arrangements in place to track progress Lack of alignment between operating procedures and business processes with changing strategic and operational priorities lack of clarity on the role of Kaiurungi in corporate areas provided by CASS (Kaiurungi vs Partnership Board) 	CE /ELT	Satisfactory	Possible	Significant	High	Processes already working : <ul style="list-style-type: none"> The Operating Model changes drive off the Treasury strategy and there is a clear linkage to the strategic objectives to support any changes Clear alignment between Operating Model and Workforce Strategy, ISSP and financial strategy exists as part of Four-Year Plan development Further actions required : <ul style="list-style-type: none"> Governance for implementation of these streams of work – closely monitored and tracked as key areas of focus by -ELT and Kaiurungi Develop clear KPIs Tracking progress against KPIs 	COO/ Kaiurungi ???	30-Dec-15	Possible	Moderate	Medium	↘	Acceptable once implemented	The Four-Year Plan states: The Treasury is... changing... to be better placed to achieve our strategic direction and meet government priorities. These changes include: <ul style="list-style-type: none"> more active management of the Crown's balance sheet supporting the Social Housing Reform Programme (SHRP) investment management and asset performance working effectively to support State sector outcomes establishing stronger governance, leadership and coordination of our work on social inclusion raising awareness, professionalism and skills development in financial management strengthening our use of information, and implementing our Information Strategy (IS). 	
Stewardship risks - maintaining Treasury's Asset Base & Capability The Treasury's main assets are its people, information and system tools. The risk is that we don't adequately invest in maintaining and developing our people, information, systems and tools that result in quality of our services being impacted.	Failure through: <ul style="list-style-type: none"> staff capability & capacity - failure to attract, develop and retain staff Aggrieved & disengaged staff Financial constraints - meaning adequate investment does not occur on physical assets (maintenance, replacement and ensuring a safe working environment) inadequate financial planning resulting in surprises and sweating of assets leading to failure inadequate investment in systems and tools inadequate performance information received and reported on 	CE /OLAG	Satisfactory	Possible	Significant	High	<ul style="list-style-type: none"> Develop financial investment strategy that sets out how we will address financial pressures over the next 4 years - to be included as part of the Four Year Plan Workforce strategy sets out the future capability requirements and provides the strategy to achieve. This includes reviewing the Treasury's Diversity and Employee Value Proposition strategies, which will have a focus on identifying alternative channels for attracting talent to the Treasury, and what makes it attractive for someone to join the Treasury and remain with us. The work on this will also feed into the Treasury's review of its recruitment strategy IS sets out the direction that we are taking which is consistent with direction and guidance provided by GCIO Information Strategy being developed to address how we manage the data Management information systems developed and implemented that provide timely and relevant information to support good decision making and tracking key financial and HR KPIs Executive oversight of performance - use of the ELT dashboard to focus on the right areas and the right decisions 	Dep Sec SCP/ CFO	30-Jun-15	Unlikely	Significant	Medium	→	Acceptable once implemented		
Stewardship risks - Organisational resilience If the central business functions on which Treasury depends to deliver its services are not well designed and maintained, then Treasury will not be able to maintain its services following a disruption. The result will be critical services will fail, Crown operations will be disrupted, and the reputation and influence of Treasury will be damaged.	Failure in the following: <ul style="list-style-type: none"> ICT compromised through security breaches inadequate DRP & BCP (reliance on CASS and its support for the three Central Agencies) Adequacy of Treasury's Corporate Policies and procedures and staff awareness of them 	COO (DS SCP)	Satisfactory	Possible	Severe	Very High	Processes already working: <ul style="list-style-type: none"> Treasury Crisis Management Plan that is supported by CASS; in need of update and testing. CASS coordinated the Central Agencies response for GCIO return Code of Conduct and other ethics related policies and procedures Further actions required: <ul style="list-style-type: none"> Update to Treasury Crisis Management Plan. This will be aligned with response strategies developed for the other Central agencies Review and update of Treasury Business Continuity Plan, aligned with services for other Central Agencies Undertake an exercise to test the Treasury Crisis Management Plan Review of Treasury Corporate Policies (CASS undertaking the review of policies that they are responsible for) 	Risk Advisor Risk Advisor/ CASS Director & Managers Risk Advisor, Tsy Managers	30 Sept 2015 " 30 Nov 2015	Unlikely	Severe	Very High	→	Acceptable once implemented		

[Withheld under s9(2)(g)(i)]

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Strategic Risks - As Per Four Year Plan

