

Agenda for a meeting of the Audit & Risk Committee of the Waikato District Council to be held in Committee Rooms 1 & 2, District Office, 15 Galileo Street, Ngaruawahia on **WEDNESDAY 13 MARCH 2019** commencing at **9.00am**.

Information and recommendations are included in the reports to assist the Committee in the decision making process and may not constitute Council's decision or policy until considered by the Committee.

1. APOLOGIES AND LEAVE OF ABSENCE

2. CONFIRMATION OF STATUS OF AGENDA

Representatives from Audit New Zealand will be in attendance.

3. DISCLOSURES OF INTEREST

4. CONFIRMATION OF MINUTES

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GJ Ion
CHIEF EXECUTIVE

Open Meeting

To	Audit & Risk Committee
From	Gavin Ion Chief Executive
Date	18 December 2018
Prepared by	Lynette Wainwright Committee Secretary
Chief Executive Approved	Y
Reference #	GOV1318
Report Title	Confirmation of Minutes

1. EXECUTIVE SUMMARY

To confirm the minutes of the Audit & Risk Committee held on Wednesday 12 December 2018.

2. RECOMMENDATION

THAT the minutes of the Audit & Risk Committee held on Wednesday 12 December 2018 be confirmed as a true and correct record of that meeting.

3. ATTACHMENTS

Minutes 12 December 2018

MINUTES of a meeting of the Audit & Risk Committee of the Waikato District Council held in the Council Chambers, District Office, 15 Galileo Street, Ngaruawahia held on **WEDNESDAY 12 DECEMBER 2018** commencing at **9.02am**.

Present:

Ms M Devlin (Chairperson) *[until 11.32am and from 11.50am]*
His Worship the Mayor Mr AM Sanson
Cr AD Bech
Cr JM Gibb
Cr JD Sedgwick *[until 11.32am and from 11.42am]*

Attending:

Cr S Lynch
Cr N Smith
Mr GJ Ion (Chief Executive)
Mrs S O’Gorman (General Manager Customer Support)
Mrs LM Wainwright (Committee Secretary)
Ms A Diaz (Chief Financial Officer)
Mr M Willcock (Chief Information Officer)
Mr K Abbott (Organisational Planning & Project Support Manager)
Mr M Balloch (Building Quality Manager)
Mr K Pavlovich (Waters Manager)
Mrs K Jenkins (Project Management Advisor)
Ms M Russo (Acting Corporate Planning Team Leader)
Mrs M Baena-Escamilla (Continuous Improvement Analyst)
Mr L Pieterse (Director Audit New Zealand)
Mrs L Shirley (Zero Harm Manager)
Mr D Sutton (KPMG)
Mr A Siew (KPMG)

APOLOGIES AND LEAVE OF ABSENCE

Resolved: (His Worship the Mayor/Cr Sedgwick)

THAT an apology be received from **Cr Main**.

CARRIED on the voices

A&R1812/01

CONFIRMATION OF STATUS OF AGENDA ITEMS

Resolved: (His Worship the Mayor/Cr Gibb)

THAT the agenda for a meeting of the Audit & Risk Committee held on Wednesday 12 December 2018 be confirmed and all items therein be considered in open meeting with the exception of those items detailed at agenda item 6 which shall be discussed with the public excluded.

CARRIED on the voices

A&R1812/02

DISCLOSURES OF INTEREST

The Chair, Ms Devlin, advised members of the Committee that a Watercare item was on the agenda. She had not received the papers in respect of this item and would vacate the Chair and leave the meeting when this item was discussed.

Cr Gibb advised members of the Committee that she would declare a non financial conflict of interest in item 5.1.3 [*Emerging Risks December 2018 – District Plan portion*].

Cr Sedgwick advised members of the Committee that she would declare a non financial conflict of interest in item 5.1.3 [*Emerging Risks December 2018 – District Plan portion*].

CONFIRMATION OF MINUTES

Resolved: (Crs Gibb/Bech)

THAT the minutes of a meeting of the Audit & Risk Committee held on Monday 17 September 2018 be confirmed as a true and correct record of that meeting.

CARRIED on the voices

A&R1812/03

REPORTS

Strategic Risk Register
Agenda Item 5.1.1

The report was taken as read and the following points were highlighted:

- Economic Development Strategy overdue. A report will come back to the March Audit and Risk Committee meeting which will update the mitigations and current level of activity in managing this risk.
- Focus is needed in the right areas to ensure delivery rather than a “scatter gun” approach. The Committee requested that the areas of key influences need to be identified.

Resolved: (Crs Bech/Sedgwick)

THAT the Audit & Risk Committee approves the proposed changes to the Strategic Register.

CARRIED on the voices

A&R1812/04

Risk Framework
Agenda Item 5.1.2

The report was taken as read and the following points were highlighted:

- Review has been carried out with the Executive Team.
- Questions as to whether the balance is right. Monthly meetings held with Executive Team which reviews this issue.
- How to deliver the risk message and culture within the change process.
- Creating a safe environment for discussions and taking appropriate risks is being encouraged.

Resolved: (Crs Sedgwick/Gibb)

THAT the report from the Chief Operating Officer be received.

CARRIED on the voices

A&R1812/05

Emerging Risks
Agenda Item 5.1.3

Cr Gibb declared a conflict of interest, withdrew from the table and did not speak to, or vote on this item.

Cr Sedgwick declared a conflict of interest, withdrew from the table and did not speak to, or vote on this item.

The report was taken as read and the following points were highlighted:

- Coverage of emerging and current risks is well reported.
- Further discussion is required in 2019 re: Healthy Rivers – deep dive on this issue.
- Worksafe now also looking at Wellbeing.
- Staff working from home – is this risk fully understood?

Resolved: (His Worship the Mayor/Cr Bech)

THAT the report from the Chief Operating Officer be received.

CARRIED on the voices

A&R1812/06

Risk Appetite Review

Agenda Item 5.1.4

The report was taken as read and the following points were highlighted:

- Living, thriving, connected communities to be incorporated into the risk appetite statement.
- Transparency and awareness is lifting in the organisation.
- Council has processes in place to help identify, discourage and minimise risk of fraud.
- Importance of a consistent message.

Resolved: (His Worship the Mayor/Cr Gibb)

THAT the report from the Chief Operating Officer be received;

AND THAT the Audit & Risk Committee notes the proposed changes to the Organisational Risk Appetite Statements and the final document be distributed to Councillors before the March meeting.

CARRIED on the voices

A&R1812/07

Risk Conversations

Agenda Item 5.1.5

The report was taken as read and the following points were highlighted:

- Is there a risk of Councillors logging into home computers to change passwords? The citrix server mitigates this risk.
- Risk of mobility being reviewed. Upgrade of firewall and VPN to enable staff to utilise laptops and work from home. The Chief Information Officer considers appropriate controls are in place and KPMG is comfortable with this.

Resolved: (Crs Sedgwick/Bech)

THAT the report from the Chief Operating Officer be received.

CARRIED on the voices

A&R1812/08

Insurance Renewal 2018

Agenda Item 5.3.1

The report was taken as read and the following points were highlighted:

- Insurance premium increases. It was noted that this was replicated throughout the country.
- Cyber insurance is in place – report from Aon to be received in due course.

Resolved: (Crs Gibb/Bech)

THAT the report from the Chief Operating Officer be received.

CARRIED on the voices

A&R1812/09

Final Management Report for Year Ended 30 June 2018
Agenda Item 5.3.2

The report was taken as read and the following points were highlighted:

- Audit New Zealand Management Report to Council is the final version not draft as shown. The final report is to be emailed to Committee members.
- 4 new issues have been raised in the final audit.
- Audit NZ advised there were no key issues in respect of the final Management Report.

Resolved: (Crs Bech/Gibb)

THAT the report from the General Manager Community Growth be received.

CARRIED on the voices

A&R1812/10

Update on Process, Audit and Quality Improvement
Agenda Item 5.3.3

The report was taken as read and the following points were highlighted:

- 8 non compliances identified – what does it do to the risk profile?
- Staff policies are for staff only not elected members.

Resolved: (Crs Sedgwick/Bech)

THAT the report from the Chief Operating Officer be received.

CARRIED on the voices

A&R1812/11

Update on Progress against Audit Issues
Agenda Item 5.3.4

The report was taken as read.

The CEO advised that the remaining 10 outstanding issues were proving difficult to address. This is being discussed with the SLT.

Resolved: (Crs Sedgwick/Bech)

THAT the report from the General Manager Community Growth be received.

CARRIED on the voices

A&R1812/12

2017/18 Annual Report risk observation update

Agenda Item 5.3.5

The report was taken as read and the following points were highlighted:

- Animal welfare and farming practices need to be clarified.
- Farm management needs to have appropriate protocols in place for handling animals.

Resolved: (Cr Gibb/His Worship the Mayor)

THAT the report from the Chief Operating Officer be received.

CARRIED on the voices

A&R1812/13

Update on Our Plan – Gearing for Growth & Greatness

Agenda Item 5.3.6

The report was taken as read and the following points were highlighted:

- Structure and readiness.
- Reduction in risk.
- Ability to attract staff is improving.
- Exit interviews.

Resolved: (Cr Sedgwick/His Worship the Mayor)

THAT the report from the Chief Operating Officer be received.

CARRIED on the voices

A&R1812/14

Fraud Prevention Policy Review

Agenda Item 5.3.7

The report was taken as read and the following point was highlighted:

- Cyber prevention.

Resolved: (Crs Sedgwick/Gibb)

THAT the report from the Chief Operating Officer be received.

CARRIED on the voices

A&R1812/15

Project Closure Report - Enterprise Cash Receipting
Agenda Item 5.3.8

The report was taken as read and the following point was highlighted:

- A good report showing learnings. It was also noted that the potential negative impact of non cash handling had been well managed.

Resolved: (Cr Bech/His Worship the Mayor)

THAT the report from the Chief Operating Officer be received.

CARRIED on the voices

A&R1812/16

Office Lockdown Event September 2018
Agenda Item 5.3.9

The report was taken as read and the following points were highlighted:

- Good responses from MBIE and the Police.
- MBIE were involved as the complaint was about the building consent process.
- Good team in place to deal with these types of situations.

Resolved: (Crs Gibb/Sedgwick)

THAT the report from the General Manager Customer Support be received.

CARRIED on the voices

A&R1812/17

Risk & Assurance Forum Action Outcomes
Agenda Item 5.3.10

The report was taken as read and the following point was highlighted:

- Staff turnover and engagement.

Resolved: (His Worship the Mayor/Cr Bech)

THAT the report from the Chief Operating Officer be received.

CARRIED on the voices

A&R1812/18

Updated Future Work Plan and Action List
Agenda Item 5.3.11

The report was taken as read.

Resolved: (Crs Sedgwick/Gibb)

THAT the report from the Chief Operating Officer be received.

CARRIED on the voices

A&R1812/19

EXCLUSION OF THE PUBLIC

Agenda Item 6

Resolved: (His Worship the Mayor/Cr Gibb)

THAT the public be excluded from the meeting to enable the Audit & Risk Committee to deliberate and make decisions on the following items of business:

- a. **Confirmation of Minutes dated 17 September 2018**

REPORTS

- a. **Waikato District Council Zero Harm Safety Management System**

The general subject of the matter to be considered while the public is excluded, the reason, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 are as follows:

Reason for passing this resolution to withhold exists under: **Ground(s) under section 48(1) for the passing of this resolution is:**

Section 7(2)(b)(f)(i)(g)(h)(i)(j)

Section 48(1)(3)(d)

- b. **Waters Social Franchise Model Strategic Deep Dive Report**

The general subject of the matter to be considered while the public is excluded, the reason, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 are as follows:

Reason for passing this resolution to withhold exists under: **Ground(s) under section 48(1) for the passing of this resolution is:**

Section 7(2)(b)(f)

Section 48(1)(3)(d)

c. KPMG Procurement and Contract Management Review

The general subject of the matter to be considered while the public is excluded, the reason, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 are as follows:

Reason for passing this resolution to Ground(s) under section 48(1) for the withhold exists under: passing of this resolution is:

Section 7(2)(b)(ii)(i)

Section 48(1)(3)(d)

d. Procurement Manager Report

The general subject of the matter to be considered while the public is excluded, the reason, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 are as follows:

Reason for passing this resolution to Ground(s) under section 48(1) for the withhold exists under: passing of this resolution is:

Section 7(2)(b)(ii)(i)

Section 48(1)(3)(d)

e. Fraud Declaration

The general subject of the matter to be considered while the public is excluded, the reason, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 are as follows:

Reason for passing this resolution to Ground(s) under section 48(1) for the withhold exists under: passing of this resolution is:

Section 7(2)(a)

Section 48(1)(a)(d)

f. Register of Interests

The general subject of the matter to be considered while the public is excluded, the reason, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 are as follows:

Reason for passing this resolution to Ground(s) under section 48(1) for the withhold exists under: passing of this resolution is:

Section 7(2)(f)(h)(i)(j)

Section 48(1)(3)(a)(d)

g. Committee Time with Audit New Zealand

The general subject of the matter to be considered while the public is excluded, the reason, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 are as follows:

Reason for passing this resolution to Ground(s) under section 48(1) for the withhold exists under: passing of this resolution is:

Section 7(2)(f)(g)(h)(i)(j)

Section 48(1)(a)(d)

AND FURTHER THAT Ms Devlin (Chair), Mr Pieterse (Audit New Zealand), Mr D Sutton (KPMG) and Mr A Siew (KPMG) remain in the meeting after the public has been excluded to chair/facilitate the discussion on items in PEX 7 [Public excluded items] in the public excluded section of the meeting;

CARRIED on the voices

A&R1812/20

Resolutions A&R1812/21 - A&R1812/26 are contained in the public excluded section of these minutes.

Having resumed open meeting and there being no further business the meeting was declared closed at 11.51am.

Minutes approved and confirmed this day of 2018.

Margaret Devlin
CHAIRPERSON

Meeting

To	Audit & Risk Committee
From	Tony Whittaker Chief Operating Officer
Date	26 February 2019
Prepared by	Katja Jenkins Risk Advisor
Chief Executive Approved	Y
Reference #	GOV1318 / 2184926
Report Title	Strategic Risk Register March 2019

I. EXECUTIVE SUMMARY

This report details:

- Key strategic risks affecting the organisation in the last quarter;
- Recommendation for key strategic risk deep dive activity for next quarter;
- Risk Appetite Statement gap analysis; and
- Strategic risk activities undertaken.

2. RECOMMENDATION

THAT the report from the Chief Operating Officer be received.

3. DISCUSSION

Key Strategic Risks – Last Quarter

- 1. People & Culture:** *Business outcomes are significantly impacted due to an inability to attract and or retain suitable personnel.*

As previously reported to the Audit & Risk Committee (“the Committee”), Council recognised the need for an organisational vision that manages both current and future business and a commitment was made to improve our organisational culture.

Last quarter significant outcomes towards achieving this goal were delivered including:

- Organisational re-structure (went live in December 2018);
- First and second recruitment waves;

- District wide drop in sessions;
- Co-design workshops to finalise Our Plan strategy chapters;
- Physical space changes (e.g. the Innovation Space, agile work areas and internal branding);
- Increased presence and interaction of the Executive Leadership Team;
- Timely and transparent flat communication (a move away from cascaded messaging);
- Revitalising our branding and marketing (specific to our recruitment activity); and
- Designing tactics to align individuals and teams to Council's vision of Liveable, Thriving and Connected Communities ('what's our why').

The different tactics culminated in the delivery of the Team Up event at Hampton Downs on 15 January. The event was designed in the style of a one day conference with the intent to 'care for our people, value our people, and inspire our people'. The desire was that all staff would come away from the day believing that the organisation has changed, trusting that things will be different, and excited to contribute to Waikato District Council being successful. The event achieved those outcomes.

The next six months is focussed on maintaining momentum and working with the motivated and willing to continue developing the organisational culture. Key engagement projects will be led by staff concentrating on our organisation as a liveable, thriving and connected community, which will translate in the work programmes for our customers across the district.

2. Contract Management; *Business outcomes are significantly impacted due to an inability to attract and or retain suitable personnel.*

Opportunity to improve Councils approach to contract management has been recognised. Although the Contract risk is classified in the operational space strategic impacts are identified across the following risks:

- Zero Harm;
- Projects & Initiatives;
- Council Partnerships; and
- Stakeholder Engagement.

To meet the identified requirement Council have appointed two roles focused on delivering improved solutions in the contract space: a Funding and Partnerships Manager; and a Contracts and Partnering Manager. The roles will involve initiatives in consultation with the existing Procurement Manager to mitigate contract risk in high risk, high value contracts and partnership agreements.

Key Risk – Next Quarter Deep Dive

It is recommended that the next deep dive is focused on the "Stakeholder Engagement" risk. Recent update of the strategic risk register identified that the organisational restructure impacted associated risk treatments. The Deep Dive would facilitate exploration of the risk, assist in identifying and documenting current treatments, and inform assessment updates.

Risk Appetite Statement (“RAS”) Gap Analysis

During February the final workshop took place to update the Strategic Risk Register. This included performing the residual risk assessments based on the effectiveness of current treatments (note: each risk owner had reviewed and updated the existing treatments during December and January). The updated Strategic Risk Register is attached as *Appendix I*.

Gap analysis has examined the separation between the residual risk assessment and Councils risk appetite. Seven of the thirteen strategic risks demonstrate misalignment. Discussion indicates that in most cases the separation is a known with work underway to bridge the gap. It is therefore expected that a downward trend in most strategic risk areas should become apparent over the coming twelve months. The Executive Leadership Team, in consultation with the Committee, may decide that specific nonalignment requires additional mitigation/contingency planning. This work should be prioritised accordingly. The following information summaries discussions:

R00189 – Regional/National Strategic Planning: *Council experiences significant disruption to business function caused by local or national government reforms, decentralization and delegation of authority, or through other external or internal authoritative influences.*

Residual Rating:	Moderate
Risk Appetite:	Moderate
Alignment:	Yes

The current residual risk rating has been identified through this quarter’s Deep Dive report process. The process outputs included a number of recommendations for amendment to the risk and treatments although the risk does currently sit within appetite. Recommendations have been acknowledged by the Executive Leadership Team and updates will be made during the next quarter.

R00184 – Zero Harm: *Significant harm is caused to workers, or others, due to poor or inactive health and safety procedures, non-compliance with legislative requirements, or inadequate governance/ management of contractual health and safety requirements.*

Residual Rating:	Extreme
Risk Appetite:	Low
Alignment:	No

The associated legislation is fully understood and relevant policy and processes are documented with appropriate resources in place. Internally, focus now needs to be on continued development of Zero Harm culture to close the gap between appetite and performance. Furthermore, contract governance is a known issue. Work is underway to ensure that contractual requirements are appropriate, adequately governed, and that commitments to adopt requirements culturally, both internally and externally, are met to reduce the residual risk in this area.

R00191 – Projects & Initiatives: *Council fails to produce required project benefits due to poor delivery of projects and programmes caused by a lack of procedure or capability.*

Residual Rating: Extreme
Risk Appetite: Moderate
Alignment: No

Work continues to educate the organisation on good project management practice. It will take some time for the organisation to start to demonstrate reduced risk as maturity in project management grows. A downward trend in the residual risk is expected over the next 24 months as the culture change advances in this direction.

R00230 – Growth: *Council experiences significant business and community disruption caused by district growth.*

Residual Rating: High
Risk Appetite: High
Alignment: Yes

This risk is assessed to be on the lower end of the 'high' scale. Treatments, in particular the formation of a dedicated team for growth, appropriately mitigate the risk and are likely to maintain the risk within appetite in the near future.

R00231 – Waters Social Franchise Model (with Watercare): *Council experiences significant disruption to business operations during contract modelling, transition and implementation, caused by the loss of personnel and or a lack of governance.*

Residual Rating: High
RAS: Moderate (people), Reputation (low), Political/ Strategic (moderate)
Alignment: No

Pressure here is in the reputational and relationship space. Delays associated with late canvassing of the Waters Governance Board have resulted in a recent increase in the residual risk rating as a lack of decision making impacts implementation of the final contract. The project team are closely monitoring the risks and risk workshops are underway to ensure the combined register is comprehensive and transparent. The Waters Governance Board meeting, scheduled for 1 March 2019, is expected to provide insights which may have an impact on the current residual risk score.

R00053 – Business Resilience: *Business function is significantly interrupted due to a lack of business continuity planning and organisational resilience.*

Residual Rating: High
Risk Appetite: Low
Alignment: No

The gap between Councils appetite and the residual risk is a known. Work to reduce the gap has started with the full time appointment of the Risk Advisor. This role provides increased resource to further develop Business Continuity planning. The associated work

programme will commence during March with attendance at the Risk Management in Government Congress.

R00128 – Cyber Security: *Council function is significantly interrupted due to unauthorized access or theft of privileged information caused by external cyber-attack or employee behaviour.*

Residual Rating: High
Risk Appetite: Moderate
Alignment: No

Work to improve both the likelihood and consequence of this risk remain. Business continuity planning, specific projects aimed on improving data management and the organisational cultural programme are expected to deliver further mitigations over the next 12-18 months. The move to increase flexibility in the working environment and staffing changes, a component of the organisational change programme, may demonstrate a temporary increase in risk however this change is seen as a necessity to facilitate the organisational direction.

R00190 – People & Culture: *Business outcomes are significantly impacted due to an inability to attract and or retain suitable personnel.*

Residual Rating: Moderate
Risk Appetite: Moderate
Alignment: Yes

The change programme has made significant in-roads to mitigating this risk. Focus has been on resetting the organisation through a co-designed restructure and increasing staff numbers in line with business needs. A refreshed recruitment approach has seen an increased number of applicants and improved calibre. The campaign has three distinct market positions: local; Auckland; and international. The second wave of recruitment commenced February and the third launches in March.

Internal and external feedback on the success of the programme has been received and already demonstrates that Council is attracting new talent. It is predicted that efforts to maintain momentum will demonstrate a continued downward trend in the residual risk.

R00185 – Asset Management: *Council fails to provide sustained delivery of core services as the result of critical assets failing or becoming unfit for purpose.*

Residual Rating: Moderate
Risk Appetite: Low
Alignment: No

A number of proposed projects, aimed at improving Councils assets knowledge, may help to better understand the extent of this risk. In the interim, the unknown factors deliver misalignment between the residual risk and Councils appetite. Further mitigation planning is recommended when Asset information can more accurately be measured.

R00187 – Stakeholder Engagement: *Council fails to deliver appropriate community outcomes and or wastes resources due to unsuitable stakeholder identification and interaction practices.*

Residual Rating: Moderate

Risk Appetite: Low

Alignment: No

A meeting with the Manager Communications, Marketing & Engagement is arranged for 4 March 2019 to examine the misalignment. Outcomes from the meeting will be presented to the Executive Leadership Team for consideration.

R00188 – Economic & Social Development: *Waikato district suffers inhibited economic and social development and or missed funding opportunity as a result of poor planning, investment strategy, and or relationships.*

Residual Rating: Moderate

Risk Appetite: Moderate (Political & Strategic), High (Growth)

Alignment: Yes

It has been established that the Economic Strategy requires review and an absence of a social strategy is noted however the district blueprinting programme, along with other planning activities, act to mitigate this risk and it therefore remains within the current appetite.

R00192 – Compliance Management: *Council is exposed to significant financial loss or business disruption caused by non-compliance with legislative, regulatory or policy requirements.*

Residual Rating: Moderate

Risk Appetite: Low to Moderate

Alignment: Yes

Although Council currently have a number of known compliance weakness, the areas that they fall under and the consequences of these are tolerable. The existing mitigations therefore maintain the risk within appetite.

R00183 – Council Partnerships: *Council experiences diminished public confidence and or operations are significantly impacted due to actions, representations or conduct of partnership enterprises or associations.*

Residual Rating: Moderate

Risk Appetite: Low (Reputation/ Image), Moderate (People)

Alignment: Yes

With consideration to existing partnerships this risk currently falls within appetite. An upcoming project aims to deliver standards and specifications associated with future partnership agreements which will further mitigate this risk.

Strategic Risk Activities

Risk Culture Project

The Implementing Risk Culture Project kick off took place during February. The project aims to progress Councils risk culture by enabling an appropriate and consistent approach to risk taking and encouraging the use of risk practices to inform decision making. Upcoming project activities include:

- Identifying the current level of risk culture across the organisation (based on the KPMG model) through a cross organisational risk survey and sample group interviews; and
- External modelling (case studies) to identify success criteria for environments that empower staff engage with and apply risk thinking for advantage.

The project brief details outcomes and expected benefits. The brief along with the high level project plan are included in *Appendix 2*.

Upcoming – Risk Management in Government Congress

During March 2019 the Risk Advisor will attend the Risk Management in Government Congress. Topics included in the conference will inform both the Business Continuity and Risk programmes including:

- shared risk in collaborative relationships;
- adapting to climate change and developing resilience;
- creating and spreading a positive risk culture throughout your organisation;
- data analytics to understand and manage risk;
- integrating risk into enterprise governance and strategic decision making;
- building resilience in a digital environment;
- resilience for critical infrastructure; and
- risk to enhance business operations.

The full congress agenda is attached in *Appendix 3*.

Upcoming – Risk Strategy Forum

On 3 April 2019 the Risk Advisor will attend the Risk Strategy Forum. The agenda includes insurance and risk management topics facing local and central Governments and opportunity to engage with industry leaders. Topics include:

- Emerging risks associated with the effects of climate change from an asset management perspective;
- Case studies of the loss handling process;
- Improvements that can be made in the claims notification process to enhance risk mitigation;
- How quality risk information can assist determining actions to mitigate potential rating increases of assets; and

- Contract Works: insurance, terms and conditions impact on the policy.

The full agenda is available in *Appendix 4*.

Outstanding Action Items

In response to the Committees concerns related to focusing risk activities, it has been established that effort will now be targeting identified risk areas where misalignment sits outside of Councils appetite and tolerance. The monthly risk report (from the Risk Advisor to the Executive Leadership Team) will highlight these areas, deliver recommendations and use associated decisions to drive the risk focus for the upcoming month.

4. CONCLUSION

The Strategic Risk Register is now current and live. Value from review of the register is gained through applying a risk lens when prioritizing activity and considering risk impact of activity in the strategic context.

5. ATTACHMENTS

- Appendix 1: Strategic Risk Register
- Appendix 2: Implementing Risk Culture Project Brief
- Appendix 3: Risk Management in Government Congress
- Appendix 4: Risk Strategy Forum 2019

Risk Register

Filter: Classification(s): STRATEGIC (A&R Committee)

RESIDUAL
-
NOT
ASSESSED

INHERENT
6.0

R00189

POLITICAL, STRATEGIC (A&R COMMITTEE)

Regional/National Strategic Planning; Council experiences significant disruption to business function caused by local or national government reforms, decentralization and delegation of authority, or through other external or internal authoritative influences.

Amendments to local or national legislation, government practices or other authorities require significant change to business operations.

OWNER Clive Morgan

CREATED 9/5/2016 12:21:58 PM

RISK LIKELIHOOD DESCRIPTORS Unlikely (2)

RISK CONSEQUENCE DESCRIPTORS Moderate (3)

TREATMENT MC00135

Council participates as a key stakeholder in the Waikato Mayoral forum, Waikato LASS and Future Proof. Through these initiatives Council proactively contributes to a single voice for the Waikato region to central government.

This treatment impacts the likelihood of the risk by capitalising on relationships with other councils in the region and by being part of a collaborative governance approach.

TREATMENT MC00490

The Long Term Plan (LTP) and Annual Plan process provide a basis for an assessment of legislative and other external and internal influences on the business.

This treatment impacts the likelihood of the risk by ensuring Council is adequately informed of Regional and National governance development and provides a set process to accommodate currency of information to future planning.

TREATMENT MC00491

Through applied process Councils keeps abreast of Government's legislative pronouncements and becomes involved through the submissions process in any development that would advocate Councils best interest.

This treatment impacts the likelihood of the risk by ensuring that Council not only has the required information regarding developments but an avenue to respond to/influence outcomes.

TREATMENT MC00492

Councils Chief Executive (CE) is committed to building a relationship with Wellington to facilitate open communication and ensure the organisation receives timely information and has opportunity for response and contribution.

Regular meetings are held with Central Government ministers and with a key manager in the Department of Internal Affairs.

This treatment impacts the likelihood of the risk by assisting in the timely communication of information and developments.

SIGNOFF(S):

Gavin Ion

DUE DATE:

01 May 2019

FREQUENCY:

1st day of every 3 months

SIGNOFF(S):

Jim Ebenhoh

DUE DATE:

01 Apr 2019

FREQUENCY:

1st day of every 3 months

OVERDUE

SIGNOFF(S):

Christine Pidduck

DUE DATE:

01 Feb 2019

FREQUENCY:

1st day of every 3 months

SIGNOFF(S):

Gavin Ion

DUE DATE:

01 May 2019

FREQUENCY:

1st day of every 3 months

TREATMENT MC00500

District Development Strategy

The purpose of the District Development Strategy is to provide the Council with a strategic spatial framework for development planning. The District Development Strategy links to the District Plan Review, the Long Term Plan, the Economic Development Strategy, the Infrastructure Strategy and the Integrated Land Transport Strategy.

This treatment impacts the likelihood of the risk by ensuring Councils has a plan for development that incorporates a scheduled formal review process to consider and communicate changes in direction and development planning.

OVERDUE

SIGNOFF(S):

Jim Ebenhoh

DUE DATE:

01 Feb 2019

FREQUENCY:

The first Day of every 12 months

RESIDUAL

20.0

EXTREME

INHERENT

25.0

R00184

COMPLIANCE/ REGULATORY, PEOPLE, STRATEGIC (A&R COMMITTEE)

**Zero Harm;
Significant harm is caused to workers, or others, due to poor or inactive health and safety procedures, non-compliance with legislative requirements, or inadequate governance/ management of contractual health and safety requirements.**

People are harmed as a result of the Council failing to implement and or maintain appropriate health and safety policies, procedures, and processes or sustain an H&S aware culture

OWNER Gavin Ion

CREATED 9/5/2016 10:47:22 AM

RISK LIKELIHOOD Almost Certain (5)
DESCRIPTORSRISK CONSEQUENCE Catastrophic (5)
DESCRIPTORSRESIDUAL RISK LIKELIHOOD Likely (4)
DESCRIPTORSRESIDUAL RISK Catastrophic (5)
CONSEQUENCE
DESCRIPTORS

TREATMENT MC00415

Zero Harm Strategic Plan

The strategic plan identifies high level strategic health and safety improvement activities to deliver on the Organisation's Zero Harm vision. The plan is developed by the Zero Harm Team and reviewed and approved by the ELT, SLT and Safety Action Team. Progress on achieving the plan is reported on to the Council via the Monthly Council Report and to the ELT on a weekly basis.

This treatment impacts the likelihood of the risk by providing clear expectation of organisational requirements and describing agreed governance and management methods.

TREATMENT MC00416

Monitor and maintain operational Zero Harm critical risk and hazard registers. Critical risks are identified and managed using the BowTie Risk Management approach. Critical risks are contained in an organisational risks register. Operational hazards are identified and recorded in hazard registers.

This treatment impacts the likelihood of harm by identifying and prioritizing operational risks across the organisation and planning mitigation to reduce, transfer or avoid the risk.

SIGNOFF(S):

Lynn Shirley

DUE DATE:

01 Jun 2019

FREQUENCY:

1st day of every 6 months

SIGNOFF(S):

Lynn Shirley
Kylie Anderson

DUE DATE:

01 Jun 2019

FREQUENCY:

1st day of every 6 months

24

TREATMENT MC00435

Council Health and Safety management systems and processes are audited to AS/NZS 4801 Standard, currently Council has achieved ACC WSMP tertiary level. The chief executive and management team carry out due-diligence site visits in compliance with the Health and Safety at Work Act 2015. Contractors are audited on an on going schedule.

This treatment impacts the likelihood of the risk by ensuring that our systems and processes meet the required standards however, it should be noted that they may not meet the legislative requirements.

TREATMENT MC00437

The Executive Leadership Team review the organisation critical risk register 6mthly. Service delivery review risks specific to their operational group monthly.

The Executive Leadership Team hold safety conversations with staff around the critical risks to ensure what we say we do and what is actually done is in agreement or note any differences. The conversation also uncovers whether there are any other outstanding or important matters from a zero harm perspective that should be considered. This treatment impacts the likelihood of the risk by ensuring the Executive Leadership Team and Managers are aware of the risks and relevant treatment processes.

TREATMENT MC00545

Waikato District Council has a Risk and Hazard management system known as BWare. BWare is used to record identified critical risks and hazards. Controls to manage critical risks and hazards are documented in BWare and actions can be assigned for control implementation. BWare is managed by the Zero Harm Team however it is the responsibility of all workers, management and contractors to comply with risk and hazard identification and management processes and procedures. The completion of actions is tracked weekly by the Zero Harm Team and status reports provided and discussed with the Executive Leadership Team (ELT) on a weekly basis.

This treatment impacts the likelihood of the risk by detailing site and occupation specific hazards and capturing and communicating relevant safety requirements.

SIGNOFF(S):

Lynn Shirley

DUE DATE:

01 Feb 2020

FREQUENCY:

The first Day of every 12 months

SIGNOFF(S):

Gavin Ion

DUE DATE:

27 Jun 2019

FREQUENCY:

The last Thursday of every 6 months

SIGNOFF(S):

Lynn Shirley
Kylie Anderson

DUE DATE:

31 Jul 2019

FREQUENCY:

The last Day of every 12 months

25

TREATMENT MC00584

The contract and tendering process has specifications which ensure that all contractors that are selected to undertake works (long or short term) supply details of H&S practices, including how and who will manage them. This process includes the contractor being added to the SHE Prequalified Contractor Database and ensures that all selected contracts include and meet Councils requirements for H&S and H&S legislative standards. Periodic checks are performed by Councils Zero Harm team to monitor contractor compliance.

This treatment impacts the likelihood of the risk by providing clear and documented expectations to contractors during the selection and on-boarding process, reducing the risk of non-compliance.

SIGNOFF(S):

Lynn Shirley

DUE DATE:

01 Aug 2019

FREQUENCY:

The first Weekday of every 12 months

RESIDUAL
20.0
EXTREME

INHERENT
25.0

R00191

BUSINESS CONTINUITY, PEOPLE, REPUTATION/ IMAGE, STRATEGIC (A&R COMMITTEE)

**Projects & Initiatives;
Council fails to produce required project benefits due to poor delivery of projects and programmes caused by a lack of procedure or capability.**

Inconsistent knowledge, practices and or efficiency results in Council failing to deliver or perform against expected programme or project outcomes.

OWNER Kurt Abbot

CREATED 9/5/2016 12:23:20 PM

RISK LIKELIHOOD DESCRIPTORS Almost Certain (5)

RISK CONSEQUENCE DESCRIPTORS Catastrophic (5)

RESIDUAL RISK LIKELIHOOD DESCRIPTORS Likely (4)

RESIDUAL RISK CONSEQUENCE DESCRIPTORS Catastrophic (5)

TREATMENT MC00430

Every three years Council creates Long Term Plan (LTP) works streams that capture programmed works scheduled to deliver the LTP commitments. These work streams include annual Activity Management Plans (AMPs) that dictate which programmes will be undertaken (through projects and initiatives) for the subsequent period.

This treatment impacts the likelihood of the risk by detailing and documenting Councils annual and triannual work plan.

OVERDUE

SIGNOFF(S):

Ian Cathcart
Sue O'Gorman

DUE DATE:

01 Feb 2019

FREQUENCY:

1st day of every 12 months

26

TREATMENT MC00431

In 2010 Council introduced a business specific Project Management Framework based on best practice project management methodology. In 2018 the methodology was reviewed and is currently being tested and rolled out to the business. The methodology provides a common and widely understood set of processes and tools to be used across Council to:

1. Deliver a consistent project approach
2. Align projects to strategic goals and outcomes
3. Facilitate collaboration between organisational teams
4. Offer an organisational view of all project work
5. Improve status/progress reporting
6. Increase project management knowledge
7. Identify opportunity for improvement and development

Dedicated project support staff augment and administrate the framework including delivery of system and methodology based training programmes.

This treatment impacts the likelihood by providing a higher level of transparency, by facilitating the identification and assessment of risks during planning and by providing a consistent approach to planning and managing project work.

TREATMENT MC00436

Implementation of Project Management Forum. The forum was mandated in September 2016 in response to recommendations of an external audit commissioned by Audit & Risk Committee during 2016. The Forum is primarily tasked to deliver priority recommendations that both aim to improve future project delivery at Council and provide greater consistency in project management and understanding across the organisation.

This treatment impacts the likelihood by promoting cross organisation buy-in and developing a consistent project minded culture.

OVERDUE

SIGNOFF(S):

Kurt Abbot

DUE DATE:

01 Feb 2019

FREQUENCY:

1st day of every 6 months

OVERDUE

SIGNOFF(S):

Kurt Abbot

DUE DATE:

01 Feb 2019

FREQUENCY:

1st day of every 6 months

27

TREATMENT MC00438

Portfolio Management governance structure
 The purpose of the governance structure is to:
 - to prioritise a programme of work that delivers the Our Plan objectives
 - to support and work with Project Managers to ensure projects are set up and executed correctly
 - provide a level of governance and reporting medium for the programme to ensure transparency in project progress
 - make decisions on project/programme specifics including; funding; resource allocation; prioritizing issues
 This treatment impacts the consequence of the risk by ensuring that issues are identified and addressed in a timely manner and the likelihood by providing an additional, high level of governance and structure to projects that are likely to have strategic impact.

SIGNOFF(S): Kurt Abbot
 DUE DATE: 01 Aug 2019
 FREQUENCY: 1st day of every 12 months

RESIDUAL
 12.0
 HIGH

INHERENT
 20.0

BUSINESS CONTINUITY, FINANCIAL, PEOPLE, STRATEGIC (A&R COMMITTEE)

**Growth;
 Council experiences significant business and community disruption caused by district growth.**

This may include but is not limited to; decay in LOS, unmanageable funding allocations, speed of growth exceeding or not meeting growth forecasts, etc.

OWNER Clive Morgan
 CREATED 8/14/2018 2:19:14 PM

RISK LIKELIHOOD DESCRIPTORS Likely (4)

RISK CONSEQUENCE DESCRIPTORS Catastrophic (5)

RESIDUAL RISK LIKELIHOOD DESCRIPTORS Possibly (3)

RESIDUAL RISK CONSEQUENCE DESCRIPTORS Major (4)

R00230

TREATMENT MC00590

Hamilton to Auckland Corridor Programme and Future Proof Partnership
 This project examines growth pressures and opportunities across district boundaries.

This treatment impacts the likelihood of the risk through an enduring partnership approach, coordination of growth challenges and opportunities with the intention of giving effect to governments Urban Growth Agenda. It also impacts the consequence of the risk by ensuring transparency allowing for mitigation strategies to be implemented should developments arise.

TREATMENT MC00592

District wide & Local Area Blueprints
 These documents capture communities visions and will help to inform future work programmes (including funding allocation).

This activity impacts the likelihood of the risk by ensuring that our growth management approach reflects community aspirations and provides a platform of understanding for Council to facilitate planning. Furthermore it provides an idea of the disruption that Council is trying to avoid. It also informs the growth strategy in coordination with other sub-regional initiatives e.g. corridor plan.

SIGNOFF(S): Vishal Ramduny
 DUE DATE: 31 Aug 2019
 FREQUENCY: The last Day of every 6 months

SIGNOFF(S): Jim Ebenhoh
 DUE DATE: 28 Feb 2019
 FREQUENCY: The last Day of every 6 months

28

TREATMENT MC00593

District Plan Review

Incremental reviews are performed e.g. plan changes. Council is in the process of a comprehensive review (since 2014).

This treatment impacts the likelihood of the risk by setting the regulatory framework for sustainable use of natural resources and growth management to ensure it reflects strategic direction of Council and partners.

TREATMENT MC00594

District Development (Growth) Strategy

The strategy focuses on growth in and around the districts towns and villages and aims to assist with better economies of scale and enable provision of affordable infrastructure. The strategy is subject to periodic review.

This treatment impacts the likelihood of the risk by providing an integrated strategic framework for regulation and growth related decision making.

TREATMENT MC00595

Integrated Land Use & Infrastructure Planning

This treatment is not stand alone, it informs all strategic, policy and infrastructure planning undertaken by Council.

This approach includes;

- Recognition of the need within Council for a more integrate, focused and agile approach e.g. the creation of the Community Growth Group
- Development and maintenance of relationships with partners/agencies/service providers to enable a more unified planning approach as well as increasingly collaborative work with our neighboring councils (Hamilton and Auckland) to manage cross-boundary effects of growth.
- Addressing climate change mitigation by factoring such considerations into our network infrastructure planning, protecting highly versatile soils for food production, and identification of hazards
- Ensuring that this integrated planning approach flows through into funding decisions in the next Long Term Plan.

This treatment impacts the likelihood and consequences of the risk.

SIGNOFF(S):

Jim Ebenhoh

DUE DATE:

28 Feb 2019

FREQUENCY:

The last Day of every 6 months

SIGNOFF(S):

Jim Ebenhoh

DUE DATE:

28 Feb 2019

FREQUENCY:

The first Day of every 6 months

SIGNOFF(S):

Clive Morgan

DUE DATE:

29 Feb 2020

FREQUENCY:

The last Day of every 12 months

TREATMENT MC00596

Community Growth Group

This group was created as part of the restructure in response to identified growth impact. The intent of the group is to ensure an integrated approach to land use, infrastructure planning and economic and social development across Council.

Within the Community Growth Group a Growth Analytics function has been created to monitor growth and population changes to better prepare us to respond to growth pressures.

This treatment impacts the likelihood of the risk by providing a dedicated team focusing on growth, growth management and community development.

TREATMENT MC00597

Implementation of National Policy Statement on Urban Development Capacity.

This action impacts the likelihood of the risk by ensuring that Council monitors the adequacy of residential and business land to meet forecast demand.

SIGNOFF(S):

Clive Morgan

DUE DATE:

01 Feb 2020

FREQUENCY:

The first Day of every 12 months

SIGNOFF(S):

Vishal Ramduny
Jim Ebenhoh

DUE DATE:

28 Feb 2019

FREQUENCY:

The last Day of every 6 months

RESIDUAL

12.0

HIGH

INHERENT

25.0

R00231

BUSINESS CONTINUITY, PEOPLE, TECHNICAL, STRATEGIC (A&R COMMITTEE)

Waters Social Franchise Model (with Watercare); Council experiences significant disruption to business operations during contract modelling, transition and implementation, caused by the loss of personnel and or a lack of governance.

Loss of staff results in a loss of organisational knowledge and or inability to provide core services, or the waters contract process is unsuitable/inappropriate due to poor governance.

OWNER Ian Cathcart

CREATED 12/12/2018 2:48:50 PM

RISK LIKELIHOOD Almost Certain (5)
DESCRIPTORSRISK CONSEQUENCE Catastrophic (5)
DESCRIPTORSRESIDUAL RISK LIKELIHOOD Likely (4)
DESCRIPTORSRESIDUAL RISK Moderate (3)
CONSEQUENCE
DESCRIPTORS

TREATMENT MC00467

Communications Plan

A detailed communications plan is being developed that aims to ensure that both internal staff, external organisations (including other councils), and the public are informed of developments relating to the Waters contract.

This plan includes, but is not limited to:

- Cross council communications updates
- Periodic internal communications specific to impacted teams
- Whole organisational communications (ad-hoc where a requirement is identified)

This treatment impacts the likelihood by removing uncertainty through pro-active engagement with key internal and external stakeholders.

TREATMENT MC00468

Waters Governance Group

A WGB has been appointed. The group, comprising three (3) external members and the CE from Council, meet periodically to discuss and represent Council on Waters decisions, future development and associated actions. This group will have the delegations to meet collectively with other councils and external bodies.

The treatment impacts the likelihood of the risk by ensuring Council is well informed, has opportunity to consider developments and provides avenue for internal, cross council, and external communication pathways.

OVERDUE

SIGNOFF(S):

Jacob Quinn

DUE DATE:

17 Dec 2018

FREQUENCY:

The first Day of every 3 months

SIGNOFF(S):

Ian Cathcart

DUE DATE:

01 Jun 2019

FREQUENCY:

The first Day of every 6 months

30

TREATMENT MC00486

Waters Project Group

The group (staff based at General Manager level) meet fortnightly to discuss CCO associated progress/changes and inform the governance group of any progress and any emerging issues or risks associated with project.

This treatment impacts the likelihood of the risk by ensuring that all stakeholders are aware of current situation and likely progress associated with CCO.

TREATMENT MC00586

Staff Retention Policy.

A retention policy that incentivises staff remaining with Council until the transition date has been implemented. The policy includes three incremental payment scheduled as;

- 15%

-15%

- 70%

The final will be delivered when the contract is in place and hand-over occurs.

This treatment impacts the likelihood of the risk due to financial benefits for staff.

TREATMENT MC00587

Watercare Transition Project

A project has been launched to develop and manage a detailed transition plan. The project has a dedicated project manager and will be supported by Councils PMO. Associated risks will be managed by the project team throughout the negotiations period.

This treatment reduces the likelihood of the risk by ensuring a coordinated and controlled approach to the transition. It also impacts the consequences through the project risk management process and contingency planning.

TREATMENT MC00588

Supplementary Resource Requisition

Whilst the Waters Team will continue to provide BAU services during the transition, maintenance of agreed services has been secured through the implementation of the following arrangements;

- budget allocation to facilitate contractor/consultant appointment
- Fixed term appointments
- WSL secondment opportunity (specifically to fill technical vacancies)
- External technical expertise support

SIGNOFF(S):

Ian Cathcart

DUE DATE:

01 Apr 2019

FREQUENCY:

The first Day of every 6 months

SIGNOFF(S):

Karl Pavlovich

DUE DATE:

FREQUENCY:

Once

SIGNOFF(S):

Carole Nutt

DUE DATE:

01 Mar 2019

FREQUENCY:

1st day of every 3 months

SIGNOFF(S):

Karl Pavlovich

DUE DATE:

01 Mar 2019

FREQUENCY:

The first Day of every 3 months

31

TREATMENT MC00589

Structure & Transferal of Staff

As part of the negotiations Council has negotiated a contract inclusion that ensures that all existing staff are guaranteed a role in the WSL structure. The draft proposed structure is due to be finalized prior to 21 December 2018.

This treatment reduces the likelihood of the risk by removing uncertainty in employment status during and after tranistion.

SIGNOFF(S):

Ian Cathcart

DUE DATE:

FREQUENCY:

Once

RESIDUAL
12.0
HIGH

INHERENT
15.0

R00053

BUSINESS CONTINUITY, STRATEGIC (A&R COMMITTEE)

**Business Resilience;
Business function is significantly interrupted due to a
lack of business continuity planning and
organisational resilience.**

Council operations are impacted through failure to and create
prioritize action plans for implementation in the event of a business
impact incident.

OWNER Kurt Abbot

CREATED

RISK LIKELIHOOD
DESCRIPTORS Possibly (3)

RISK CONSEQUENCE
DESCRIPTORS Catastrophic (5)

RESIDUAL RISK LIKELIHOOD
DESCRIPTORS Possibly (3)

RESIDUAL RISK
CONSEQUENCE
DESCRIPTORS Major (4)

32

TREATMENT MC00138

The Business Continuity Project was completed
as part of the Our Plan 2015/16 programme of
work. As a result of the project the following
business resilience planning and analysis has
taken place;
- departmental business continuity impact
analysis has been performed and documented
- Potential governance was considered as part of
the project closure resulting in the
implementation of a structured incident
management team (including associated
communication procedures and processes) and is
now monitored by the Process Improvement
Forum

This impacts the consequence by identifying and
prioritizing critical business function in the event
of an incident. It also provides a defined method
of governance and communication to ensure
management, support and recovery procedures
are conducted in a coordinated manner.

A complete refresh and relaunch is being planned
first half of 2019. Business continuity has now
also been assigned as a key portfolio under the
Risk Advisor role.

TREATMENT MC00456

Civil Defence & Emergency Management (CDEM)
Waikato District Council is part of the CDEM
group. The role of the group is to work in
partnership with communities to ensure the
effective and efficient delivery of emergency
management within the Waikato region. Council
employees are obligated to provide support where
necessary as part of their roles (subject to
situation specific circumstance). Council staff are
trained in specific emergency management roles
and have processes and procedures that aim to
both reduce the impact of incidents and (where
possible) to maintain the provision of Council
services.

This treatment impacts the consequences of the
risk by ensuring there is an organisational
understanding of Councils commitment to
maintain and manage the on-going delivery of
Council services during an incident.

SIGNOFF(S):

Kurt Abbot

DUE DATE:

01 Dec 2019

FREQUENCY:

1st day of every 12 months

OVERDUE

SIGNOFF(S):

Kelly Newell

DUE DATE:

01 Feb 2019

FREQUENCY:

1st day of every 6 months

RESIDUAL
12.0
HIGH

INHERENT
15.0

R00128

COMPLIANCE/ REGULATORY, PEOPLE, TECHNICAL, STRATEGIC (A&R COMMITTEE)

**Cyber Security;
Council function is significantly interrupted due to unauthorized access or theft of privileged information caused by external cyber attack or employee behaviour.**

Council systems and or processes are compromised by cyber crime resulting in significant financial and or business impact.

OWNER Mark Willcock

CREATED

RISK LIKELIHOOD
DESCRIPTORS Possibly (3)

RISK CONSEQUENCE
DESCRIPTORS Catastrophic (5)

RESIDUAL RISK LIKELIHOOD
DESCRIPTORS Possibly (3)

RESIDUAL RISK
CONSEQUENCE
DESCRIPTORS Major (4)

33

TREATMENT MC00427

Cyber security insurance cover (CyberEdge Liability Insurance) has been purchased.

Inclusions listed are:

- Data administrative investigations
- Data administrative fines
- Electronic data
- Repair of policy holders reputation
- Repair of individuals reputation
- Notification and monitoring costs
- Forensic service costs
- Media content library
- Cyber extortion
- Network interruption insurance

This impacts the consequence of the risk by facilitating expert resources, financial support and remedial works in the event of an incident.

TREATMENT MC00428

IM Business Continuity Plan:

The IM team have in place a BCP including a disaster recovery plan to align the technical IT recovery procedures to the overall enterprise BCP. It includes;

- a communication plan
- prioritising the critical systems for recovery first
- regular tests of back up and recovering procedures
- simulations with various scenarios

This treatment impacts the consequence by detailing priority procedures in the case of an incident, ensures systems/process are fully functional and that staff are aware of their responsibilities and trained to manage them in the case of an event.

TREATMENT MC00433

Cyber security is managed using best practise methodologies by using security measures at various layers of connection.

- Firewalls
- Server
- PC
- User
- Physical
- Wireless access
- WDC website

This impacts the likelihood by increasing the security of the environment.

TREATMENT MC00434

Internal and external audit and review (as part of the annual audit programme). This impacts the likelihood of the risk occurring by identifying possible weaknesses in process.

SIGNOFF(S):

Alison Diaz

DUE DATE:

01 Dec 2019

FREQUENCY:

The first Day of every 12 months

OVERDUE

SIGNOFF(S):

Mark Willcock

DUE DATE:

01 Feb 2019

FREQUENCY:

1st day of every 12 months

OVERDUE

SIGNOFF(S):

Mark Willcock

DUE DATE:

01 Feb 2019

FREQUENCY:

1st day of every 12 months

OVERDUE

SIGNOFF(S):

Mark Willcock

DUE DATE:

01 Feb 2019

FREQUENCY:

1st day of every 12 months

RESIDUAL
9.0
MODERATE

INHERENT
20.0

R00190

BUSINESS CONTINUITY, PEOPLE, STRATEGIC (A&R COMMITTEE)

People & Culture;
Business outcomes are significantly impacted due to an inability to attract and or retain suitable personnel.

Council are unable to recruit, promote or keep staff in core service positions due to a lack of appropriately trained people, industry competition or perceived or actual Council culture.

OWNER Vanessa Jenkins

CREATED 9/5/2016 12:22:54 PM

RISK LIKELIHOOD Almost Certain (5)
DESCRIPTORS

RISK CONSEQUENCE Major (4)
DESCRIPTORS

RESIDUAL RISK LIKELIHOOD Possibly (3)
DESCRIPTORS

RESIDUAL RISK CONSEQUENCE Moderate (3)
DESCRIPTORS

34

TREATMENT MC00474

HR Strategy

The HR Strategy guides the direction of Councils personnel management including but not limited to;

- Succession, recruitment and workforce planning
- Initiatives
- Support requirements (inc technology, market analytics and metrics)

This treatment impacts the likelihood by providing the structure to implement pro-active actions associated with attracting and maintaining resources.

TREATMENT MC00475

Maintenance of peripheral workforce.

Council's business groups maintain relationships with key consultancy practices for the purpose of employing specialist services and/or for providing resources where personnel vacancies exist or where it is identified that supplementary personnel are required in addition to the permanent workforce.

This treatment impacts the consequence of the risk by providing options for temporarily filling vacancies facilitating time for recruitment whilst maintaining business as usual.

TREATMENT MC00476

An organisational change program has been implemented to deliver initiatives associated with improved workplace culture and leadership. The program comprises a number of project work-streams championed by the Executive Leadership Team.

A Change Manager has been appointed to oversee and lead the process. Implementation is underway of new staff structure and reporting lines.

This treatment impacts the likelihood of the risk by providing a strategic approach to changing the organisational culture.

SIGNOFF(S):

Vanessa Jenkins

DUE DATE:

01 Mar 2019

FREQUENCY:

The first Day of every 6 months

SIGNOFF(S):

Ian Cathcart
Sue O'Gorman
Tony Whittaker

DUE DATE:

01 Apr 2019

FREQUENCY:

The first Day of every 6 months

SIGNOFF(S):

Gavin Ion

DUE DATE:

01 May 2019

FREQUENCY:

The first Day of every 3 months

RESIDUAL
9.0
MODERATE

INHERENT
16.0

R00185

FINANCIAL, TECHNICAL, STRATEGIC (A&R COMMITTEE)

**Asset Management;
Council fails to provide sustained delivery of core services as the result of critical assets failing or becoming unfit for purpose.**

Assets failures (including Waters and Roding) caused by poor planning, maintenance and or management impact core services.

OWNER Ian Cathcart

CREATED 9/5/2016 11:06:29 AM

RISK LIKELIHOOD
DESCRIPTORS Likely (4)

RISK CONSEQUENCE
DESCRIPTORS Major (4)

RESIDUAL RISK LIKELIHOOD
DESCRIPTORS Possibly (3)

RESIDUAL RISK
CONSEQUENCE
DESCRIPTORS Moderate (3)

35

TREATMENT MC00162

Activity Management Policy

Councils Activity Management Policy provides statements on how Council will manage assets and deliver associated services in a cost effective, sustainable, well planned and coordinated manner to provide agreed levels of service. Its purpose is to outline the level of management appropriate for each activity for Council to achieve best management practice and meet statutory obligations.

This treatment impacts the likelihood of the risk by outlining what level of activity management the organisation is willing to commit to, therefore setting expectations for the organisation to deliver against.

TREATMENT MC00163

The WDC 2015-2045 Infrastructure Strategy documents the management philosophy that is applied to Waikato Districts' infrastructure assets.

The strategy covers the following asset types:

- Water Treatment and supply
- Wastewater Treatment and Disposal
- Stormwater Drainage
- Roads and Footpaths.

This treatment impacts the likelihood of the risk by detailing and providing visibility of expectations to ensure Council works to a consistent standard.

TREATMENT MC00464

The National Asset Management Standards dictate and define the Councils Activity Management Plans (AMPs). The AMPs are reviewed yearly and undergo a 3 yearly re-write to feed into Councils Long Term Plan (LTP) cycle.

This treatment impacts the likelihood of the risk by ensuring Councils AMPs adhere with national standards.

OVERDUE
SIGNOFF(S):

Ian Cathcart
Sue O'Gorman

DUE DATE:

01 Sep 2018

FREQUENCY:

The first Day of every 12 months

SIGNOFF(S):

Gary Dela Rue
Karl Pavlovich

DUE DATE:

01 Apr 2020

FREQUENCY:

The first Day of every 12 months

OVERDUE
SIGNOFF(S):

Ian Cathcart
Sue O'Gorman

DUE DATE:

01 Feb 2019

FREQUENCY:

1st day of every 12 months

36

TREATMENT MC00465

Council has a number of asset management specific strategies in place and under development. These include:

- Parks & Facilities; Toilet Strategy, Cemetery Strategy, Trails Strategy, Te Kauwhata Trails Strategy, Esplanade Strategy, Parks Strategy, Aquatic Facilities Strategy, Sport and Recreation Strategy (joint with Sport Waikato), Playground Strategy
- Roading; Waikato Integrated land transport strategy (TO DO)
- Waters; 50 year water/wastewater/storm water strategies, 30 year infrastructure plan

This treatment impacts the likelihood of the risk by detailing and making visible Councils commitments for the management and maintenance of assets along with Councils commitment to level of service requirements.

TREATMENT MC00466

Service Delivery performs regular and continual collection of asset data for the purpose of condition assessment. This data informs programmes of work associated with asset maintenance and renewals. Data collection sources include (but are not limited to):

- RAMM
- Asset Finder
- SPM
- dTIMS

This treatment impacts the likelihood of the risk by ensuring that data driven planning can take place to maintain assets. It also impacts the consequence by supplying the information required to ensure currency of asset condition reporting and any required contingency activities.

SIGNOFF(S):

Karl Pavlovich
Gary Dela Rue
Megan May

DUE DATE:

01 Apr 2019

FREQUENCY:

The first Day of every 12 months

SIGNOFF(S):

Karl Pavlovich
Gary Dela Rue
Megan May

DUE DATE:

01 Apr 2019

FREQUENCY:

The first Day of every 12 months

TREATMENT MC00121

Engagement practices, including public meetings, are conducted to provide public engagement opportunities. These include but are not limited to:

- Long Term Plan, Bylaws and Annual Plans Special Consultative Procedure
- Reserve Management Plan (RMP - as per the Act)
- Policy (statutory) Special Consultative Procedure
- Policy (non-statutory) Section 82 and significance and engagement policy specification.

This treatment impacts the likelihood by providing opportunities for people within the community to engage with Council in a variety of different mediums.

OVERDUE

SIGNOFF(S):

Jim Ebenhoh

DUE DATE:

01 Feb 2019

FREQUENCY:

1st day of every 12 months

RESIDUAL
9.0
MODERATE

INHERENT
16.0

R00187

POLITICAL, REPUTATION/ IMAGE, STRATEGIC (A&R COMMITTEE)

**Stakeholder Engagement;
Council fails to deliver appropriate community
outcomes and or wastes resources due to unsuitable
stakeholder identification and interaction practices.**

People become/remain disengaged as a result of Council failing to communicate/consult appropriately.

OWNER Jacob Quinn

CREATED 9/5/2016 11:20:04 AM

RISK LIKELIHOOD
DESCRIPTORS Likely (4)

RISK CONSEQUENCE
DESCRIPTORS Major (4)

RESIDUAL RISK LIKELIHOOD
DESCRIPTORS Possibly (3)

RESIDUAL RISK
CONSEQUENCE
DESCRIPTORS Moderate (3)

37

TREATMENT MC00164

Community Engagement Strategy:
This Strategy provides WDC with guidance on its community engagement activities.
This treatment impacts the likelihood of the risk by providing Council employees a practical guide in best practice engagement and the community an understanding of how Council aims to engage with them.

TREATMENT MC00165

Significance & Engagement Policy

The policy outlines how WDC will assess "significance", as required by the LGA amendment bill. A particular issue is the determination of whether an issue is of "high" significance or not in regard to the impact on communities, rather than just on economic impact which is generally the current basis for council decisions.

Environmental, social and cultural well-beings must also form part of a significance determination which should not be overshadowed by financial considerations.

This treatment impacts the likelihood of the risk by providing a practical guide that outlines how to assess the impact of action and suitable engagement practices to meet the assessment.

TREATMENT MC00457

Implementation of appropriate strategies and policies to ensure community needs are captured and met. These include, but are not limited to:
- Confirmation of the Long Term Plan priority projects

- Community engagement policy
- Significance and engagement policy
- Community engagement strategy
- Customer complaints and compliments policy

This treatment impacts the likelihood of the risk by documenting Councils commitments and associated expectations relating to how councils engages with the community.

TREATMENT MC00458

Council has a Communications Framework in place which guides the way we do things. A specific engagement strategy is under development as a key Our Plan project in 2017.

This treatment will impact the likelihood of the risk by providing practical guidance for Council to support community engagement practices and the consequence by ensuring a consistent, defined and measured approach when planning and/or managing communications.

OVERDUE
SIGNOFF(S): Jim Ebenhoh
DUE DATE: 01 Feb 2019
FREQUENCY: 1st day of every 12 months

OVERDUE
SIGNOFF(S): Jim Ebenhoh
DUE DATE: 01 Feb 2019
FREQUENCY: 1st day of every 12 months

OVERDUE
SIGNOFF(S): Jim Ebenhoh
DUE DATE: 01 Feb 2019
FREQUENCY: 1st day of every 6 months

OVERDUE
SIGNOFF(S): Jacob Quinn
DUE DATE: 01 Feb 2019
FREQUENCY: 1st day of every 3 months

38

TREATMENT MC00459

CE and Executive Team provide updates to Councillors, Community Boards and Committees on community plans through forward facing meetings.

This treatment impacts the likelihood of the risk by ensure adequate engagement with the community by communicating relevant plans, decisions and actions and by providing opportunity (through Board or Committee, venue or other medium) for feedback.

TREATMENT MC00460

Community Development roles and Operational Field Staff.

A number of roles including Youth Engagement Advisor, lwi Liaison and Community Development Advisor, aim to ensure that appropriate engagement is conducted with specific community groups. These roles are targeted, extending and adding to the engagement activities of front facing field staff e.g. Animal Control, Building, Libraries etc

This treatment impacts the likelihood of the risk by facilitating consideration of communication and engagement practices for community minorities, isolated groups and/or key community stakeholders.

TREATMENT MC00461

Engagement Forum

The Waikato District Council Leadership Programme has the 2020 Challenge at its core and is taking the role of an Engagement Forum. Included in the programme is discussion and documentation on how to champion engagement within the organisation and how to develop plans that provide direction of engagement associated with meeting the 2020 Challenge.

This treatment will impact the likelihood of the risk by providing a dedicated team whose function is specific to development of engagement plans and practices within the organisation.

TREATMENT MC00462

Council operates library and Council services from a number of locations across the district. This provides outreach and accessibility for communities within the district. Along with the provision of multiple offices, late night opening hours have been implemented to accommodate availability and convenience for communities. This treatment impacts the likelihood of the risk by facilitating community engagement through the facilitation of front facing interactions.

SIGNOFF(S):

Gavin Ion

DUE DATE:

01 Aug 2019

FREQUENCY:

1st day of every 6 months

SIGNOFF(S):

Tony Whittaker

DUE DATE:

01 Apr 2019

FREQUENCY:

The first Day of every 12 months

OVERDUE

SIGNOFF(S):

Jacob Quinn

DUE DATE:

01 Jan 2019

FREQUENCY:

1st day of every 6 months

SIGNOFF(S):

Brian Cathro

DUE DATE:

01 Apr 2019

FREQUENCY:

1st day of every 12 months

RESIDUAL
9.0
MODERATE

INHERENT
20.0

R00188

FINANCIAL, POLITICAL, STRATEGIC (A&R COMMITTEE)

**Economic & Social Development;
Waikato district suffers inhibited economic and social development and or missed funding opportunity as a result of poor planning, investment strategy, and or relationships.**

Council fails to promote and or identify opportunity for economic and social growth or fails to engage appropriately to encourage growth and development.

OWNER Clive Morgan

CREATED 9/5/2016 11:32:26 AM

RISK LIKELIHOOD
DESCRIPTORS Likely (4)

RISK CONSEQUENCE
DESCRIPTORS Catastrophic (5)

RESIDUAL RISK LIKELIHOOD
DESCRIPTORS Possibly (3)

RESIDUAL RISK
CONSEQUENCE
DESCRIPTORS Moderate (3)

39

TREATMENT MC00163

The WDC 2015-2045 Infrastructure Strategy documents the management philosophy that is applied to Waikato Districts' infrastructure assets.

The strategy covers the following asset types:
- Water Treatment and supply
- Wastewater Treatment and Disposal
- Stormwater Drainage
- Roads and Footpaths.

This treatment impacts the likelihood of the risk by detailing and providing visibility of expectations to ensure Council works to a consistent standard.

TREATMENT MC00469

Economic Development Strategy
The strategy assesses the economic profile of the district and identifies SWOT for the purpose of informing strategic direction.

There is a limited reference to social development within the strategy however community development initiatives are active and drafting a social development strategy has been scheduled for late 2019 - early 2020.

A regional economic development strategy is also in place to serve the wider community at a regional level, this strategy is aligned to the Waikato District EDS.

This treatment impacts the likelihood of the risk by ensuring that communities and businesses are engaged on an on-going basis, allocates effort and funding to targeted economic development initiatives and promotes the district as a viable prospect for business investment, residential and visitor (lifestyle) growth and development.

TREATMENT MC00471

Social Development Initiatives
Council has adopted a number of socially related strategies that aim to consider and provide for the social outcomes in the districts communities.

These include, but are not limited to:
- Place Making Strategy
- Heritage Strategy
- Youth Engagement Plan
- Grant Funding Scheme

Although these initiatives impact the likelihood of the risk by providing a degree of focus and resources dedicated to social development they are essentially limited as a result of no guiding social development strategy or policy (for example, the ex-Frankin Social Wellbeing Policy).

SIGNOFF(S):

Gary Dela Rue
Karl Pavlovich

DUE DATE:

01 Apr 2020

FREQUENCY:

The first Day of every 12 months

SIGNOFF(S):

Clive Morgan

DUE DATE:

01 Aug 2019

FREQUENCY:

The first Day of every 6 months

SIGNOFF(S):

Julie Dolan

DUE DATE:

01 Aug 2019

FREQUENCY:

The first Day of every 6 months

40

TREATMENT MC00472

Cross Boundary Initiatives

These initiatives aim to foster integrated planning across territorial boundaries, ensuring greater efficiencies and settlement planning across boundaries.

Example:

- North Waikato Infrastructure Programme Business Case,
- Future Proof
- Waikato Plan
- MOU Auckland Council
- National Policy Statement on Urban

Development capacity (requires collaboration with HCC to make land available for infrastructure to support residential and commercial development)

This treatment impacts the likelihood of the risk by providing a holistic approach to economic development and preventing limitations associated with territorial authority boundaries.

TREATMENT MC00500

District Development Strategy

The purpose of the District Development Strategy is to provide the Council with a strategic spatial framework for development planning. The District Development Strategy links to the District Plan Review, the Long Term Plan, the Economic Development Strategy, the Infrastructure Strategy and the Integrated Land Transport Strategy.

This treatment impacts the likelihood of the risk by ensuring Councils has a plan for development that incorporates a scheduled formal review process to consider and communicate changes in direction and development planning.

SIGNOFF(S):

Vishal Ramduny

DUE DATE:

01 Feb 2020

FREQUENCY:

The first Day of every 12 months

OVERDUE

SIGNOFF(S):

Jim Ebenhoh

DUE DATE:

01 Feb 2019

FREQUENCY:

The first Day of every 12 months

RESIDUAL
9.0
MODERATE

INHERENT
20.0

R00192

TREATMENT MC00493

Council Committees

Council has regular committee and council meetings where proposals and issues are considered and decisions are made. The format of Committee and Council reports requires staff to refer to any legislative or policy aspects and implications, i.e. statutory authorities or duties to act, or policy consideration, pertaining to the information and recommendations of the reports. Councillors are informed of proposed, new or amended legislation at Council or Committee meetings.

This treatment impacts the likelihood of the risk by providing information to reduce the possibility of Council acting in contravention of statues or policies.

SIGNOFF(S):

Sue O’Gorman
Ian Cathcart
Tony Whittaker

DUE DATE:

01 Apr 2019

FREQUENCY:

The first Day of every 12 months

BUSINESS CONTINUITY, COMPLIANCE/ REGULATORY, FINANCIAL, STRATEGIC (A&R COMMITTEE)

**Compliance Management;
Council is exposed to significant financial loss or business disruption caused by non-compliance with legislative, regulatory or policy requirements.**

Council are impacted as a result of being ununiformed and or failing to comply with legal requirements.

OWNER Alison Diaz
CREATED 9/5/2016 12:23:40 PM

RISK LIKELIHOOD Likely (4)
DESCRIPTORS
RISK CONSEQUENCE Catastrophic (5)
DESCRIPTORS
RESIDUAL RISK LIKELIHOOD Possibly (3)
DESCRIPTORS
RESIDUAL RISK Moderate (3)
CONSEQUENCE
DESCRIPTORS

41

TREATMENT MC00494

In-House Legal Team
council has a legal team which provides advice on legislative requirements across the organisation. The team promotes early involvement and input in projects and activities in respect of legal aspects.

This treatment reduces the likelihood of Council being unaware of, or ignoring legal obligations in the course of conducting business.

TREATMENT MC00495

Corporate Documents

Long Term and Annual Plans and Reports, finance policies and documented processes mitigate Councils exposure to financial risk by documenting planning activities and financial forecasts.

This treatment reduces the likelihood of Councils planning and expenditure being undertaken in contravention of good stewardship and governance principles required under the Local Government Act 2002.

TREATMENT MC00496

Council Reporting
Regular Council function includes scheduled reporting that captures key considerations (such as financial and legal matters). Furthermore, Council is actively managing compliance with corporate procurement practices through data analytics. A report is prepared and presented to the Audit and Risk Committee every six months.

This treatment impacts the likelihood of the risk by providing Council confidence when making decisions that all pertinent legislative, regulatory and/or policy considerations have been taken into account.

TREATMENT MC00497

Periodic Audit (Internal/External)
Waikato District Council performs regular periodic audit (both internal and external) of processes and services for the purpose of identifying failures, weaknesses and/or exceptions. The audit process includes the provision of recommendations/mandate for improvement.

This treatment reduces the likelihood of non-compliance by ensuring the Council is meeting requirements and/or identifies non-compliance for action.

SIGNOFF(S): Alison Diaz
DUE DATE: 01 Feb 2020
FREQUENCY: The first Day of every 12 months

SIGNOFF(S): Gavin Ion
DUE DATE: 01 Feb 2020
FREQUENCY: The first Day of every 12 months

SIGNOFF(S): Sue O’Gorman
Tony Whittaker
Ian Cathcart
DUE DATE: 01 Apr 2019
FREQUENCY: The first Day of every 12 months

OVERDUE
SIGNOFF(S): Kurt Abbot
DUE DATE: 01 Feb 2019
FREQUENCY: The first Day of every 12 months

TREATMENT MC00498

Documented processes and systems that require/encourage process adherence. Council uses an internal centralized repository (Promapp) to document organisational processes to allow cross organisational visibility for access and application.

Also, many of the organisational systems used for the purpose of capturing business work flow e.g. Property and Rating, require specific steps relating to process adherence for the user to progress with system use.

This treatment impacts the likelihood of the risk by providing a tool to guide users in the application of required standardised procedures, contributing to compliance management.

TREATMENT MC00508

Waikato District Council employs a number of Specialist Technical Roles that contribute to Compliance Management. Recruitment procedures for these roles require evidence of capability and/or certification. Where roles are unable to be filled with fully qualified personnel, training and development is facilitated to ensure staff have the required level of specialist knowledge to perform their roles in line with compliance requirements.

SIGNOFF(S):

Madelina Baena-Escamilla

DUE DATE:

01 Feb 2020

FREQUENCY:

The first Day of every 12 months

SIGNOFF(S):

Vanessa Jenkins

DUE DATE:

30 Apr 2019

FREQUENCY:

The last Day of every 12 months

RESIDUAL
6.0
MODERATEINHERENT
9.0

R00183

PEOPLE, TECHNICAL, STRATEGIC (A&R COMMITTEE)

**Council Partnerships;
Council experiences diminished public confidence and or operations are significantly impacted due to actions, representations or conduct of partnership enterprises or associations.**

Councils reputation/operations are impacted as a result of actions, representations or conduct demonstrated by Partners and/or associates.

OWNER Sue O'Gorman

CREATED 9/5/2016 10:34:01 AM

RISK LIKELIHOOD Possibly (3)
DESCRIPTORSRISK CONSEQUENCE Moderate (3)
DESCRIPTORSRESIDUAL RISK LIKELIHOOD Unlikely (2)
DESCRIPTORSRESIDUAL RISK Moderate (3)
CONSEQUENCE
DESCRIPTORS

TREATMENT MC00483

Council has in place a robust tender process that includes in-depth detail regarding contractual requirements.

Long term public facing contracts and partnerships are effected through rigorous contractual agreements and continuous management plans. These include terms relating to contractual service level agreements (monitored and reported against as key performance indicators), employee training plans, safety inductions (all employees), and audit expectations. Long term contracts and partnerships include (but are not limited to):

- Belgaria Aquatics
- City Care
- Franklin Trees
- Alliance
- Water Care
- HCC (for water supply & waste water treatment)

This treatment impacts the likelihood of the risk by ensuring that all partners and long term contracts are selected through compliance with Councils requirements, and, that they understand Councils expectations and commit to delivering an agreed level of service in a safety and appropriate manner.

SIGNOFF(S):

Karl Pavlovich
Megan May
Gary Dela Rue

DUE DATE:

01 Aug 2019

FREQUENCY:

The first Day of every 6 months

43

TREATMENT MC00485

Shared Services (HCC, Waipa & WDC)
Councils shared services agreements are managed using agreed processes and a governance structure which ensures they deliver against expectations. Arrangements include:
- Quarterly governance meetings
- Monthly operational meetings
- Auditing schedule (zero harm perspective).

This treatment impacts the likelihood of the risk by ensuring regular communication and identification of emerging risks or issues and the consequence by providing opportunity for timely governance and action where issues are identified and/or it is deemed that expectations are not being met.

TREATMENT MC00499

TO DO

Implement a set protocol/process that defines how Council plans to implement new partnerships/long term contracts from the perspective of providing seamless integration of systems and resources at the point of requirements design and tender review.

This treatment aims to impact the likelihood of risk by minimizing lost efficiency and the consequence by reducing the risk of impact on customer services.

TREATMENT MC00507

Section 17a Review

Local authorities are under obligation to review and consider options for governance, funding and delivery of infrastructure, local public services and local regulation to ensure cost-effectiveness and quality of service.

Section 17A is one of several measures designed to encourage councils to seek efficiency, and to encourage councils to “partner” with each other and with other bodies to deliver services efficiently.

This treatment impacts the likelihood of the risk by acting to identify and therefore act against inefficiencies and/or inadequacies in the delivery of services.

SIGNOFF(S):

Karl Pavlovich

DUE DATE:

01 Apr 2019

FREQUENCY:

The first Day of every 12 months

OVERDUE

SIGNOFF(S):

Sue O’Gorman
Tony Whittaker
Ian Cathcart

DUE DATE:

01 Jan 2019

FREQUENCY:

The first Day of every 3 months

SIGNOFF(S):

Tony Whittaker

DUE DATE:

30 Apr 2019

FREQUENCY:

The last Day of every 12 months

44

TREATMENT MC00584

The contract and tendering process has specifications which ensure that all contractors that are selected to undertake works (long or short term) supply details of H&S practices, including how and who will manage them. This process includes the contractor being added to the SHE Prequalified Contractor Database and ensures that all selected contracts include and meet Councils requirements for H&S and H&S legislative standards.
Periodic checks are performed by Councils Zero Harm team to monitor contractor compliance.

This treatment impacts the likelihood of the risk by providing clear and documented expectations to contractors during the selection and on-boarding process, reducing the risk of non-compliance.

SIGNOFF(S):

Lynn Shirley

DUE DATE:

01 Aug 2019

FREQUENCY:

The first Weekday of every 12 months

WDC PROJECT PROPOSAL ⁴⁵ - High Level Definition

Project Name:	Implementing Risk Culture	Project Sponsor:	Kurt Abbot
WDC Portfolio:	Organisation Development	Sponsor Approval (Sign)	
Business Owner:	TL Innovation & Risk	Date Approved:	
Project Priority:	TBA	Portfolio:	Organisation Development
Assessm't Score:	58	Project Size:	Small

BUSINESS DRIVERS (Why)

Background:	<p>It has been identified that risk practices are not consistently applied across the organisation. Risk understanding and alignment is a critical element to both innovation and decision making practices.</p> <p>The Organisational Risk Awareness project (run during 2017) was a basis for reviewing and updating Councils risk management framework and associated processes. This project also outlines a preliminary road-map for the development of risk awareness across the organisation. Outputs from the project included the implementation of Councils Risk Appetite Statements and comprehensive training at the executive level. The risk appetite statements now require interpretation at the TEAM LEVEL to give them affect.</p>		
Problem Statement:	Risk is not consistently applied or understood within the organisation. Risk understanding and alignment is a critical element to both innovation and decision making practices.		
Problem Cause:	<p>It was discovered that differing risk appetites sit at various levels within the organisation and that professional risk presents a real issue. Values held by individuals relative to their profession do not align with the desires of the organisation/team.</p> <p>Furthermore, the organisation has previously demonstrated that formal risk practices were considered surplus to standard business practice and</p>		
Problem Impact:	The misunderstanding of risk in general results in poor or uninformed decision making, a lack of consistency in process (misaligned interpretation), a general lack of innovate thought, and change resistance.		
Problem Impact Rating:	High	Date Solution Required by:	09-Dec-2019
Opportunity:	Risk is considered a key enabler for change. Targeted focus is required to create a culture of appropriate risk taking and use of risk analysis in decision making. The recent organisational change and restructure presents an opportunity to educate the organisation on how to appropriate apply risk to enable innovation and improve decision making practices.		

PROJECT DEFINITION (What)

Project Objectives:	<p>This project aims to progress Councils risk culture by enabling an appropriate and consistent approach to risk taking and encouraging the use of risk practices to inform decision making.</p> <ul style="list-style-type: none"> - Identify the current level of risk culture across the organisation (KPMG model) through compulsory cross organisational risk survey and sample group interviews (first quarter). - During second quarter, use external modelling including defined success criteria to identify the type of environment that empowers staff to identify, assess and apply risk thinking for advantage - Create work programme (roll out Jan 2020) focusing on educating teams on risk purpose, org risk appetite and application of risk practices including; <ul style="list-style-type: none"> • Shared understanding of risk appetite at team level • Org, team and individual risk conflict - expectations and management • How to appropriately apply risk to enable decision making and innovation - Implement defined organisational changes that create an environment that supports and coaches staff to identify, assess and apply risk thinking for advantage (culture review (KPMG model) prior to end of Financial year 19/20)
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In Scope:	<ul style="list-style-type: none"> - Cross org team based risk profiling - Cross org change resistance profiling - Environment profiling; creating an environment that 'empowers' people to use risk - Business wide risk training - work programme <ul style="list-style-type: none"> - Considered risk taking - Risk and decision making - Organisational risk appetite - Risk alignment - Risk training schedule - Risk training implementation - Process for celebrating and recognising appropriate risk behaviours
Out of Scope:	<ul style="list-style-type: none"> - Complete all risk training - Organisational buy in to change - Change management re 'creating a learning organisation' - Innovation and creative thinking training - Reporting - Induction
Impact on other areas/resources/projects:	<p>Project Management - improve project management through improved risk practices</p> <p>TBA - Known after risk profiling has been completed</p> <p>TBA - Known after change resistance profiling has been completed</p>
Outcomes:	<p>Outcomes:</p> <p>All levels of the organisation demonstrate a consistent culture of appropriate risk taking</p> <p>All levels of the organisation consistently use risk analysis to inform decision making</p> <p>Objectives:</p> <p>Identify the current level of risk culture across the organisation (KPMG model) through compulsory cross organisational risk survey and sample group interviews (first quarter). During second quarter, use external modelling including defined success criteria to identify the type of environment that empowers staff to identify, assess and apply risk thinking for advantage</p> <p>Create work programme (roll out Jan 2020) focusing on educating teams on risk purpose, org risk appetite and application of risk practices including;</p> <ul style="list-style-type: none"> • Shared understanding of risk appetite at team level • Org, team and individual risk conflict - expectations and management • How to appropriately apply risk to enable decision making and innovation <p>Implement defined organisational changes that create an environment that supports and coaches staff to identify, assess and apply risk thinking for advantage (culture review (KPMG model) prior to end of Financial year 19/20)</p>

SIZING

Estimated Costs:	Low (<\$25k)	Budgeted:	No
Resources/Team Required:	Low (Team size < 5)	Political Consideration:	Low
Change Impact:	High (>50 People impacted)	Technology Change:	Low
Organisational Change:	Medium	Solution Complexity:	Medium
Timeline Aggressiveness:	Medium	Estimated Duration:	More than 8 months

PROJECT VALUE ASSESSMENT

Assessment Element	Option	Score	Comments
Final Assessment Score		58	
STRATEGIC GOALS/LTP ALIGNMENT		22	
Supporting our communities	Moderate Impact	5	Improved risk practices will translate into better decision making which by proxy will aid in delivering better community outcomes.
Building our economy	Moderate Impact	5	Considered risk taking can help to optimise opportunity providing options for economic gain.
Sustaining our environment	Low Impact	2	Improved risk practices will translate into better decision making which by proxy will aid in supporting required environmental outcomes.
Working together with you	Moderate Impact	5	Considered risk taking can help to optimise opportunity providing options for innovative ways to improve customer interaction and engagement.
Providing value for money	Moderate Impact	5	Considered risk taking can help to optimise opportunity providing options for innovative ways to provide value for money.
OPERATIONAL GOALS ALIGNMENT		36	
One highly engaged team	Moderate Impact	5	Considered risk taking can help to optimise opportunities across teams and encourage collaboration.
Partnering in a proud and thriving community	Moderate Impact	5	Improved risk practices will translate into better decision making which by proxy will aid in delivering better community outcomes.
Effortless customer experiences	High Impact	8	Considered risk taking can help to optimise opportunity providing options for innovative ways to improve customer interaction and engagement.
Other benefits eg Team Strategies	High Impact	8	Considered risk taking can help to break down silo's, encourage cross organisational engagement and reduce 'road blocks'.
Contributes to mitigation of WDC Enterprise risks	Extreme Impact	10	This project will help the organisation to take a proactive approach to understanding and apply risk practices as well as looking for opportunities within the organisational risk appetite.

Governance Requirements		48	MEDIUM
Governance - Approvals		Group PGG	
Governance - Steering		Steering Group includes SLT & Execs as appropriate	
Project Management		Project Manager	
Change Management		<ul style="list-style-type: none"> - Change activities managed by PM - Comms Lead 	
PM Lifecycle		All Phases of PM Lifecycle	
Documentation		<ul style="list-style-type: none"> - Project Proposal (in CAMMS) - Project Brief (in CAMMS) - Business Case on request only - Communications plan - If engagement risk high: stakeholder engagement plan - Approved Key Project Documents in ECM 	
CAMMS Project		All key Project details in CAMMS Project	
Reporting	Stakeholders & Type of Report	<ul style="list-style-type: none"> - Steering Group (PSR) - Portfolio Group (Programme Dashboard) - Council/Others, if applicable (Presentation) 	
	PSR Frequency	Monthly (or more frequent by Sponsor request)	
Project Assurance	Information Management	<ul style="list-style-type: none"> - Enterprise Architect (as required) - Solution Architect 	
	Physical Works	<ul style="list-style-type: none"> - PMO QA - Financial Analyst (as required) 	
	Business Improvement	<ul style="list-style-type: none"> - PMO QA - Financial Analyst (as required) 	

Project Brief Document

PR-1363 - Implementing Risk Culture

Project Manager:	Katja Jenkins
Business Owner:	TL Innovation & Risk
Project Sponsor:	Kurt Abbot

2. Background

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BACKGROUND:

It has been identified that risk practices are not consistently applied across the organisation. Risk understanding and alignment is a critical element to both innovation and decision making practices.

The Organisational Risk Awareness project (run during 2017) was a basis for reviewing and updating Councils risk management framework and associated processes. This project also outlines a preliminary road-map for the development of risk awareness across the organisation. Outputs from the project included the implementation of Councils Risk Appetite Statements and comprehensive training at the executive level. The risk appetite statements now require interpretation at the TEAM LEVEL to give them affect.

3. Problem / Opportunity

PROBLEM:

Risk is not consistently applied or understood within the organisation. Risk understanding and alignment is a critical element to both innovation and decision making practices.

OPPORTUNITY:

Risk is considered a key enabler for change. Targeted focus is required to create a culture of appropriate risk taking and use of risk analysis in decision making. The recent organisational change and restructure presents an opportunity to educate the organisation on how to appropriate apply risk to enable innovation and improve decision making practices.

4. Project Definition

PROJECT OBJECTIVE

This project aims to progress Councils risk culture by enabling an appropriate and consistent approach to risk taking and encouraging the use of risk practices to inform decision making.

- Identify the current level of risk culture across the organisation (KPMG model) through compulsory cross organisational risk survey and sample group interviews (first quarter).
- During second quarter, use external modelling including defined success criteria to identify the type of environment that empowers staff to identify, assess and apply risk thinking for advantage
- Create work programme (roll out Jan 2020) focusing on educating teams on risk purpose, org risk appetite and application of risk practices including;
 - Shared understanding of risk appetite at team level
 - Org, team and individual risk conflict - expectations and management
 - How to appropriately apply risk to enable decision making and innovation
- Implement defined organisational changes that create an environment that supports and coaches staff to identify, assess and apply risk thinking for advantage (culture review (KPMG model) prior to end of Financial year 19/20)

IN SCOPE:

- Cross org team based risk profiling
- Cross org change resistance profiling
- Environment profiling; creating an environment that 'empowers' people to use risk
- Business wide risk training - work programme
 - Considered risk taking
 - Risk and decision making
 - Organisational risk appetite
 - Risk alignment
- Risk training schedule
- Risk training implementation
- Process for celebrating and recognising appropriate risk behaviours

51

OUT of SCOPE:

- Complete all risk training
- Organisational buy in to change
- Change management re 'creating a learning organisation'
- Innovation and creative thinking training
- Reporting
- Induction

KEY PROJECT DELIVERABLES

Num	Deliverable	Description	Priority (A/B/C)
1	Risk Culture Survey	Compulsory, cross-org risk survey to determine current risk culture (based on KPMG model).	A
2	Sample Group Interview Report	A report that captures outcomes from sample group interviews associated with risk culture	
3	Risk culture environment report	Report based on external modelling and benchmarking that identifies achievable change process and appropriate business environment to empower staff to identify, assess and apply risk thinking for advantage	B
4	Risk Culture Work Programme	Work programme (roll out Jan 2020) focusing on educating teams on risk purpose, org risk appetite and application of risk practices	C

KEY PROJECT ROLES

Role	Name	Key Responsibilities
Project Sponsor	Kurt Abbot	<ul style="list-style-type: none"> * Approves the budget * Acts as a champion of the project * Accountable for the delivery of the planned benefits associated with the project * Ensures resolution of issues * Communicates the projects goals to the organisation
Business Owner	TL Innovation & Risk	Business Owner has full access to the Project
Project Manager	Katja Jenkins	<ul style="list-style-type: none"> * Responsible for the delivery of the project from initial phase to completion * Managing project scope and change requests * Managing the project budget * Managing project deliverables and stakeholder expectations
Subject Matter Expert	Consultant1	Provide expert advice in a specific area of knowledge.
Subject Matter Expert	Debbie Dalbeth	Provide expert advice in a specific area of knowledge.
Subject Matter Expert	Natasha Nolan	Provide expert advice in a specific area of knowledge.

KEY STAKEHOLDERS

CoI Holder	Interest	Impact	Stakeholder Name
Consultants	Medium	Low	KPMG
WDC Staff	High	High	Projects & Innovations Manager
WDC Staff	High	High	Chief Operating Officer
Councillors	Medium	Low	Audit & Risk Committee
WDC Staff	Medium	Low	Executive Leadership Team
Other	Low	Low	Other organisations that have demonstrated success in implementing risk culture. TBA
WDC Staff	Medium	Low	Change Team
WDC Staff	Medium	Medium	Change Team
WDC Staff	Low	High	Senior Management

RESOURCE REQUIREMENTS: (Resource)

Project Role	Project Phase	Estimated Duration	% FTE
Project Manager	All	Jan 19 - June 2020	50
Consultant	Execute	March 19	0.05
Consultant	Execute	June 2020	0.05
Business Analyst	Plan	Jan 19 - March 19	10
Business Analyst	Execute	March 19 - June 19	20
Learning & Development Advisor	Execute	June 19 - September 19	10

6. Project Plan

APPROACH:

The project will be run according to WDC Project Management Framework specifications. The project approach will include;

- Identify current level of risk culture across the organisation
- Identify which areas of business are most receptive to change
- Identify which areas of the business are least receptive to change
- Identify what type of environment can empowers staff to identify, assess and apply risk thinking for advantage
- Create an environment that supports and coaches staff to identify, assess and apply risk thinking for advantage
- Create a work programme that focuses on educating teams on risk purpose, organisational risk appetite and the application of risk practices including;
 - Shared understanding of risk appetite at team level
 - Org, team and individual risk conflict. Expectations and management
 - How to appropriately apply risk to enable decision making and innovation
- Deliver the work programme to identified areas according to receptivity

KEY MILESTONES:

Current level of organisational risk culture is mapped

Organisational Receptiveness is charted

Agreement from ELT on risk empowerment environment (staff to identify, assess and apply risk thinking for advantage)

Risk empowerment environment implemented

ELT approval for risk work programme (purpose, organisational risk appetite and the application of risk practices)

Programme schedule approved

Programme commenced

BUDGET AND FUNDING SOURCE:

TBA

7. Project Considerations

ASSUMPTIONS:

The executive Leadership team are committed to implementing risk as part of BAU and will prioritize risk practices as cross organisational activities.

CONSTRAINTS:

Impact of other change initiatives across organisation
 Prioritization of other change initiatives across organisation
 Perception of risk as surplus to BAU

DEPENDENCIES:

This project relies on organisational buy in of the Gearing for Growth and Greatness project from a change management perspective. The risk element needs to be have a top down approach and will require Leadership and modelling from the Executive to ensure the value of outcomes and outputs are recognised and adopted by all staff.

KEY PROJECT RISKS

Risk ID	Description	Overall Rating	Owner	Solution
R-142	Lack of project activity prioritization from Senior Management and People Leaders due to perceived lack of relevance	Moderate	Kurt Abbot	(1) ELT will be required to actively engage with project and promote Senior Management and People Leader involvement. This should include active engagement with work programme.
R-143	Delays caused by ARC approval of RAS	Low	Kurt Abbot	(1) The risk will be accepted as the socialisation of the RAS will likely be best conducted after a review of risk culture has been completed.
R-144	Staff resistance to organisational change program	Low	Angela Parquist	
R-145	Lack of support for project (Risk Advisor acting alone)	High	TL Innovation & Risk	(1) Investment and engagement from Projects & Innovations Team to support RA including advocating support at the Executive and Senior Management level.

KEY PROJECT ISSUES

Issue ID	Issue Description	Resolution	Responsible Person	Status
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7. Project Considerations

SUCCESS PRIORITIES:

This project must focus on quality outputs for developing a consistent cross organisational risk approach and a strong understanding of the risk appetite statements and their application.

5th Annual

Risk Management in Government Congress

Delivering organisational outcomes through effective risk management

20-21 March 2019, Royce Hotel Melbourne

International keynote addresses:



Dr Stefan Brem,

Head of Risk Analysis and Research Coordination, Federal Office for Civil Protection, Federal Department of Defence, Civil Protection and Sport, Switzerland



Tamsin Mills,

Senior Sustainability Specialist, City of Vancouver



Jo Macdonald,

Head of Risk Management Division, Department for Work and Pensions, UK
(Live via Skype)



An expert speaking panel:

Darren Box, First Assistant Secretary, Governance and Reform, **Department of Defence**

Bronwyn Davies, Chief Auditor, **Airservices Australia**

Anthony Kitzelmann, General Manager & Chief Information Security Officer,

Australian Digital Health Agency

Danny Williams, Chief Risk Officer, **Defence Housing Australia**

Elisa Chian, Manager Risk and Financial Policy, **Special Broadcasting Service**

Sharon Sidhu, Manager, Audit & Risk, **Australian National University**

Tim Hainsworth, Manager Governance & Risk, **Civil Aviation Safety Authority**

Colin Radford, Chief Executive Officer, **Victorian Managed Insurance Authority**

Mike van der Graaf, General Manager, Risk & Performance Measurement,

Treasury Corporation of Victoria

Maria Ross, Manager, Risk, Audit and Security, **Department of Treasury and Finance SA**

Michelle Egan, Manager, Governance, Risk & Policy, **NSW State Emergency Services**

Brendan Geary, Executive General Manager Enterprise Governance & Risk, **V/Line**

Sheena Frost, Strategic Director Corporate Services, **City of Casey**

Binda Gokhale, Chief Financial Officer, **Wyndham City Council**

Anne Davis, Risk & OHS Coordinator, **Mitchell Shire Council**

Todd Hopwood, Governance, Risk & Corporate Planning Manager, **Willoughby Council**

This congress will provide key insights and practical solutions for:

- Gaining executive buy-in to effectively drive organisational risk management
- Integrating risk into enterprise governance and strategic decision making
- Using risk to enhance efficiency of operations
- Creating and spreading a positive risk culture throughout your organisation
- Developing protection and resiliency for critical infrastructure
- Building resilience and adapting to climate change

Gain more from your conference experience and join two outstanding workshops:

Workshop A: Developing and implementing a climate adaptation strategy for your organisation

Workshop B: Critical Infrastructure Protection: Protecting our own enterprise and the society beyond

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Conference Day One - Wednesday, 20th March

- 8.30 **Registration**
- 9.00 **Opening remarks from the Chair**
- 9.10 **International Keynote Address**
Developing protection and resiliency for critical infrastructure
- Identifying critical infrastructure and their processes and functions
 - Prioritisation based on sound analysis of risks to critical infrastructure
 - Enhancing collaboration to improve risk analysis and warning systems
 - Continuously monitoring risk and improving resiliency
- Dr Stefan Brem**, Head of Risk Analysis and Research Coordination, **Federal Department of Defence, Civil Protection and Sport, Switzerland**
- 9.55 **Integrating risk into enterprise governance and strategic decision making**
- Incorporating risk into decision making processes to drive business improvements
 - Engaging with management to deliver effective responses to risks
 - Fulfilling compliance obligations
 - Enabling management to prepare for change by anticipating emerging risks and assessing potential impacts
- Darren Box**, First Assistant Secretary, Governance and Reform, **Department of Defence**
- 10.40 **Morning Tea**
- 11:10 **Gaining executive buy-in to effectively drive organisational risk management**
- Understanding and capturing the risks that matter most to upper management
 - Communicating the benefits of risk management to senior stakeholders
 - Obtaining managerial support, funding, and engagement to implement risk strategies
 - Effectively reporting risks, strategies, and accomplishments
- Sharon Sidhu**, Manager, Audit & Risk, **Australian National University**
- 11.55 **Using risk to enhance business operations**
- Aligning your risk approach to strategic business goals
 - Shifting away from the reactive approach of threat mitigation to risk anticipation
 - Incorporating risk into resource management to improve efficiency
 - Utilising risk to pursue service delivery opportunities
- Tim Hainsworth**, Manger Risk & Governance, **Civil Aviation Safety Authority**
- 12.40 **Lunch**
- 13.40 **Combining audit and risk to strengthen risk controls**
- Delivering the organisational risk strategy
 - Analysing the effectiveness of enterprise risk strategy
 - Assessing organisation culture and identifying areas for improvement
 - Identifying indicators of emerging risks
- Bronwyn Davies**, Chief Auditor, **Airservices Australia**
- 14.25 **Utilising data analytics to understand and manage risk**
- Collecting and managing data for risk management
 - Using quantitative analyses to verify perceived importance of risks
 - Utilising analytics in providing actionable reports
 - Quantifying the effects of implemented strategies
- Mike van der Graaf**, General Manager, Risk & Performance Measurement, **Treasury Corporation of Victoria**
- 15.10 **Afternoon Tea**
- 15.40 **International Keynote Address** 
Developing and applying risk appetite
- Aligning risk appetite with strategic goals and defining tolerances
 - Incorporating risk appetite statement within governance policies
 - Using risk appetite to develop organisational values and enhance productivity
 - Monitoring changes in risk relative to tolerance thresholds
- Danny Williams**, Chief Risk Officer, **Defence Housing Australia**
Elisa Chian, Manager Risk and Financial Policy, **Special Broadcasting Service**
Mike van der Graaf, General Manager, Risk & Performance Measurement, **Treasury Corporation of Victoria**
Brendan Geary, Executive General Manager Enterprise Governance & Risk, **V/Line**
Sheena Frost, Strategic Director Corporate Services, **City of Casey**
- 16.25 **Creating and spreading a positive risk culture throughout your organisation**
- Changing perceptions of compliance and risk management
 - Making risk relevant to the audience to capture attention
 - Developing staff awareness of their role in risk management
 - Encouraging reporting by streamlining the reporting process
- Binda Gokhale**, Chief Financial Officer, **Wyndham City Council**
- 17.10 **Closing remarks and end of conference day one**

Conference Day Two - Thursday, 21st March

- 9.00 **Opening Remarks from the Chair**
- 9.10 **International Keynote Address**
Measured risk taking to achieve efficiency and maximise upside
- Automating controls to deliver greater efficiency – reducing FTE and increasing detected fraud and error
 - Innovating ‘process’ to reduce costs and increase productivity by focusing effort towards greatest reward
 - Creating competition for compliance with ‘rules’ to achieve a step change in costs and legal risks
 - Decisive pro-activity to reduce prevarication and execute challenging project milestones
- Jo Macdonald**, Head of Risk Management Division, Department for Work and Pensions, UK
- 9.55 **International Keynote Address**
Adapting to climate change and developing resilience and responses to sea level rise
- Assessing near to mid-term risks of climate change and vulnerability
 - Developing strategies to mitigate risks of coastal flooding
 - Engaging with stakeholders to implement projects
 - Building resilience to sea-level rise
- Tamsin Mills**, Senior Sustainability Specialist, City of Vancouver
- 10.40 **Morning Tea**
- 11.10 **Navigating the landscape of shared risk in collaborative relationships**
- Collaborating with internal and external stakeholders to obtain a shared understanding of risk perspectives
 - Assigning responsibilities for risk mitigation and response through clear guidelines
 - Establishing appropriate mechanisms for information sharing
 - Monitoring stakeholder operation of risk management
- Maria Ross**, Manager, Risk, Audit and Security, Department of Treasury and Finance SA
- 11.55 **Global market trends in risk transfer and insurance**
- Allocating risk equitably
 - Utilisation of alternative risk transfer solutions by governments around the world
 - Adapting to a changing risk environment
 - Outlook for risk transfer and insurance in the public sector
- Colin Radford**, Chief Executive Officer, Victorian Managed Insurance Agency
- 12.40 **Lunch**
- 13.40 **Cybersecurity: Building resilience in a digital environment**
- Understanding the evolving digital landscape to identify and manage risks
 - Assessing, reducing, and monitoring vulnerability to attack
 - Building and maintaining adequate defences to internal and external threats
 - Keeping risk management up-to-date in the face of rapid technological change
 - Responding swiftly to potential breaches
- Anthony Kitzelmann**, General Manager & Chief Information Security Officer, Australian Digital Health Agency
- 14.25 **Software tools for enhancing efficiency of risk management processes**
- Selecting the right software for your organisation
 - Programs for mapping and capturing risk within your organisation
 - Defining risk criteria
 - Managing and updating your risk register
 - Tools for monitoring and reporting
- Anne Davis**, Risk & OHS Coordinator, Mitchell Shire Council
- 15.10 **Afternoon tea**
- 15.40 **Incorporating risk management into project management**
- Identifying and analysing risks as a feature of project planning
 - Determining responses to identified risks
 - Engaging with stakeholders to determine risk appetite and strategy
 - Monitoring risk and responding accordingly over a project life-cycle
- Todd Hopwood**, Governance, Risk & Corporate Planning Manager, Willoughby City Council
- 16.20 **The journey towards risk maturity: a case study from the NSW State Emergency Services**
- In 2016 the NSW SES had a good risk policy, comprehensive risk guidelines and an ICT system for risk and performance. So why weren't we making good risk-based decisions?
 - A case study of the practical changes we made to improve risk maturity in an organisation under stress
- Michelle Egan**, Manager, Governance, Risk & Policy, NSW State Emergency Services
- 17.10 **End of conference day two**

Post conference Workshops - Friday 22nd March

Workshop A: 9.00 – 12.00

Developing and implementing a climate adaptation strategy for your organisation

A decade ago, no environmental risks made the top ten list of global risks in the World Economic Forum's Global Risk Report. Ten years later, environmental risks occupy 3 of the top 5 spots: lack of progress on climate adaptation and mitigation, extreme weather events and natural disasters.

In North America, municipal governments have been leading the way on preparing for the impacts of climate change with other levels of government, organizations and businesses quickly following suit. Traditional corporate risk management and emergency management and the new player in the game, resilience, are all working slightly at odds with great opportunities for integration.

The workshop will be interactive, walking participants through a process of identifying climate impacts, risks and vulnerabilities and potential solutions. Delegates will learn::

- What type of information inputs can be used
- How to move from climate science to risk management
- How to engage stakeholders throughout the process
- Opportunities to integrate and mainstream climate change adaptation

About your workshop leader:



Tamsin Mills,
Senior Sustainability Specialist,
City of Vancouver

Tamsin is a Registered Professional Planner with over ten years of experience as a planner, project manager, facilitator and sustainability specialist with municipal and provincial levels of government, First Nations and the private sector. Her experience ranges from marine parks planning to watershed-level sustainability planning with First Nations to urban development planning. Tamsin has developed an internationally recognised expertise in climate change adaptation and natural hazard risk management and communication. Tamsin has worked with big cities such as Toronto and Vancouver on climate change adaptation as well as small communities such as Squamish on natural hazard risk. She has spoken at over 100 conferences and webinars on climate change adaptation including international resilience conferences in Germany and Spain.

Workshop B: 13.00 – 16.00

Critical Infrastructure Protection: Protecting our own enterprise and the society beyond

As an operator of a critical infrastructure you are intensively occupied with the protection of your enterprise: There are extensive directives and standards in various sectors indicating which measures have to be taken and which security levels have to be achieved. However, many of these considerations and plans only address individual aspects like: How can protection be achieved against specific hazards like flooding or cyberattacks? How can the escape of harmful substances be avoided?

The "Guideline for the Protection of Critical Infrastructure" goes one step further: The focus is on a holistic protection against relevant hazards and the consideration of all conceivable measures – from organizational adjustments to structural-technical provisions. These guidelines cover a range of infrastructure including: ICT, transport, water, energy and health.

In order for you as an operator of critical infrastructure to assume social responsibility as well, you must also take into account those risks that are of great importance for the general public.

This workshop will introduce a comprehensive approach on how to holistically assess an enterprise's vulnerability and risk landscape and how to reduce the risks to your own company and the society beyond. Delegates will learn to:

- Designate relevant processes and assess related hazards
- Identify suitable risk reduction measures
- Engage with peers from the sector and relevant public authorities

Stefan will work through an executive version of the "Guideline for the Protection of Critical Infrastructure" and will provide real life examples from Switzerland. The participants are highly encouraged to bring examples, experience and challenges they face within their own organization, theory and practice for discussion and consideration. The workshop will be held under Chatham House rule to ensure that we can discuss these issues in a candid, but confidential manner.

About your workshop leader:



Dr Stefan Brem,
Head of Risk Analysis and
Research Coordination,
Federal Office for Civil Protection,
Federal Department of Defence,
Civil Protection and Sport,
Switzerland

Since 2007, Dr Stefan Brem has led the section Risk Analysis and Research Coordination at the Swiss Federal Office for Civil Protection (FOCP). In 2016, he also became Deputy Head of the Policy Division. His section is responsible for the implementation of the national strategy on Critical Infrastructure Protection (CIP) and the realisation of risk and vulnerability assessments in critical sub-sectors based on the national strategy on the protection of Switzerland against cyber risks. His responsibilities also include a national disaster risk assessment covering an all-hazard approach including a comprehensive hazard catalogue, hazard files, impact and risk diagrams. This supports the Cantons (constituent states) with their civil protection related risk assessments and preparedness planning

You're invited to the 2019 Risk Strategy Forum | Hamilton

3rd April | 9am-5pm | Hamilton Airport Hotel, 201 Airport Rd, Hamilton

Join us in Hamilton as we discuss some of the important insurance and risk management topics facing local and central governments in 2019.

There's an exciting mix of presentations and over the course of the day you will also have the opportunity to engage with industry leaders and hear how case studies are helping to shape robust risk strategies as we look to the future.

Some of the Topics Covered:

- Emerging risks facing councils due to the effects of climate change from an asset management perspective, and the legislative framework of resource consenting issues.
- Case studies of events where Aon have guided councils through the loss handling process – the effects on the council's insurance programs and where/when help can be obtained from outside agencies.
- Recent high profile claims have highlighted an increased exposure to councils. Liability experts from Berkshire Hathaway and Heaney & Partners will discuss improvements that can be made in the claims notification process to improve risk mitigation.
- Counterfeit Products, the ramifications on councils, and what Central Government is doing to address possible future risk.
- Global insurance markets update, and what actions need to be taken to mitigate potential rating increases on above and below ground assets, and how the quality of risk information provided can assist with this.
- Valuation methodology for infrastructure assets, the importance of accurate valuations for both the councils and insurers, and why insurers are becoming more insistent on having accurate values.
- Contract Works – how, why and when should councils place contract works insurance and how terms and conditions can impact on the policy response.

Who should attend:

- Water/infrastructure engineers
- Building consent
- Resource consent
- Finance
- Legal
- Audit and Risk committee members

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No cost for council staff to attend. For more information, or to register, please email: contact@boplass.govt.nz or phone: 07 5777342. Please RSVP by 26th March 2019

Open Meeting

To	Audit & Risk Committee
From	Tony Whittaker Chief Operating Officer
Date	26 February 2019
Prepared by	Katja Jenkins Risk Advisor
Chief Executive Approved	Y
Reference #	GOV1318 / 2185051
Report Title	Risk Framework March 2019

I. EXECUTIVE SUMMARY

This report details:

- Update on organisational risk management framework;
- Updates on the level of organisational engagement in the risk management context; and
- Risk Activities.

2. RECOMMENDATION

THAT the report from the Chief Operating Officer be received.

3. DISCUSSION

Risk Management Framework

In February the final updates for Councils Risk Appetite Statements (“RAS”) were accepted and circulated to the Audit & Risk Committee (“the Committee”) (*Appendix 1*). The RAS will now formally be introduced to the organisation through the ‘Implementing Risk Culture’ project and other initiatives associated with the organisational change programme.

A new tool, called ‘3C’, is being trialled for inclusion in the Risk Management Framework. The tool captures risks as ‘Concerns’, their ‘Cause’ and ‘Countermeasures’. It is seen as an opportunity to increase engagement with risk thinking at an operational level by providing a visual view of team initiatives for Continuous Improvement and a clear line of sight for issues that need to be escalated to senior leaders.

Appendix 2 demonstrates an initial draft of the tool however language will need adapting to relate better to the existing Council framework.

Organisational Engagement

In support of the risk element associated with 'Our Plan' and in line with the risk management maturity roadmap a new project has been initiated: Implementing Risk Culture Project – PR1363. The project has recently moved into the execution phase. A review of the risk roadmap and progression of the organisational risk maturity will be part of the project based on the model delivered by KPMG in 2016. Progress to date on roadmap deliverables is visually demonstrated in *Appendix 3*. In summary, thirty two (32) recommendations were initially made, thirteen (13) of which were priority recommendations. Ten (10) of the thirteen (13) priority recommendations have been implemented. Twenty (20) have been implemented in total.

Most outcomes associated with leadership development in the Executive space have been achieved. Next steps are to implement the operational risk structure including:

- Dissemination of risk information through business line personnel;
- Introduction of risk management into employee performance plans;
- Risk management to be formalised as part of meeting agendas; and
- Implementation of regular risk updates from Senior Management.

With consideration to the project detailed above, a significant shift in engagement at the Executive level has been demonstrated during the last quarter. The maturity of the culture in the Executive team is demonstrated through behaviours such as risk conversations, follow up on emerging risks, and commitment to risk related activities. This progression will facilitate targeted focus to educate the rest of the organisation on how to appropriately apply risk to enable innovation, to improve decision making practices, and, to present the risk appetite statements to allow interpretation at the team level to give them affect.

External Engagement

A number of local Councils, including Clutha and Thames Coromandel District Council, have made contact with Waikato District Councils Risk Advisor to request advice on implementing risk management (framework, tools and culture) within their organisations. Shared information is seen as an opportunity to leverage off collaboration to advance our framework in the future. Any outcomes will be reported to the Committee.

Risk Activities

The December Audit & Risk Committee meeting received a report "Update on Process Audit and Quality Improvement". The report notified that eight non-conformances were identified through the internal audits. The Committee requested advice from Management on the associated risk in these non-conformances.

In summary, work is being done to provide the Committee assurance that any increase in associated risks will be appropriately managed. This work focuses on:

- Review of Conflicts of Interest processes including benchmarking against recognised good practice and other councils (Hamilton & Waipa); and
- Preparation of a recommendations document associated with document management.

Furthermore, the Risk Advisor and Continuous Improvement Analyst have met to discuss closing the loop between internal audit and risk management processes. As a result, the internal audit process will be updated to include:

- A periodic meeting between Continuous Improvement Analyst and Risk Advisor to discuss at risk processes for priority consideration in the audit schedule; and
- Communication of audit outcomes to the Risk Advisor to trigger risk assessments associated with identified non-conformances.

4. CONCLUSION

Based on the performance against the Risk Maturity Roadmap, it is considered the Risk Framework and Organisational Engagement activities are progressing appropriately.

5. ATTACHMENTS

- Appendix 1: Waikato District Councils Risk Appetite Statements
- Appendix 2: WDC 3C Standard Operating Procedure
- Appendix 3: Risk Maturity Strategic Roadmap

Waikato District Council

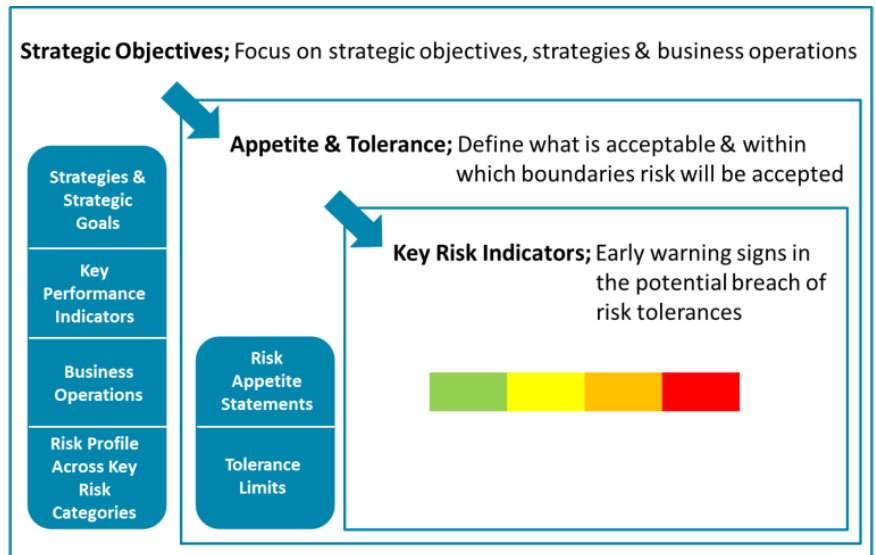
Risk Appetite Statement



Katja Jenkins
28 February 2019

Risk appetite is the conscious decision about which risks, and how much of each, the organisation is willing to take on as it delivers on the vision of liveable, thriving, and connected communities. Councils risk appetite reflects our business model, our risk capacity, our internal risk management capabilities and our culture. Our appetite for risk is influenced by a number of factors including (but not limited to) the business environment, our people, our community needs and wants, our business systems and our policies. Having a clearly defined risk appetite gives clarity to the wider organisation about the nature and degree of risks that can be taken with our strategic, operational and project work.

Defining risk appetite is intimately linked to defining the overall strategy of an organisation and is therefore a task for the Executive Leadership Team and Council through the Audit & Risk Committee.



Benefits of Communicating Organisational Risk Appetite

CLARITY	<ul style="list-style-type: none"> Clarify & communicate ELT & Councils expectations on the amount of risk the organisation is willing to take and accept Align understanding of risk strategies across the organisation
GOVERNANCE	<ul style="list-style-type: none"> Delegate authority at the operational level to proactively manage & monitor risks within agreed timeframes Define clear reporting & escalation thresholds & protocols to ELT & ARC
CONTROLS & ASSURANCE	<ul style="list-style-type: none"> Enhance risk oversight & assurance by providing robust means to assume acceptable risk types and levels Optimise risk management & control adequacy & effectiveness for key risks ensuring early actions are taken before risks materialise
RISK CULTURE	<ul style="list-style-type: none"> Encourage consistent & desired risk behaviours across the organisation Involve stakeholders alongside the business to implement good risk management practices

Defining and articulating risk appetite has a positive influence on our culture and behaviour. It gives our people an improved understanding of what risk management means to their roles and helps them to apply effective risk management practices.

Risk appetite is a key component of effectively communicating risk expectations and ensuring a common approach across the three identified ‘lines of defence’;

- those managing risk
- those setting and overseeing the risk management practices, and,
- risk assurance providers

Discrepancies between the Councils agreed risk appetite and residual risk levels determine whether more controls are required to appropriately manage a risk or whether there is space for more opportunity to be sought.

The organisations strategic direction can be summarised as:

Community Outcomes

Sustaining Our Environment

- Waikato District is a community that believes in environmental sustainability; Council will pursue and promote related ideas and manage regulatory process to safeguard and improve the district.

Providing value for money

- Residents/Ratepayers get value for money because Council finds innovative ways to deliver strategic, timely and fit for purpose infrastructure and services at the most effective cost.

Supporting Our communities

- Council considers the well-being of all the people in the district during the planning and delivery of Council activities. As such, Council will support and plan for the development of complete and connected communities.

Building Our Economy

- Council aims to attract diverse enterprise/business; creating jobs and opportunities for the districts communities, and, to continue to support existing industry. Support will be provided to others who leverage our location to ensure tourism brings benefits to a range of people in the districts communities.

Working Together

- Council will work with communities to collectively focus on the right things at the right time.

Corporate Outcomes

Customer & Community

- We apply a human centred approach to our service design to support our business units to re-evaluate their services and reset their priorities where required.
- We coordinate the delivery of our information so our customers understand it and want to engage with us.
- We co-design with our customers to create a multi-channel customer experience that meets their needs in step with our district growth and requirements, making navigating council easy.
- We understand who our customers are and what is important to them and build strong local relationships so that we are able to easily engage on topics that matter to them.
- We make engaging with us easy by understanding and aligning our marketing and communications to our communities' desires and by coordinating our efforts across the business
- We deliver a brand that has strong and respected recognition with our stakeholders and community.

Financial Stewardship

- We know what activities to focus on, how they align with agreed strategies and when and where the money will come from. Resources are deployed to the best possible effect based on community wants or needs
- We have a deep understanding of our business, how to support long term service delivery, and, regularly review and test for efficiency and effectiveness. We try new things in recognition that value is broader than cost efficiency alone and have clear measures of what value should be delivered.

- We manage public money and we take our financial responsibilities seriously demonstrating effective cost control and accurate forecasting. We are transparent and adhere to financial controls.

Innovation

- We are mobile and connected, with the digital tools to do that can provide our services from anywhere in our district.
- Our information is presented to us in a way that we can understand and digest and is stored once in a master source location. We have access to the information that prepares our organisation to respond.
- We collaborate to deliver innovative services and digital engagement responsibly. Our systems are integrated to make it easy to access and share information internally and externally.
- We actively seek opportunities to provide benefits to the community, the organisation and individuals.

Our People

- We know that organisational strategy cannot be successful without an employee experience commitment. We are an employer of choice with highly engaged employees delivering exceptional service. We invest in our people and they understand the role of our organisation within communities and their role in contributing to the same.
- We recognise the skills and creativity of individuals and allow them to make and implement decisions. We focus on outcomes (not outputs) which encourage a supportive, sharing, integrated organisation.

Council is driven by their vision to deliver liveable, thriving, and connected communities and recognises that achieving the associated objectives involves a comprehensive body of work. Internally a significant change focus includes eleven key themes that provide employees and Management a shared understanding of the strategies that will deliver on the commitments that have been made. The themes are;

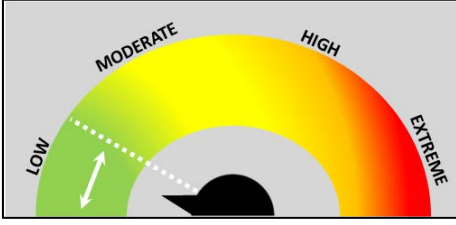
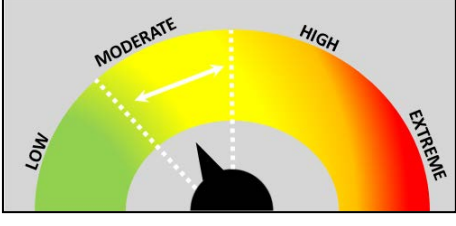
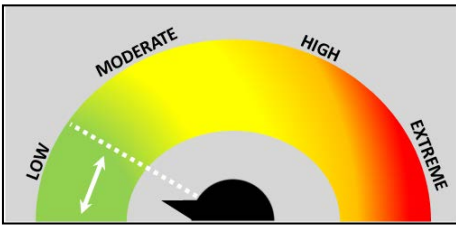
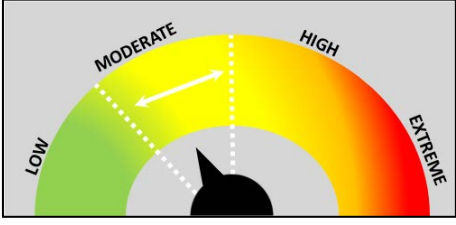
- Our Purpose
- Partnership & Funding
- Teams
- Sustained Innovation
- Empowerment
- Growth
- Community Focus
- Capability
- IM Roadmap
- Risk
- Accountability

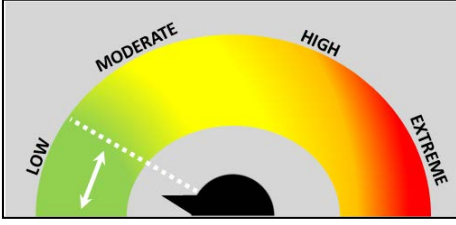
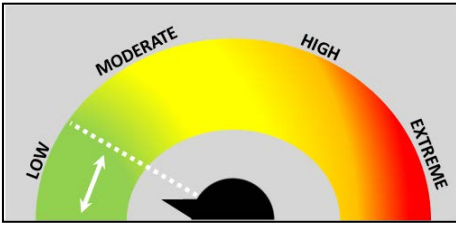
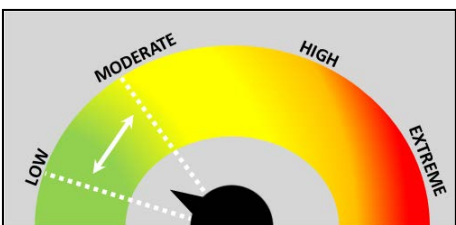
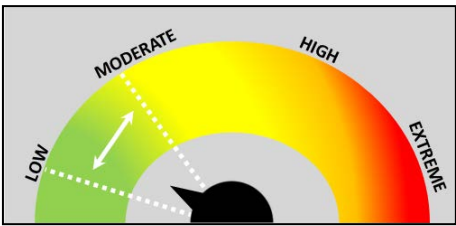
Council is willing to take well defined risks at a moderate to high level where it will result in the achievement of strategic objectives; specifically in projects, growth, financial management and internal culture areas. Council understands that the successful achievement of its objectives is significantly supported by its perceived reputation with its customers. Accordingly, Council is not willing to accept risks that would adversely impact its reputation, nor where there is employee or customer wellbeing is compromised.

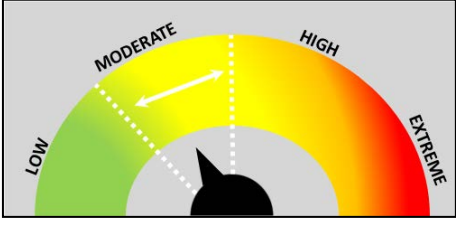
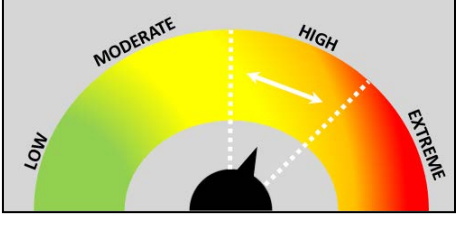
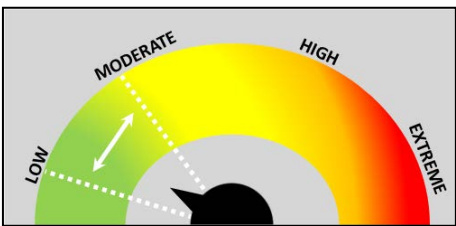
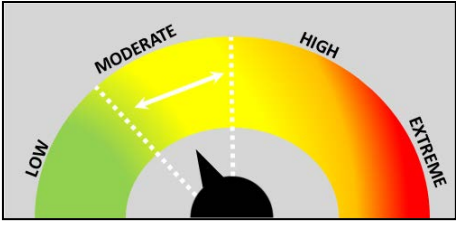
Where the adoption of strategies, initiatives or actions may exceed the stated risk appetite, the Executive Leadership Team and Council, through its Audit & Risk Committee, will be consulted prior to those activities commencing.

The risk appetite statements in this document are for Council itself and any partners, contractors or participating associates. Further detail on individual material areas of risk and risk portfolios are set out subsequently in this document.



RISK PORTFOLIO	PORTFOLIO DESCRIPTION	RISK APPETITE	RISK APPETITE STATEMENTS	POTENTIAL KEY RISK INDICATOR
Business Continuity Operational Resilience	Business continuity risks impacting the day to day business function and level of service delivery. These can be from inadequate or failed internal processes, activities and systems (recruitment, training, change management), or from unforeseen external events (such as a natural disaster or unprecedented growth) that disrupt normal business operations.	Low 	Continuity of services and availability of accurate and timely information to Council and the Executive is considered a key approach. Poor operational risk management can damage Council's reputation and cause financial loss. Although we do have some tolerance for risk to ensure that we are delivering services efficiently to our customers and allowing opportunity for innovation, we need to carefully consider the impact of activities to ensure continuity of essential services.	Business continuity/IMT Operational KPIs (number required through BU/GM reports)
People People Culture &	Risks associated with health and safety, or the capacity and capability of staff, elected members or partnerships; the behavioural and/or performance of staff, elected members or partnerships; and supplier confidence. People risks typically result from staff constraints (cannot fill critical open positions), incompetence (employees, partners or suppliers lack the necessary skill & knowledge to do jobs correctly), dishonesty (theft, fraud) or a corporate culture that does not cultivate risk awareness (i.e. lack of regard for Health & safety processes, risk management processes)	Moderate 	Council recognises that human capital (with consideration to people's knowledge, skills, attitude and behaviours) is a critical asset and key to achieving the organisational objectives. Our current environment demonstrates significant competition for talent and a nationwide resource deficiency in many of the business areas that provide essential services for our customers. Council will invest in attracting, developing and retaining talent with the right skill sets and competencies, and will maintain a robust succession plan for key positions to ensure leadership continuity. With that in mind, we are prepared to make tough decisions to ensure the organisation is not compromising on its commitments to the values that ensure a compliant, healthy, and productive workplace culture.	Staff turn-over Decline in staff engagement survey Number of internal complaints & investigations Whistleblowing Bullying
People Zero Harm		Low 	Employee wellbeing is a priority and hence Council is not prepared to compromise on health and safety standards in any way. Council is committed to good practice and ensuring continuous improvement in health and safety. We aspire to be better than good enough.	Number of zero harm incidents Lead KPI – TRIFR Near miss reports
Financial	Risks related to the financial management of WDC and the ability to fund Council activities and operations now, and into the future. Risks related to the management of operational and or project budgets (potential for loss). External economic factors related to changes in the prevailing market conditions that impact on the organisations financial capability.	Moderate 	With consideration to financial risks related to the financial management of WDC and the ability to fund Council activities and operations now, and into the future Council aims for a change of approach to be more proactive rather than reactive (we need to spend to achieve; not because poor process has resulted in overspend, but because it is the right way to do things and we are getting value for that money). Council is willing to accept greater financial investment as a way of delivering better outcomes and making hard decisions around finances for the future.	Variance to budget <ul style="list-style-type: none">OpexCapex

RISK PORTFOLIO	PORTFOLIO DESCRIPTION	RISK APPETITE	RISK APPETITE STATEMENTS	POTENTIAL KEY RISK INDICATOR
Financial Fraud		Low 	As a tax payer funded organisation, Council has zero tolerance to fraud. Even a minor fraud incident or suspected fraud will result in the loss of customer trust and confidence.	Identified incident of fraud by Councillor, Executive, Staff or Partner Number of control breakdowns identified through audit and compliance programme Lead Indicator – Whistleblowing events
Reputation / Image	Risks related to the impact of organisational actions (business undertakings). Reputational risks typically result when the public perception of Councils actions and /or Councils personnel are deemed to be inappropriate.	Low 	Being a public sector the risk appetite is driven by Council and the Executives desire to make our communities feel trust in Council (reputation, image and branding) and for our customers to understand that we have their best interests at heart. We want our customers to view us as experts whose purpose is to provide for them. For this reason, Council and the Executive prefer to make decisions on items that may impact reputation or community relationships.	Media response Complaints/Compliments Initiation of government tribunal inquiry
Compliance / Regulatory	Risks related to WDC exposure to liability (legal action, fines, non-compliance against consent conditions, codes etc.)	Low – Moderate 	The risk appetite is driven by Council and the Executive having a strong desire to be compliant with regulatory requirements to ensure that customers, staff and Council are appropriately protected from exposure to liability. However, as a local government body Council is subject to regulatory changes which can take time to effect and may therefore be prioritized. Subsets of the risk appetite are defined as follows: <ul style="list-style-type: none"> • H&S – Low • Legislation – Low • Corporate – Low • By-laws – Moderate • Consenting – Moderate/Low Council takes the approach of 'Engage; Educate; Enforce'.	Number of non-compliances identified through the compliance programme Instance of non-compliance raised by a regulatory body New/Changed legislation KPIs
Environmental	Potential or actual negative environmental or ecological impacts, regardless of whether these are reversible or irreversible in nature. Risks can arise from; <ul style="list-style-type: none"> • Natural hazards e.g. landslides • Waste & Refuse, emissions, resource depletion etc. • Emergency/ Disaster management • Growth & Development 	Low – Moderate 	Council is a community that believes in environmental sustainability and is willing to pursue and promote environmental initiatives to improve the district such as the 'Zero Waste' target introduced in 2016. Councils planning controls, for buildings, transport, infrastructure and recreation, along with service provision, assist in protecting cultural heritage and the natural and physical environment and monitoring activities to ensure compliance with legislation.	Challenge of decisions Maintaining monitoring programme Non-compliances identified

RISK PORTFOLIO	PORTFOLIO DESCRIPTION	RISK APPETITE	RISK APPETITE STATEMENTS	POTENTIAL KEY RISK INDICATOR
Political & Strategic	Risks that may impact on the organisations ability to achieve its strategic objectives created by political conditions. This may be due to internal factors (actions of politicians) and or external conditions e.g. growth, events or decisions that could have effect on the achievement of strategic objectives.	Moderate 	Council seeks opportunities to enhance the value it delivers to its customers. Lack of action in the strategic forum can impact our ability to remain relevant to our customers. Council is willing to take a moderate amount of risk in achieving strategic objectives through key investment such as digital transformation, economic development, and innovation.	Delays in launch/progressing key strategic initiatives
Political & Strategic Growth		High 	Growth rate in the Waikato district is expected to surpass Hamilton and match Auckland's over the next 26 years. Providing affordable housing, essential services and social infrastructure for the increasing population has a number of challenges including added pressure on Council staff to manage increasing workloads that deliver planning and consenting requirements. In order for Council to facilitate development Council are willing to look at new and innovative ways of providing services. Exploring beneficial partnerships, providing incentive for local businesses and supporting and promoting social initiatives such as place making and environmental programmes all contribute.	Meeting NPS requirements Developer survey Economic development net promoter score
Technical Cyber Security & IT Dependence	Risks affecting the ability of WDC to complete or have confidence in the function or completion of a task, activity, project, operation. These are quality risks e.g. failure due to lack of technical capability or certainty in; <ul style="list-style-type: none"> Existing equipment, tools, technology, software, hardware etc. Design surety, manufacturing competency, technical performance etc. 	Low – Moderate 	Due to growing dependency on technology and increasing threat of attacks, the organisation believes that ongoing attention is required to manage IT-related risk. Despite this, with a future view, Council still wants to actively seek opportunities to use technology to improve customer services.	Number of security incidents caused by malicious software Number of audit findings where recommendations have been accepted but not remediated/ have become over-due
Technical Projects		Moderate 	The diverse nature of Council requires us to undertake varied projects to continue to effectively deliver services to the community. In the interest of achieving our long term objectives and with consideration to the growth in our district it is necessary to take some project risks to enable us to develop our district and economy. Council wants to move away from focus on delivering the right solutions rather than concentrating on the time and cost of projects.	Number of failures of benefits realised through key projects (failure / malfunction of technology / tools / equipment and or design / manufacturing competency) Project KPI's (RAG reports)



3C Standard Operating Procedure

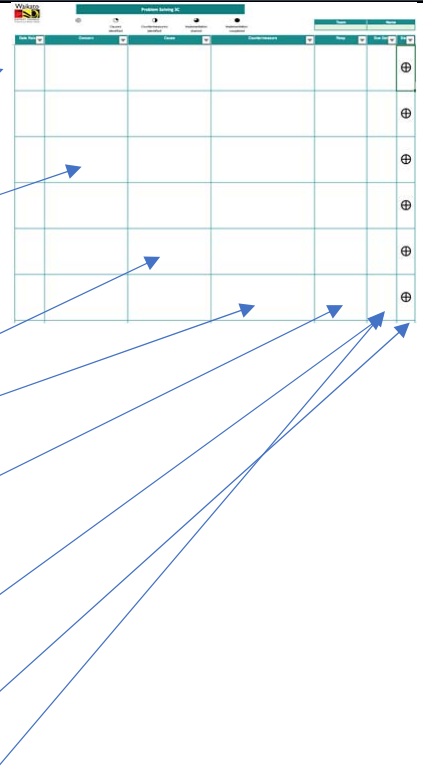
3C Overview

No	Operation	Key Points
1	Background	<p>The 3C will be a key part of the visual management of the team.</p> <p>It provides an effective and visual view of the Continuous Improvement initiatives under way by the team as well as a clear line of sight for issues that need to be escalated to senior leaders.</p> <p>The 3C document will allow you to record the most significant issues that are affecting the business, KPIs and benefits realisation (Continuous Improvement).</p> <p>It will help you to identify smaller issues where the root cause and countermeasures are relatively straightforward.</p> <p>For larger more complex issues consider introducing other problem-solving tools (e.g. problem solving 'O', ASE/Fusion event etc).</p> <p>It is important that at an early stage someone takes responsibility for each problem recorded and is accountable for ensuring a resolution is obtained.</p>
2	Link to KPIs/Benefits	<p>Concerns should be raised in relation to all significant KPIs where a gap between expected performance and target achievement is identified.</p> <p><i>Any concerns recorded must always avoid reflecting individual performance.</i></p>
3	Link to Change Control	<p>All countermeasures should be developed with an understanding of the current standard solution for the business area.</p> <p>Where proposed countermeasures affect the standard solution, change control procedures should be followed.</p> <p>This will involve ensuring any trial is authorised at the correct level before any changes are made.</p>
4	When to update the 3C document	<p>The 3C is a live document and should be updated before team meetings when the status has changed, or during meetings as changes are discussed or new concerns identified.</p> <p>When updated before the meeting the update should be discussed by the owner at the meeting so that everyone is aware of progress.</p>
5	When to review the 3C document	<p>The team 3C document should be reviewed at every team performance meeting.</p> <p>Focus on 3C's for that review date where an update is appropriate and new areas for concern.</p> <p><i>The team leader will also take the document to any further meetings to ensure there is no duplication in problem solving/resources.</i></p>

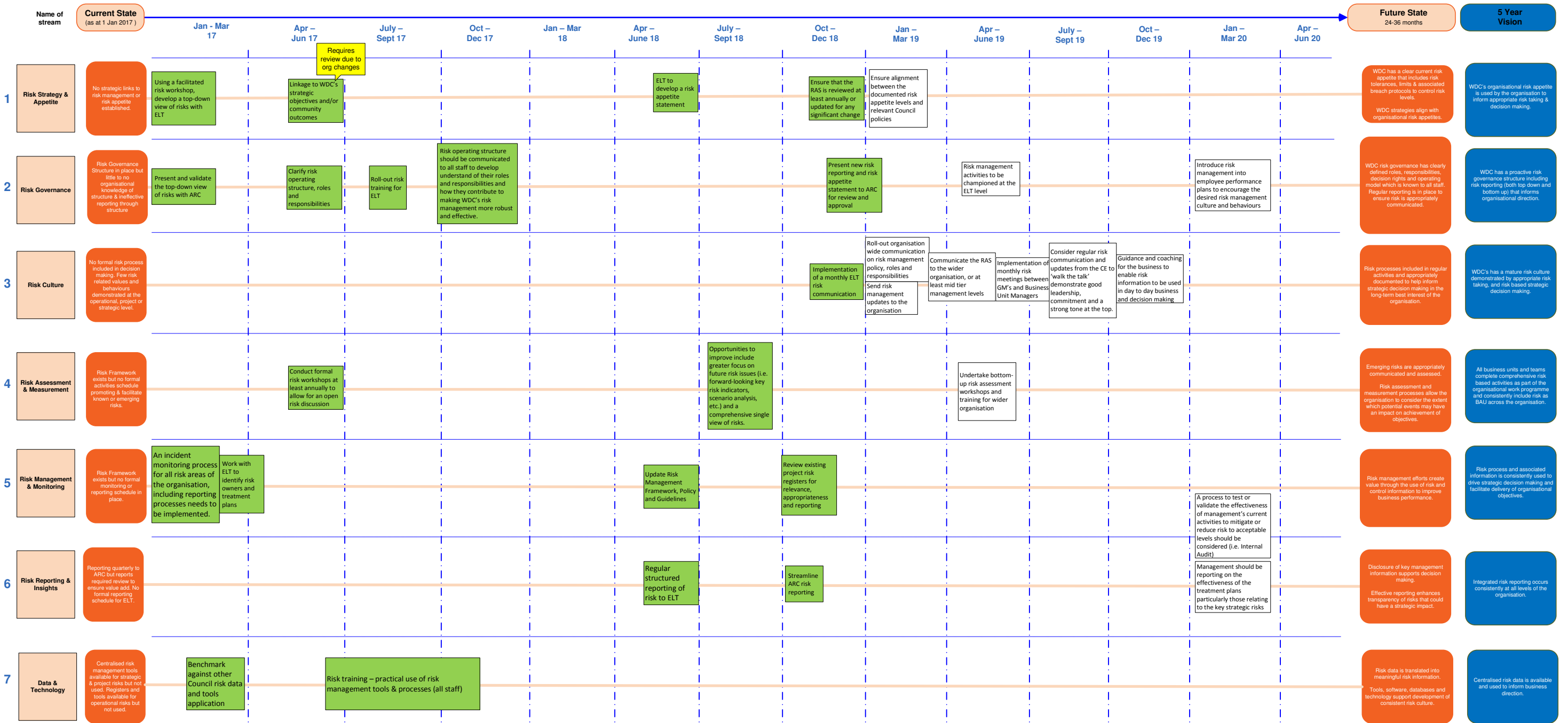
3C

Standard Operating Procedure

Completing the 3C

No	Operation	Key Points	
1	Completing the Sheet	Don't try to cram too much writing into a small space	
2	Date	The date the concern raised should be logged to ensure concerns are resolved in a timely fashion	
3	Concern	<p>What is the 'real problem'.</p> <p>Ask what the concern is, whom, where, when, how and why it is a concern.</p> <p>Define the problem in SMART terms where possible:</p> <ul style="list-style-type: none"> ▪ The concern should be Specific and Measurable ▪ The desired state should be Achievable, Relevant and Time bound <p>It is good practice to note any KPIs impacted by the concern.</p>	
4	Cause	<p>State the 'root cause' (can use 5Ys/fishbone analysis etc).</p> <p>It is good to gather data/evidence so that decisions aren't made based on assumptions (sometimes disproving myths can be as important as solving real issues)</p>	
5	Countermeasure	To identify a permanent fix, brainstorm together (the power of the collective) options which will address causes identified.	
6	Responsibility	<p>Owners must be one person, not a group.</p> <p>It is the responsibility of the owner to make ensure deadlines are met and the 3C is updated.</p> <p>Ownership should not be allocated to someone who is not present.</p> <p>Owners should ensure all relevant stakeholders are involved/consulted as appropriate.</p>	
7	Date Due	<p>This should be the date the countermeasure will be implemented.</p> <p>Initially it may be difficult to estimate this date, in which case it is good practice to place an initial 10-day deadline.</p>	
8	Status	Definitions of the 4 quarters are shown on the 3C and the final quarter should only be cleared when the problem is eliminated.	
9	Escalation	<p>If an issue is escalated the document should clearly show in red to whom and the date.</p> <p>The initial owner is responsible for keeping the document up to date.</p> <p>A sensible due date should be agreed with all stakeholders.</p>	

Overall Outcome Required:
"Achieve risk management maturity to enable appropriate risk taking and improve decision making"



Open Meeting

To	Audit & Risk Committee
From	Tony Whittaker Chief Operating Officer
Date	26 February 2019
Prepared by	Katja Jenkins Risk Advisor
Chief Executive Approved	Y
Reference #	GOV1318 / 2185077
Report Title	Emerging Risks March 2019

1. EXECUTIVE SUMMARY

This report details emerging risks that Management have identified as having potential impact to strategy.

2. RECOMMENDATION

THAT the report from the Chief Operating Officer be received.

3. DISCUSSION

The following activities have been identified as areas that may have business impact in the risk context.

1. Employee Wellbeing

Impact: **Zero Harm:** *Significant harm is caused to workers, or others, due to poor or inactive health and safety procedures, non-compliance with legislative requirements, or inadequate governance/ management of contractual health and safety requirements.*

During the December Audit & Risk Committee meeting the Audit & Risk Committee (“the Committee”) communicated that WorkSafe are looking at wellbeing as part of the overall Health and Safety subject. An article published in September 2017 on the WorkSafe site discusses some of the associated issues and the likelihood of businesses taking “a medicalised approach to workplace mental health, rather than a risk-management approach to assess and manage risks that lead to mental ill-health”. The article goes on to document that “psychosocial risks are a work risk in the same way that biological, chemical or physical risks are, and the focus on eliminating or minimising them should therefore be

the same” and explores the idea that more time should be spent on preventing mental health illness along with identifying and treating it.

Wellness has been a key focus of our Zero Harm team who are in the process of developing a Wellness Strategy and Plan based around the Te Whare Tapa Wha health model. The model reinforces cornerstones of our health: Hinengaro, psychological; Tinana physical; Whanau, family; and Wairua, spiritual.

Furthermore, in line with Our Plan – Gearing for Growth & Greatness and leveraging off the ‘Team-Up’ event held at Hampton Downs on 15 January, the Zero Harm team have relaunched Synergy Health’s Tracksuit Inc. within the organisation and supported the initiation of ‘The Wellness Collective’.

Tracksuit Inc. provides a proactive approach to managing both physical and mental health to compliment the provision of the Vitae Employee Assistance service. The Wellness Collective is a group of 43 staff that promote wellness initiatives within the organisation, a number of which are already underway.

Furthermore, as part of focusing on health and wellness and in line with the Government’s goal of being a smoke-free nation by 2025, the Executive Leadership Team have adopted an initiative to convert all offices and libraries to be smoke-free from 1 March 2019. Employees were invited to co-create the associated policy and smoking cessation support has been made available.

2. Flexible Working Arrangements

Impact: Zero Harm: *Significant harm is caused to workers, or others, due to poor or inactive health and safety procedures, non-compliance with legislative requirements, or inadequate governance/ management of contractual health and safety requirements.*

The Committee raised a concern associated with Councils understanding of the risks associated with staff working from home. The existing ‘Flexible Working Hours’ policy does not specify safety/responsibilities when working at home.

WorkSafe presently has no specific guidelines regarding the scope of an employer's obligations to ensure an employee's home workspace is compliant with health and safety best practice. Research into how other organisations have managed this risk demonstrates appropriate assurances could be met through a formal flexible working request (for consideration by the employer in accordance with the requirements in Part 6AA ERA Flexible Working Arrangements). Guidelines can be added to the existing policy.

A number of example documents have been sourced to provide opportunity to consider business needs. A review will be conducted on 26 February in consultation with the Zero Harm team and appropriate actions taken to mitigate the identified risk. The Committee will be briefed on outcomes during the next meeting.

3. Climate Change

Impact: Business Resilience: *Business function is significantly interrupted due to a lack of business continuity planning and organisational resilience.*

A recent article circulated in the LG News Bulletin highlights the impact of climate change on local Councils. The article discusses the forecast costs of replacing infrastructure lost as the result of predicted climate change over the next 50 years. A call has been put forward to create a national climate change adaptation fund to help meet the costs. Furthermore; LGNZ has commissioned a study to determine how much infrastructure is exposed to sea level rise, and the cost of replacing it.

In 2017 Waikato District Council, along with fifty-five other New Zealand Councils, signed the 'Local Government Leaders' Climate Change Declaration' (*Appendix 1*). As a response consideration is being given to documenting a strategic risk associated with the impact of climate change specific to the district.

Under the Resource Management Act 1991 ("RMA") local government is required to consider the effects of climate change on communities and to play a role in helping them prepare for and adapt to these changes. It is also required to incorporate climate change into existing frameworks, plans, projects and standard decision-making procedures.

The General Manager Community Growth has agreed to source existing reports to inform discussions and, from a business resilience perspective, a meeting has been set to help better understand the potential threat of natural hazards to human life and the natural and physical environment in the district.

Port Waikato provided an opportunity for Council to gain experience with fulfilling their role under the RMA; developing activity plans for a managed retreat in conjunction with the Port Waikato Community in response to coastal erosion. Port Waikato has prompted further work to be done to build greater knowledge of the actual and potential impacts of climate change on district coastlines and other high risk areas. The Committee will be kept informed on developments.

Update: Emerging Risks Process

During the Executive Leadership Team ("ELT") meeting on 13 December 2018 a process for managing emerging risks was confirmed in line with the existing risk management framework. A summary of the process is as follows:

1. Emerging risk identified;
2. Assessment requested from relevant Subject Matter Expert ("SME") (Promapp process 'Define Risk Context & Identify Risk' and 'Assess & Manage Risk - Strategic & Operational');
3. Discussion with ELT re action required (led by SME);
4. Assigned to appropriate register (where deemed necessary);
 - a. Project
 - b. Operational (Activity)

c. Organisational (Strategic)

5. Monitored (Promapp process 'Monitor & Control Risk');
6. Updates communicated to Audit & Risk Committee (as required).

It should be noted that not all emerging risks will require action, escalation or monitoring. This will be at the discretion of the ELT with consideration to advice from SME assessment.

Up to this point the following emerging risks have been discussed:

- Greater Hamilton;
- Healthy Rivers Initiative;
- Urban development authority;
- Nationalised water.

It has been decided that these four risks are sufficiently mitigated as part of the strategic risk 'Regional/National Strategic Planning'. Should further developments occur, documenting the risks as individual entities will be reassessed.

- Affordable Housing

An operational risk has been added to the Growth portfolio and will be monitored and reported as per current process.

4. CONCLUSION

Set process has been implemented to appropriately raise, capture, and monitor emerging risks. The Committee will be kept informed on any changes to the risks as part of the quarterly reporting procedure.

5. ATTACHMENTS

- Appendix I: Local Government Leaders' Climate Change Declaration

Local Government Leaders' Climate Change Declaration

In 2015, Mayors and Chairs of New Zealand declared an urgent need for responsive leadership and a holistic approach to climate change. We, the Mayors and Chairs of 2017, wholeheartedly support that call for action.

Climate change presents significant opportunities, challenges and risks to communities throughout the world and in New Zealand. Local and regional government undertakes a wide range of activities that will be impacted by climate change and provides infrastructure and services useful in reducing greenhouse gas emissions and enhancing resilience.

We have come together, as a group of Mayors and Chairs representing local government from across New Zealand to:

1. acknowledge the importance and urgent need to address climate change for the benefit of current and future generations;
2. give our support to the New Zealand Government for developing and implementing, in collaboration with councils, communities and businesses, an ambitious transition plan toward a low carbon and resilient New Zealand;
3. encourage Government to be more ambitious with climate change mitigation measures;
4. outline key commitments our councils will take in responding to the opportunities and risks posed by climate change; and
5. recommend important guiding principles for responding to climate change.

We ask that the New Zealand Government make it a priority to develop and implement an ambitious transition plan for a low carbon and resilient New Zealand. We stress the benefits of early action to moderate the costs of adaptation to our communities. We are all too aware of challenges we face shoring up infrastructure and managing insurance costs. These are serious financial considerations for councils and their communities.

To underpin this plan, we ask that a holistic economic assessment is undertaken of New Zealand's vulnerability to the impacts of climate change and of the opportunities and benefits for responding. We believe that New Zealand has much at stake and much to gain by adopting strong leadership on climate change emission reduction targets.

We know that New Zealanders are highly inventive, capable and passionate about the environment. New Zealanders are proud of our green landscapes, healthy environment and our unique kiwi identity and way of life. Central and local government, working together with communities and business, can develop and implement ambitious strategies based on sound science, to protect our national inheritance and security.

Council Commitments

For our part we commit to:

1. Develop and implement ambitious action plans that reduce greenhouse gas emissions and support resilience within our own councils and for our local communities. These plans will:
 - a. promote walking, cycling, public transport and other low carbon transport options;
 - b. work to improve the resource efficiency and health of homes, businesses and infrastructure in our district; and
 - c. support the use of renewable energy and uptake of electric vehicles.
2. Work with our communities to understand, prepare for and respond to the physical impacts of climate change.
3. Work with central government to deliver on national emission reduction targets and support resilience in our communities.

We believe these actions will result in widespread and substantial benefits for our communities such as; creating new jobs and business opportunities, creating a more competitive and future-proof economy, more efficient delivery of council services, improved public health, creating stronger more connected communities, supporting life-long learning, reducing air pollution and supporting local biodiversity. In short, it will help to make our communities great places to live, work, learn and visit for generations to come.

Guiding Principles

The following principles provide guidance for decision making on climate change. These principles are based on established legal¹ and moral obligations placed on Government when considering the current and future social, economic and environmental well-being of the communities they represent.

1. Precaution

There is clear and compelling evidence for the need to act now on climate change and to adopt a precautionary approach because of the irreversible nature and scale of risks involved. Together with the global community, we must eliminate the possibility of planetary warming beyond two degrees from pre-industrial levels. This could potentially threaten life on Earth (Article 2 of the UNFCCC). Actions need to be based on sound scientific evidence and resourced to deliver the necessary advances. Acting now will reduce future risks and costs associated with climate change.

2. Stewardship/Kaitiakitanga

Each person and organisation has a duty of care to safeguard the life-supporting capacity of our environment on which we all depend and to care for each other. Broad-based climate policies should enable all organisations and individuals to do all they feasibly can to reduce emissions and enhance resilience. Policies should be flexible to allow for locally and culturally appropriate responses.

¹ These Guiding Principles are established within the: Treaty of Waitangi, Resource Management Act 1991, Local Government Act 2002, Civil Defence and Emergency Management Act 2002, Oslo Principles 2014, Principles of Fundamental Justice and Human Rights.

3. Equity/Justice

It is a fundamental human right to inherit a habitable planet and live in a just society. The most vulnerable in our community are often disproportionately affected by change and natural hazards. Approaches need to consider those most affected and without a voice, including vulnerable members in our community, our Pacific neighbours and future generations.

4. Anticipation (thinking and acting long-term)

Long-term thinking, policies and actions are needed to ensure the reasonably foreseeable needs of current and future generations are met. A clear and consistent pathway toward a low carbon and resilient future needs to provide certainty for successive governments, businesses and communities to enable transformative decisions and investments to be made over time.

5. Understanding

Sound knowledge is the basis of informed decision making and participatory democracy. Using the best available information in education, community consultation, planning and decision making is vital. Growing understanding about the potential impacts of climate change, and the need for, and ways to respond, along with understanding the costs and benefits for acting, will be crucial to gain community support for the transformational approaches needed.

6. Co-operation

The nature and scale of climate change requires a global response and human solidarity. We have a shared responsibility and can not effectively respond alone. Building strong relationships between countries and across communities, organisations and scientific disciplines will be vital to share knowledge, drive innovation, and support social and economic progress in addressing climate change.

7. Resilience

Some of the impacts of climate change are now unavoidable. Enhancing the resilience and readiness of communities and businesses is needed so they can thrive in the face of changes. Protecting the safety of people and property is supported by sound planning and a good understanding of the risks and potential responses to avoid and mitigate risk.

THE FOLLOWING MAYORS AND CHAIRS SUPPORT THIS DECLARATION



Mayor Dave Cull
Dunedin City Council




Mayor Lianne Dalziel
Christchurch City Council



Mayor Grant Smith
Palmerston North City Council



Mayor Ray Wallace
Hutt City Council



Mayor Rachel Reese
Nelson City Council



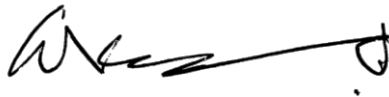
Mayor Steve Chadwick
Rotorua Lakes Council



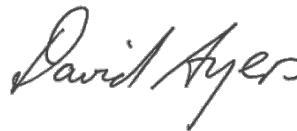
Mayor Wayne Guppy
Upper Hutt City Council



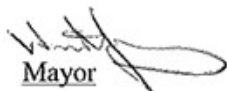
Mayor Don Cameron
Ruapehu District Council



Chris Laidlaw, Chair
Greater Wellington Regional Council



Mayor David Ayers
Waimakariri District Council



Mayor Winston Gray
Kaikoura District Council



Mayor Bill Dalton
Napier City Council



Mayor Gary Tong, JP
Southland District Council



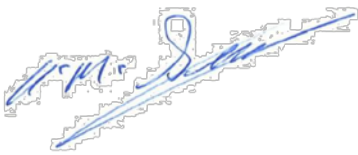
Mayor Lyn Patterson
Masterton District Council



Mayor Andy Watson
Rangitikei District Council



Stephen Woodhead, Chair
Otago Regional Council



Mayor Allan Sanson
Waikato District Council



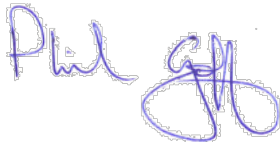
Mayor Tony Bonne
Whakatane District Council



Mayor Justin Lester
Wellington City Council



Mayor K (Guru) Gurunathan
Kāpiti Coast District Council



Mayor Phil Goff
Auckland Council



Mayor Bryan Cadogan
Clutha District Council



Mayor Sam Broughton
Selwyn District Council



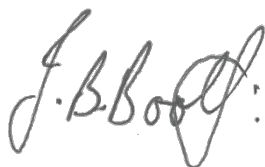
Mayor John Tregidga
Hauraki District Council



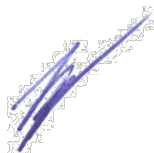
Rex Graham, Chair
Hawke's Bay Regional Council



Mayor Neil Holdom
New Plymouth District Council



Mayor John Booth
 Carterton District Council



Mayor Viv Napier
 South Wairarapa District Council



Mayor Alex Walker
 Central Hawke's Bay District Council



David MacLeod, Chair
 Taranaki Regional Council



Bill Shepherd, Chair
 Northland Regional Council



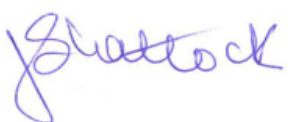
Mayor Tim Cadogan
 Central Otago District Council



Mayor Tracy Hicks
 Gore District Council




Mayor John Leggett
 Marlborough District Council



Mayor Jenny Shattock
 South Waikato District Council



Mayor Hamish McDouall
 Whanganui District Council



Mayor Tim Shadbolt
 Invercargill City Council



Acting Mayor Sandra Hazlehurst
 Hastings District Council



Mayor Brian Hanna
 Waitomo District Council



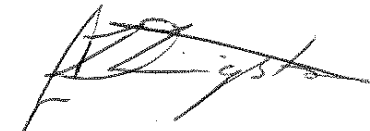
Steve Lowndes, Acting Chair
 Environment Canterbury



Doug Leeder, Chair
Bay of Plenty Regional Council



Mayor Jan Barnes
Matamata-Piako District Council



Alan Livingston, Chair
Waikato Regional Council



Mayor Garry Webber
Western Bay of Plenty District Council



Mayor Greg Brownless
Tauranga City Council



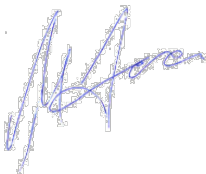
Bruce Gordon, Chair
Horizons Regional Council



Mayor Meng Foon
Gisborne District Council



Nicol Horrell, Chair
Environment Southland



Mayor Mike Tana
Porirua City Council



Mayor Richard Kempthorne
Tasman District Council



Mayor Alfred Preece
Chatham Islands Council



Mayor Malcolm Campbell
Kawerau District Council



Mayor Jim Mylchreest
Waipa District Council



Mayor Tony Kokshoorn
Grey District Council

Open Meeting

To	Audit & Risk Committee
From	Ian Cathcart General Manager Service Delivery
Date	08 February 2019
Chief Executive Approved	Y
Reference #	GOV1318 / 2185318
Report Title	Risk Conversations – Open Spaces Team, Wainui Reserve Farm

I. EXECUTIVE SUMMARY

The purpose of this report is to enable key staff within the organisation who are managing risk in their everyday activities (expect this to be third tier managers and/or team leaders) to come and share “their business”, from a risk perspective, with the Audit & Risk Committee (“the Committee”). This will provide the Committee an opportunity to dialogue with these staff to obtain assurance, from a governance perspective, that appropriate controls and culture are in place.

The intention is to have one of these conversations at every Audit & Risk Committee meeting. The Maintenance and Contracts Officer (Wainui Reserve Farm Manager) will attend the March Audit & Risk meeting for this purpose.

Attached are the business risks register and Hazard and Risks Management (“HARM”) register for Wainui Reserve Farm. The registers include operational risks and controls affecting this area of the business.

2. RECOMMENDATION

THAT the report from the General Manager Service Delivery be received.

3. ATTACHMENTS

- Appendix 1: Wainui Reserve Farm Risks Register – Open Spaces Team
- Appendix 2: Wainui Reserve Farm HARM Register

Activity Name: **Weather/Terrain**

Completed By: **Ian Cathcart, Duncan MacDougall, Noel Barber**

Date: **14/05/2018**

Risk Ref #	Risk Statement <i>Risk statement to include "Bad outcome - cause"</i>	Gross Risk score			Treatment plan <i>What can we do about each significant risk to either eliminate it or reduce it?</i>	Residual Risk score			Contingency <i>If the risk becomes reality...what action(s) will we implement?</i>	Risk Owner <i>Who will take responsibility for this risk? (One person!)</i>	Monitoring/ Reporting <i>Who will monitor and report on this risk?</i>	Timeframe <i>What is the frequency for monitoring/reporting?</i>
		Likelihood	Consequence	Factor		Likelihood	Consequence	Factor				
WRF-01	WRF experiences financial loss due to lost stock as the result of fencing damage caused by washouts (storm damage)	3	2	Moderate	WRF has appropriate drainage and infrastructure in place. The farm manager monitors drainage and infrastructure regularly to ensure it is fit for purpose.	2	1	Low	N/A	Noel Barber	Noel Barber	Ad-hoc
WRF-02	WRF is exposed to financial loss and or access implications due to track damage caused by washouts (storm damage)	2	1	Low	The main track has scheduled upgrades every 2 years. Risk mainly exists during winter when inclement weather events may have an impact. Tracks are monitored by onsite farm manager and maintained as required.	1	1	Low	N/A	Noel Barber	Noel Barber	Ad-hoc
WRF-03	WRF experiences financial loss caused by low stock sale price (selling at inopportune times) due to a need for minimising terrian damage e.g. pugging etc associated with inclement weather.	1	1	Low	On site farm manager uses reserve management plan and monitors stock rates to ensure appropriate stocking at all times of the year. Weather prediction are used to ensure stocking rate is appropriate and to inform season animal management planning.	1	1	Low	N/A	Noel Barber	Noel Barber	Annual
WRF-04	Council fails to deliver public services associated with recreational reserve as the result of land slips/erosion (inclement weather).	1	1	Low	Public access to susceptible areas is limited. On site farm manager monitors erosion prone areas. Reserve management plan in place.	1	1	Low	N/A	Noel Barber	Noel Barber	Ad-hoc
WRF-05	WRF experiences financial loss due to poor soil and pasture management	5	3	High	On site farm manager monitors reserve (reserve management plan in place. Native plantings including riparian planting contribute to soil and pasture management planning. Stocking rates are managed to ensure pasture is adequate but not overgrown. Management plans include inc fert applications and annual soil testing.	1	2	Low	N/A	Noel Barber	Noel Barber	Annual
WRF-06	WRF experiences financial loss caused by natural disasters including, drought, tsunamis, weather events.	1	3	Low	Farm management practices applied by onsite farm manager.	1	1	Low	N/A	Noel Barber	Noel Barber	Annual
WRF-07	Councils is exposed to financial loss caused by poor weed management practices.	5	3	High	Reserve management plan in place and regular monitoring by farm manager. Native planting (including riparian planting) help to minimise weeds in non grazing areas. Annual weed control plan in place includes weedspray schedule.	1	1	Low	N/A	Noel Barber	Noel Barber	Annual



86 Risk Register (Standard)

Activity Name:

Completed By:

Date:

Risk Ref #	Risk Statement <i>Risk statement to include "Bad outcome - cause"</i>	Gross Risk score			Treatment plan <i>What can we do about each significant risk to either eliminate it or reduce it?</i>	Residual Risk score			Contingency <i>If the risk becomes reality...what action(s) will we implement?</i>	Risk Owner <i>Who will take responsibility for this risk? (One person!)</i>	Monitoring/ Reporting <i>Who will monitor and report on this risk?</i>	Timeframe <i>What is the frequency for monitoring/ reporting?</i>
		Likelihood	Consequence	Factor		Likelihood	Consequence	Factor				
WRF-08	WRF is exposed to financial loss caused by a lack of vehicle maintenance (Quad, trailer, ute, tractor)	2	3	Moderate	Annual vehicle service plan includes farm manager receiving automatic notification. Vehicle servicing process applied. Additional repairs/maintenance requirements monitored and reported by onsite farm manager.	1	2	Low	N/A	Gavin Bensemen	Noel Barber	Annual/ Ad-hoc
WRF-09	Council operations fail as the result of vehicle damage (business continuity)	3	2	Moderate	Due to size of farm vehicle usage can vary i.e, quad used daily, tractor used weekly. BC impact for quad greater than tractor. Vehicle servicing process applied. Additional repairs/maintenance requirements monitored and reported by onsite farm manager.	1	1	Low	N/A	Gavin Bensemen	Noel Barber	Annual/ Ad-hoc



87 Risk Register (Standard)

Activity Name:

Completed By:

Date:

Risk Ref #	Risk Statement <i>Risk statement to include "Bad outcome - cause"</i>	Gross Risk score			Treatment plan <i>What can we do about each significant risk to either eliminate it or reduce it?</i>	Residual Risk score			Contingency <i>If the risk becomes reality...what action(s) will we implement?</i>	Risk Owner Who will take responsibility for this risk? (One person!)	Monitoring/ Reporting <i>Who will monitor and report on this risk?</i>	Timeframe <i>What is the frequency for monitoring/reporting?</i>
		Likelihood	Consequence	Factor		Likelihood	Consequence	Factor				
WRF-11	WRF experiences financial loss and or reputational damage as the result of herd disease (including facial eczema).	4	3	High	On site farm manager applies animal management plan and practices including ad-hoc vet care, drenching schedule, quarantine of new animals.	1	3	Low	N/A	Noel Barber	Noel Barber	Ad-hoc
WRF-12	WRF experiences financial loss due to poor stock management (stocking rates - requirement for feed/supplements).	4	3	High	On site farm manager applies animal management plan and practices including winter feed plan, stocking rate management. Where necessary supplement animal feed is available.	1	3	Low	N/A	Noel Barber	Noel Barber	Quarterly / Ad-hoc
WRF-13	WRF is exposed to financial loss and or reputational damage resulting from poor animal health or injury due to a lack of vet care (public perception)	4	3	High	On site farm manager applies animal management plan and practices including ad-hoc vet care, drenching schedule, quarantine of new animals.	1	1	Low	N/A	Noel Barber	Noel Barber	Quarterly / Ad-hoc
WRF-14	WRF is exposed to financial loss and or reputational damage due to animal health resulting from failed water supply (equipment maintenance - town water supply).	3	3	Moderate	On site farm manager performs daily checks of infrastructure and water availability.	2	2	Low	Water can be trucked in if necessary via a number of contractors. This process can be applied within short notice and for periods to cover equipment/infrastructure failures.	Noel Barber	Noel Barber	Annual / Ad-hoc



88 Risk Register (Standard)

Activity Name: Services - Water/Electricity

Completed By: Ian Cathcart, Duncan MacDougall, Noel Barber

Date: 14/05/2018

Risk Ref #	Risk Statement <i>Risk statement to include "Bad outcome - cause"</i>	Gross Risk score			Treatment plan <i>What can we do about each significant risk to either eliminate it or reduce it?</i>	Residual Risk score			Contingency <i>If the risk becomes reality...what action(s) will we implement?</i>	Risk Owner <i>Who will take responsibility for this risk? (One person!)</i>	Monitoring/ Reporting <i>Who will monitor and report on this risk?</i>	Timeframe <i>What is the frequency for monitoring/ reporting?</i>
		Likelihood	Consequence	Factor		Likelihood	Consequence	Factor				
WRF-15	WRF is exposed to significant business disruption (business continuity) cause by failed water supply (irrigation, animals, staff)	3	3	Moderate	On site farm manager performs daily checks of infrastructure and water availability.	2	2	Low	Water can be trucked in if necessary via a number of contractors. This process can be applied within short notice and for periods to cover equipment/infrastructure failures.	Noel Barber	Noel Barber	Ad-hoc
WRF-16	WRF is exposed to financial loss caused by poor asset management (infrastructure knowledge, condition, maintenance).	4	3	High	Known farm and park assets are recorded and managed through the assets register renewal and maintenance process.	2	2	Low	N/A	Duncan MacDougall	Noel Barber	Annual
WRF-17	WRF is exposed to financial loss caused by unauthorised water useage (metered - surf club toilets & users of wainui reserve and beach).	4	2	Moderate	The farm is serviced by town water (metered) and shares service with Ngarunui Beach including the Surf Club, Toilet and Wainui reserve and beach users). Under current arrangements there is no feasible way to monitor how much water is used by Ngarunui and how much is used . The risk is therefore accepted at its current level.	4	2	Moderate	N/A	Duncan MacDougall	Noel Barber	N/A
WRF-18	WRF is exposed to significant business disruption (business continuity) cause by failed electrical infrastructure.	5	2	Moderate	This risk is accepted at its current level.	5	2	Moderate	N/A	Duncan MacDougall	Noel Barber	N/A



89 Risk Register (Standard)

Activity Name: Wainui Reserve Farm Business Risks

Completed By: Ian Cathcart, Duncan MacDougall, Noel Barber

Date: 14/05/2018

Risk Ref #	Risk Statement <i>Risk statement to include "Bad outcome - cause"</i>	Gross Risk score			Treatment plan <i>What can we do about each significant risk to either eliminate it or reduce it?</i>	Residual Risk score			Contingency <i>If the risk becomes reality...what action(s) will we implement?</i>	Risk Owner <i>Who will take responsibility for this risk? (One person!)</i>	Monitoring/ Reporting <i>Who will monitor and report on this risk?</i>	Timeframe <i>What is the frequency for monitoring/reporting?</i>
		Likelihood	Consequence	Factor		Likelihood	Consequence	Factor				
WRF-19	WRF is exposed to financial loss as the result of redistribution of grazing land converted for recreational activity (sustainability of farm e.g. events & reserve management planning)	3	2	Moderate	On-site farm manager manages stock via programme stock movement for known events.	2	1	Low	In the event of significant unplanned events (unusual) if need is identified stock can be reduced or supplement feed brought in.	Noel Barber	Noel Barber	Quarterly / Ad-hoc
WRF-20	WRF is exposed to the loss of institutional knowledge due to high staff turnover caused by misalignment of remuneration with WDC policies.	2	4	Moderate	Annual pay review (as per standard WDC process).	2	2	Low	N/A	Duncan MacDougall	Duncan MacDougall	Annual
WRF-21	WRF is exposed to the loss of institutional knowledge due to a lack of staff succession planning and process documentation.	3	5	High		3	5	High		Duncan MacDougall	Duncan MacDougall	
WRF-22	WRF is disestablished and or fails to be viable due to a lack of future planning and or inappropriate Governance.	2	4	Moderate	Regular reporting to Council ensure transparency, oversight and direction. Establishment of a Business Plan with regular (annual) review period.	2	4	Moderate		Duncan MacDougall	Duncan MacDougall	Quarterly



90
Risk Register (Standard)

Activity Name: **Public/Contractor Access**

Completed By: **Ian Cathcart, Duncan MacDougall, Noel Barber**

Date: **14/05/2018**

Risk Ref #	Risk Statement <i>Risk statement to include "Bad outcome - cause"</i>	Gross Risk score			Treatment plan <i>What can we do about each significant risk to either eliminate it or reduce it?</i>	Residual Risk score			Contingency <i>If the risk becomes reality...what action(s) will we implement?</i>	Risk Owner <i>Who will take responsibility for this risk? (One person!)</i>	Monitoring/ Reporting <i>Who will monitor and report on this risk?</i>	Timeframe <i>What is the frequency for monitoring/ reporting?</i>
		Likelihood	Consequence	Factor		Likelihood	Consequence	Factor				
WRF-23	WRF experiences business disruption as the result of public access interfering with operations (e.g. gates being left open; vehicle access results in animals mixing - time requirement).	3	3	Moderate	On site farm manager performs regular checks of the farm infrastructure. The farm has signage to inform public of stock on site and requirement to keep gates closed. Styles provide alternate access for public passage to minimise gate usage.	1	2	Low	N/A	Noel Barber	Noel Barber	Ad-hoc
WRF-24	WRF is exposed to loss of revenue as the result of escaped/injured stock caused by public access (leaving gates open)	4	2	Moderate	On site farm manager performs regular checks of the farm infrastructure. The farm has signage to inform public of stock on site and requirement to keep gates closed. Styles provide alternate access for public passage to minimise gate usage.	1	2	Low	N/A	Noel Barber	Noel Barber	Ad-hoc
WRF-25	WRF is exposed to loss of revenue as the result of people accessing animals for their own benefit (theft/slaughter).	1	2	Low	On site farm manager routinely checks stock. Appropriate infrastructure including fencing, gates and limited vehicle access on most areas of the farm may aid in preventing removal of an animal carcass.	1	2	Low	Police	Noel Barber	Noel Barber	Ad-hoc



91
Risk Register (Standard)

Activity Name: Implement Shed/Minor Plant

Completed By: Ian Cathcart, Duncan MacDougall, Noel Barber

Date: 14/05/2018

Risk Ref #	Risk Statement <i>Risk statement to include "Bad outcome - cause"</i>	Gross Risk score			Treatment plan <i>What can we do about each significant risk to either eliminate it or reduce it?</i>	Residual Risk score			Contingency <i>If the risk becomes reality...what action(s) will we implement?</i>	Risk Owner <i>Who will take responsibility for this risk? (One person!)</i>	Monitoring/ Reporting <i>Who will monitor and report on this risk?</i>	Timeframe <i>What is the frequency for monitoring/ reporting?</i>
		Likelihood	Consequence	Factor		Likelihood	Consequence	Factor				
WRF-26	Council is exposed to reputational damage and or financial loss (environmental) as the result of chemical spill/drift associated with tractor mounted spray units (Knapsack)	3	3	Moderate	On site farm manager plans and oversees spraying to ensure conventional and safe practices (including not spraying in unsuitable weather conditions).	1	1	Low	N/A	Noel Barber	Noel Barber	Annual / Ad-hoc
WRF-27	Council is exposed to reputational damage and or financial loss (environmental) as the result of chemical spill associated with poor chemical storage and management	4	2	Moderate	On site farm manager oversees chemical containment and storage according to required H&S and environmental protection requirements.	1	1	Low	N/A	Noel Barber	Noel Barber	Annual / Ad-hoc

RISK CONSEQUENCE CATEGORIES										
Questions	Business Continuity	People	Financial	Reputation / Image	Compliance Regulatory	Environmental	Political & Strategic	Technical		
	What is the risk due to inadequate or failed internal processes, activities and systems (recruitment, training, change programmes, natural disasters?)	Are there risks related to health and safety, capacity and capability of staff, behavioural and or performance issues, supplier delivery confidence	What is the risk that there is inadequate funding provided for this activity/project (either by Council and/or external funders) and/or that the final activity/project cost is >10% of the budget?	What is the risk to Council's reputation / image? Potential for negative media coverage and/or negative experiences/ perceptions of the activity/project by stakeholders and the community?	What is the risk of exposure to liability (legal action, fines, non-compliance against consent conditions)?	What is the risk to the environment (ecology, soil contamination, water quality, noise levels, odour, dust, etc.?)	What is the risk at the Political and or Corporate level due to possible impact to Council's core business objectives?	Are there risks due to specific critical technologies and or the overall technical complexity of an activity/project (has it been done successfully before? Design and or implementation complexity? Specialised technical skill required? Speed of technology change, etc.)		
Likelihood	Likelihood	Probability	Frequency	Description					Rating	
	Almost Certain	> 80%	Regular or frequently occurrence	Expected; Almost certain occurrence in the foreseeable future					5	
	Likely	50 - 80%	1 - 5 times per year	Strong probability of occurrence in the foreseeable future / History of frequent occurrence					4	
	Possible	20% - 50%	Once a year	Feasible; a possibility of occurrence / History of casual occurrence					3	
	Unlikely	< 20%	Once every 2 -5 years	Not expected but there is a slight chance of occurrence at some time					2	
	Rare	< 1%	Less than once every 5 years	Highly unlikely but may occur in exceptional circumstances					1	
Consequence	Descriptor	Business Continuity	People	Financial	Reputation / Image	Compliance Regulatory	Environmental	Political & Strategic	Technical	Rating
	Catastrophic	Essential services are unavailable causing customer disruption (> 1 day)	Life threatening injury/fatality (Severity 1) or potential to cause life threatening injury/fatality. Significant or prolonged resourcing deficit (trained/skilled specialist roles).	Financial exposure ≥ \$1.5M in any 12 month period	Sustained (in excess of one week) high profile adverse national media campaign or sustained (in excess of 4 weeks) cumulative adverse local media campaign or irreversible loss of community confidence or initiation of government tribunal of inquiry	Breach of policy, process or legislation requiring external investigation and resulting in significant tangible loss through civil or criminal prosecution and or significant damage to reputation.	Significant environmental disaster or natural hazard or unplanned population growth causing wide spread environmental degradation/damage and/or irreversible pollution or long term effects affecting future generations or uncontained, long term serious environmental degradation.	Significant and prolonged political attention with non-achievement of LTP objectives across multiple years.	Significant and prolonged effect to levels of service, business function or resource capacity as the result of malfunction/failure of technology, tools, equipment and or design/manufacturing competency.	5
	Major	Essential services are unavailable causing customer disruption (< 1 day) or non-essential services are unavailable (<7 days)	A notifiable illness or injury (Severity 2 or 3) or potential to cause notifiable illness or injury. Major but short term resourcing deficit (trained/skilled specialist roles).	Financial exposure ≥ \$500k but <\$1.5M in any 12 month period	High profile adverse national media attention (less than one week) or sustained (in excess of 2 weeks) cumulative adverse local media attention or loss of confidence from significant portion of community sector.	Breach of policy, process or legislation requiring external investigation and resulting in a tangible loss through civil or criminal prosecution and some damage to reputation.	Major but localised environmental degradation/damage/pollution with long term effects or major off site release caused by either a natural disaster or unplanned population growth.	Significant but short term political attention with major impact to timing or deliverables associated with LTP objectives within one given year.	Major but short term effects to levels of service, business function or resource capacity as the result of malfunction/failure of technology, tools, equipment and or design/manufacturing competency.	4
	Moderate	Essential services are unavailable causing customer disruption (< 4 hours) or non-essential services are unavailable (<3 days)	Lost time injury, restricted work injury, where medical treatment or potential for medical treatment is required (Severity 4 or 5). Moderate and short term resourcing deficit (trained/skilled specialist roles).	Financial exposure ≥ \$100k but < \$500k in any 12 month period	Adverse local media coverage that if repeated over time will adversely affect Council or negatively perceived business practice leading to widespread resident/ratepayer complaints or prolonged unresolved dispute requiring legal oversight	Breach of policy, process or legislation requiring internal investigation including moderate treatment for the purpose of damage control	Moderate localised environmental degradation/damage/pollution at a localised level caused by either a natural disaster or unplanned population growth with medium term effect or off site release contained.	Short term political attention with moderate impact to deliverables associated with LTP objectives.	Moderate short term effects to levels of service, business function or resource capacity as the result of malfunction/failure of technology, tools, equipment and or design/manufacturing competency.	3
	Minor	Non-essential services maybe impacted causing customer disruption (< 1 day)	First aid injury or potential for a person to seek first aid (Severity 6). Temporary resourcing deficit (trained/skilled specialist roles) <7days.	Financial exposure ≥ \$10k but < \$100k in any 12 month period	Adverse local media coverage or adverse social media comment or short-term issue leading to localised complaints	Breach of policy, process or legislation requiring internal investigation but requiring only minor treatment for the purpose of damage control.	Minor localised environmental damage/pollution caused by either a natural disaster or unplanned population growth.	Short term political interest with negligible impact to LTP objectives.	Minor effects to day to day business function as the result of malfunction/failure of technology, tools, equipment and or design/manufacturing competency.	2
	Insignificant	No tangible impact on services to customer but monitoring maybe required.	Regular health & safety monitoring required to avoid injury (Severity 7). Temporary resourcing deficit (trained/skilled specialist roles) <1day.	Financial exposure < \$10k in any 12 month period.	Minor adverse social media comment/questions but no subsequent public interest or event affecting an individual or small group only	Minor breach of policy or process requiring no investigation and only an approval or variance to prevent any damage control requirement.	Negligible localised environmental damage caused by either a natural disaster or unplanned population growth.	Negligible political interest with no impact on LTP objectives.	Negligible effects to day to day business function as the result of malfunction/failure of technology, tools, equipment and or design/manufacturing competency.	1

Table 1
Likelihood of Occurrence

Likelihood	Descriptor	Probability
Almost Certain	Expected, Almost certain occurrence in the foreseeable future	5
Likely	Strong probability of occurrence in the foreseeable future / History of frequent occurrence	4
Possible	Feasible, a possibility of occurrence / History of casual occurrence	3
Unlikely	Not expected but there is a slight chance of occurrence at some time	2
Rare	Highly unlikely but may occur in exceptional circumstances	1

Table 2
Risk Consequence Criteria

Rating	Criteria Descriptor Guide	Probability
Catastrophic	Essential services unavailable (>1 day) Life threatening injury/fatality (Severity 1) Significant or prolonged resourcing deficit (trained/skilled specialist roles) Financial exposure per annum ≥ \$1.5M Sustained high profile adverse national or local media campaign or irreversible loss of community confidence Breach of policy, process or legislation requiring external investigation and resulting in significant tangible loss Significant environmental disaster/natural hazard/unplanned population growth causing wide spread environmental degradation/damage and/or irreversible pollution or affecting future generations Significant and prolonged political attention with non-achievement of LTP objectives across multiple years Significant prolonged effect to service levels/business function/resource capacity due to failed/ faulty technology/equipment or design/manufacturing competency.	5
Major	Essential services unavailable (<1 day), non-essential services unavailable (<7 days) Notifiable illness or injury (Severity 2 or 3) Major but short term resourcing deficit (trained/skilled specialist roles) Financial exposure per annum ≥ \$500k but <\$1.5M High profile adverse national or local media attention or loss of confidence from significant portion of community sector Breach of policy, process or legislation requiring external investigation and resulting in a tangible loss Major but localised environmental degradation/damage/pollution with long term effects or major off site release caused by either a natural disaster or unplanned population growth Significant but short term political attention with major impact to annual LTP timing/deliverables Major but short term effects to service levels/business function/resource capacity due to failed/ faulty technology/equipment or design/manufacturing competency.	4
Moderate	Essential services unavailable (<4hrs), non-essential services unavailable (<3 days) Lost time injury, restricted work injury where medical treatment is required (Severity 4 or 5) Moderate but short term resourcing deficit (trained/skilled specialist roles) Financial exposure per annum ≥ \$100k but < \$500k Adverse local media coverage/business practice resulting in complaints/prolonged unresolved dispute requiring legal oversight Breach of policy, process or legislation requiring internal investigation including moderate treatment for the purpose of damage control Moderate localised environmental degradation/damage/pollution due to natural disaster/unplanned population growth (medium term effect) or contained off site release Short term political attention with moderate impact to LTP deliverables/timings Moderate short term effects to service levels/business function/resource capacity due to failed/ faulty technology/equipment or design/manufacturing competency.	3
Minor	Non-essential services impacted (<1 day) First aid injury (Severity 6) Temporary resourcing deficit (trained/skilled specialist roles <7days) Financial exposure per annum ≥ \$10k but < \$100k Adverse local media coverage/social media comment leading to localised complaints Breach of policy, process or legislation requiring internal investigation requiring minor treatment for the purpose of damage control Minor localised environmental damage/pollution due to natural disaster/unplanned population growth Short term political interest with negligible impact to LTP objectives Minor effects to daily business function due to failed/ faulty technology/equipment or design/manufacturing competency.	2
Insignificant	No tangible impact on services to customer (monitoring maybe required) Regular health & safety monitoring required to avoid injury (Severity 7) Temporary resourcing deficit (trained/skilled specialist roles <1day) Financial exposure per annum < \$10k Minor adverse social media comment/questions but no subsequent public interest or event affecting an individual or small group Minor breach of policy or process requiring no investigation and only an approval or variance to prevent any damage control requirement Negligible localised environmental damage due to natural disaster/unplanned population growth Negligible political interest with no impact on LTP objectives. Negligible effects to daily business function due to failed/ faulty technology/equipment or design/manufacturing competency.	1

Table 3

LIKELIHOOD	Almost Certain (5)	Low (5)	Moderate (10)	High (15)	Extreme (20)	Extreme (25)
	Likely (4)	Low (4)	Moderate (8)	High (12)	Moderate (16)	Extreme (20)
	Possible (3)	Low (3)	Moderate (6)	Moderate (9)	High (12)	High (15)
	Unlikely (2)	Low (2)	Low (4)	Moderate (6)	Moderate (8)	Moderate (10)
	Rare (1)	Low (1)	Low (2)	Low (3)	Low (4)	Low (5)
	Insignificant (1)	Minor (2)	Moderate (3)	Major (4)	Catastrophic (5)	
CONSEQUENCE						



Workplace Specific HARM Register



PROJECT/SITE : Wainui Farm

Hazard	Risk	Who could be Harmed?	IRA	Control methods	RRA	Training required
Drenching/injecting cattle at Wainui Farm		WDC staff and visitors	20	<p>M: Administrative - The organisation will ensure that the cattle yard is free of hazards, rubbish, rocks and other debris</p> <p>M: Administrative - The organisation will ensure that staff handling cattle are trained in the principles of cattle handling</p> <p>M: Administrative - The organisation will ensure that the employees are trained to use safe personal hygiene procedures, washing hands after using drenches</p> <p>M: Administrative - The organisation will ensure that advice is taken from a Veterinary Surgeon when using cattle drenches</p> <p>M: Administrative - The organisation will ensure that employees inducted appropriately to handling cattle</p> <p>M: Administrative - The organisation will ensure that visitors, children are not allowed in the yard unless supervised to ensure their safety</p> <p>M: Administrative - The organisation will ensure that all drenches are kept in the locked hazardous chemical store</p> <p>M: Administrative - The organisation will ensure that the employee disposes of any used needles in a sharp bin</p> <p>M: Administrative - The organisation shall ensure that a suitably stocked first aid kit to address any minor injuries that could occur are located in the shed and there is a process for ensuring the contents of the kits are maintained</p> <p>M: Administrative - The organisation has in place a process by which the organisation manages the wider impact of business continuity events, incidents or crises until it is under control and contained</p> <p>M:</p>		



Workplace Specific HARM Register

			<p>Administrative - The organisation shall ensure Emergency Response procedures are in place detailing the response and action required to manage all likely potential events related to this risk M: Administrative - The organisation will ensure that the guards, gate latches, chains, gate handles and safety gates are in place, routinely checked and maintained to ensure they are fully functional M: Administrative - The organisation will ensure that the employee undertakes a hazard identification before they begin the task M: Administrative - The organisation will identify skills, knowledge or competencies employees are required for this task M: Administrative - All events which have or may have resulted in harm to our workers, contractors and members of the public must be reported and investigated as per the Council's Event Management Standard M: PPE Controls - The organisation will ensure that the employees are provided with the respective PPE identified on the Material Data Safety Sheets for the drench in use; gloves, safety glasses, safety footwear and overalls M: PPE Controls - The organisation will ensure that employees are trained and competent in the use of cattle drenches</p>	
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Workplace Specific HARM Register



<p>Exposure to Zoonoses from cattle handling at Wainui Farm</p>		<p>WDC Farm Manager, Visitors</p>	<p>20 - M: Administrative - All events which have or may have resulted in harm to our workers, contractors and members of the public must be reported and investigated as per the Council's Event Management Standard M: Administrative - The organisation will ensure that employees inducted appropriately to handling cattle M: Administrative - The organisation will ensure that staff handling cattle are trained in the principles of cattle handling M: Administrative - The organisation will ensure that the employee calls the Vet/and or MPI biosecurity hotline for any unknown or unfamiliar illness M: Administrative - The organisation will ensure that there is a clean place for workers to wash and dry their hands M: Administrative - The organisation will ensure that employee is isolating cattle showing signs of illness from other cattle and people and will get the animal veterinary treatment as soon as practical M: Administrative - The organisation will provide eating areas away from animal areas and will stop workers from eating, drinking and smoking in animal areas M: Administrative - The organisation will ensure that employee is trained to maintain a high standard and high frequency of personal hygiene (washing hands) M: Administrative -</p>		
<p>Insect Stings/bites.</p>		<p>WDC Employees</p>	<p>6 M: Administrative - Be alert for bees, wasps and wasp nests, if you have an allergy, you must make sure to carry your anti-histamine medication and/or EpiPen. M: Administrative - Ensure that if you have an allergy, to put it onto your personal records with Human Resources. Ensure that your Team Leader is aware of the nature of the allergy.</p>		



Workplace Specific HARM Register

Loading of stock onto transport at Wainui Farm

20

M: Administrative - The organisation will ensure that the employee/s are trained to care for the cattle, maintain animal welfare and production standards **M: Administrative** - The organisation will ensure that there is a well stocked first aid kit which is routinely checked available at the yard **M: Administrative** - The organisation will ensure that the surface of the cattle yards are covered with a material that lets people and animals move freely in all weather conditions **M: Administrative** - The organisation will ensure that the site is routinely maintained with good access and space for trucks and trailers to safely turn and back into the race **M: Administrative** - The employee should never enter the race with the cattle and should keep body parts out of the race **M: Administrative** - The employee will ensure that there is a planned escape plan before starting work with cattle **M: Administrative** - The employee will ensure that the cattle are kept as calm as possible, by allowing the cattle at least 30 minutes to settle down before working with them **M: Administrative** - The employee will ensure that the yard is properly set up and free of rocks, rubbish and debris, removing any sharp objects that could injure people or livestock **M: Administrative** - The employee should ensure that the route to the cattle race is ready for cattle to move through in advance **M: PPE Controls** - The organisation will ensure that the employee is provided with the PPE required for the task; safety footwear (if using gum boots, they must have steel capped toes)



Workplace Specific HARM Register



<p>Maintenance, repair and replacement of fencing at Wainui Farm</p>		<p>WDC Farm manager/staff</p>	<p>12 E: Eliminate - The organisation will consider contracting fencing work out to eliminate the farm manager from the risk M: Administrative - The organisation will ensure that the farm manager/worker is trained to follow the procedures in place to ensure safety when working in isolation M: Administrative - The organisation will ensure that the farm manager/worker is trained in correct manual handling techniques M: Administrative - The organisation will ensure that the farm manager/worker is trained and competent in the fencing tasks required on the farm M: PPE Controls - The organisation will ensure that the farm manager/worker is provided with the PPE required for the task; ear and eye protection, safety footwear, overalls</p>		
<p>Power Take-Off (PTO) Shaft on the tractor</p>		<p>WDC staff</p>	<p>20 M: Administrative - A process is in place for a daily visual pre-start check to be undertaken by the operator M: Administrative - The organisation shall ensure that it has in place a preventative maintenance regime M: Administrative - The organisation will ensure that the PTO shaft is appropriately guarded; Fixed power output coupling, implement pwer in put coupling, PTO shaft guard, which extends into the POC & PIC areas for maximum practical distance. M: Administrative - The organisation will ensure that the tractor operator is trained to use the PTO shaft M: Administrative - The organisation shall ensure that Emergency response procedures are in place detailing the response and action required to manage all the likely potential events related tho this risk</p>		



Workplace Specific HARM Register

Slippery/uneven ground surface		All Workers, Contractors	9	E: Eliminate - Never walk in areas where you are unsure of the ground conditions E: Eliminate - Test your footing before proceeding and be cautious of collapsing banks E: Eliminate - Look for a safe route to access and exit the site M: PPE Controls - Wear appropriate foot wear (lace up with good tread and ankle support)	6
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Workplace Specific HARM Register

<p>There are many situations where a worker is required to work in isolation from other workers without close or direct contact. This may involve working on or off site, during or outside normal working hours, and includes workers who are required to travel to undertake their normal duties.</p>	<p>Working Alone/ In Isolation</p>		<p>20 - M: Administrative - Refer to promapp process Undertake a Site Visit / Step 4 which describes your procedures for a site visit. M: Administrative - The organisation will ensure that the WDC farm manager uses a personal locator M: Administrative - The organisation will ensure that a job safety analysis has been undertaken to see whether the job requires additional manpower or can be done in a different manner to eliminate the farm manager/worker being alone particularly for high risk tasks M: Administrative - The organisation will ensure that the farm worker/manager has a process to follow in regards to being in regular contact at regular intervals while working with hazardous substances, fencing, cattle mustering or use of vehicles on the farm M: Administrative - The organisation will ensure that the farm worker/manager is trained in first aid M: Administrative - Use personal locator M: Administrative - Ensure you tell someone where you are working and when you plan to return and have regular check in times M: Administrative - Take communication devices appropriate to the location e.g hand held radio if no cell phone coverage M: Administrative - Ensure relevant emergency procedures are in place for the activity to undertaken Minimise - Be aware of your safety when working alone or going out on site.</p>		
<p>Use of All Terrain Vehicle (ATV) to complete various tasks on the Wainui Farm</p>		<p>WDC Farm Manager</p>	<p>20 M: Administrative - The organisation shall ensure Emergency Response procedures are in place detailing the response and action required to manage and action required to manage all likely potential events related to this risk M: Administrative - A process is in place for a visual pre-start check to be</p>		



Workplace Specific HARM Register

undertaken by the driver to ensure the ATV is in good working order and fit for purpose **M: Administrative** - ATV training must be completed before worker is able to operate quad bike **M: Administrative** - The organisation shall ensure that it has in place a preventative maintenance regime for all vehicles to ensure that they are legally compliant, fit for purpose and in good working condition **M: Administrative** - The organisation shall ensure it has in place an effective induction process specific to ATV use to ensure all workers are aware of the requirements **M: Administrative** - The organisation shall ensure a process in place to check the validation period and status of all licence holders operating an ATV **M: Administrative** - A process is in place for a weekly documented vehicle check to ensure that the vehicle is in good working order and fit for purpose **M: Administrative** - The organisation shall ensure a process is in place to ensure that drivers are trained to use the ATV **M: Administrative** - The organisation shall ensure that a process is in place to educate workers on fatigue and how to manage fatigue **M: Administrative** - The organisation shall ensure that sufficient, fit for purpose personal protective eyewear is available for drivers **M: Administrative** - All events which have or may have resulted in harm to our workers, contractors and members of the public must be reported and investigated as per the Council's Event Management Standard **M: Administrative** - The organisation shall ensure that Council owned, leased or rented ATV are operated in accordance with the manufacturers recommendations, and/or with the instruction of the leasing or renting



Workplace Specific HARM Register

				organisation including limitations to carrying capacity M: Administrative - The organisation will ensure it has in place a process that all workers as identified in the training needs analysis received the required training associated with operating an ATV M: Administrative - The organisation shall have in place a policy and/or procedures detailing any legal and best practice requirements regarding the safe operation of an off road vehicle M: Administrative - Vision testing is available for all workers who are required to drive as a core function of their role M: PPE Controls - ATV helmet is supplied and is required to be worn when using ATV	
Use of Chainsaw		WDC staff and general public	20	M: Administrative - The operator will undertake a 'Take Five' to ensure that all hazards have been identified before undertaking the chain saw task; weather conditions, work area, electricity/telecommunication cables in area M: Administrative - The organisation shall ensure that a process is in place to educate operators on fatigue and how to manage fatigue M: Administrative - The operator will ensure that there is a person within calling distance when completing the task M: Administrative - The organisation shall ensure that it has in place a preventative maintenance regime for the equipment to ensure that they are legally compliant, fit for purpose and in good working condition M: Administrative - The organisation will ensure that the operators are trained and competent in the use of the equipment M: Administrative - The organisation shall ensure that Emergency response procedures are in place detailing the response and action required to manage and action required to	



Workplace Specific HARM Register

			<p>manage all the likely potential events related to this risk M: Administrative - A process is in place for a visual pre-start check to be undertaken by the operator to ensure the equipment is in good working order and fit for purpose M: Administrative - The organisation will ensure that all operators will be trained in the equipment's emergency shut down procedures M: Administrative - The organisation will ensure that Council owned, leased or rented equipment are operated in accordance with manufacturer's recommendations, and/or with the instruction of the leasing or renting organisation M: Administrative - The organisation will provide manual handling training for use of this equipment M: Administrative - The organisation will ensure that the area in which the equipment is being utilised will be clearly sign posted to inform general public that the equipment is being used in the area M: Administrative - Woodlands: No chain saw on site. If required for a task, WDC aborist is asked to arrange contractor for task M: Administrative - Woodlands Estate: The organisation will ensure that there is signage and barriers erected to prevent general public entering the area where chain saw task is taking place M: PPE Controls - The organisation will ensure that the operator is provided with the PPE required for the task including; hearing and eye protection, safe footwear and protective clothing including chaps or chainsaw operator's trousers (AS/NZ 443.:1997) Safety Helmet</p>	
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Workplace Specific HARM Register



Use of Generator at Wainui Farm		WDC Farm manager	<p>20 M: Administrative - The organisation shall ensure that Emergency response procedures are in place detailing the response and action required to manage and action required to manage all the likely potential events related to this risk M: Administrative - The organisation will ensure that no flame producing or heat generating devices are allowed near the equipment M: Administrative - The organisation will ensure that the generator is allowed to cool down before refuelling M: Administrative - The organisation will ensure that generators are not run for long periods of time M: Administrative - The organisation will ensure that the generator is not located in an enclosed space M: Administrative - The organisation shall ensure that it has in place a preventative maintenance regime for the equipment to ensure that they are legally compliant, fit for purpose and in good working condition M: Administrative - The organisation will ensure that Council owned, leased or rented equipment are operated in accordance with manufacturer's recommendations, and/or with the instruction of the leasing or renting organisation M: Administrative - The organisation will ensure that all operators will be trained in the equipment's emergency shut down procedures M: Administrative - The organisation will ensure that the operators are trained and competent in the use of the equipment M: Administrative - A process is in place for a visual pre-start check to be undertaken by the operator to ensure the equipment is in good working order and fit for purpose</p>	
Use of the 4 x 4 ute at Wainui Farm		WDC staff and general	<p>20 M: Engineer - The organisation shall ensure that where items are required to be</p>	15



Workplace Specific HARM Register

members of public

transported in 4 x 4 vehicles that a means of restraining items or physically separating them from vehicle occupants is in place **M: Administrative** - The organisation shall ensure that Council owned, leased or rented vehicles are operated in accordance with the manufacturers recommendations, and/or with the instructions of the leasing or renting organisation (including limitations to carrying capacity **M: Administrative** - Personal health monitoring e.g. blood pressure and cholesterol checks are available for all workers. **M: Administrative** - The organisation shall ensure it has in place a process that all workers as identified in the training needs analysis received the required training associated with operating a 4 x 4 vehicle. **M: Administrative** - The organisation shall ensure a process is in place to identify roles/individual personnel who may require extra training to operate a 4 x 4 vehicle over and above NZ Legislation. Extra training may include but not be limited to defensive driver training **M: Administrative** - The organisation shall ensure a process is in place to regularly check assigned emergency equipment for each Council owned or leased vehicle **M: Administrative** - The organisation shall ensure that it meets the requirements of the Waikato District Council Safe Use Of Council Vehicles Policy in relation to mobile communication devices **M: Administrative** - The organisation shall ensure that it has in place a process for the establishment of a preventative maintenance regime for all Council owned or leased 4 x 4 vehicles based on the manufacturers or suppliers recommendations **M: Administrative** - Vision testing is available for all workers who are



Workplace Specific HARM Register

required to drive as a core function of their role

M: Administrative - The organisation shall ensure that it has in place a preventative maintenance regime for all 4 x 4 vehicles to ensure they are legally compliant to operate on road, fit for purpose and in good working condition

M: Administrative - A process is in place for a visual pre start check to be undertaken by the driver to ensure it is in good working order and fit for purpose

M: Administrative - A process is in place for a weekly documented vehicle check to ensure that the vehicle is in good working order and fit for purpose

M: Administrative - The organisation shall ensure that a suitably charged fire extinguisher is located in all Council owned or leased 4 x 4 vehicles and there is a process for ensuring the fire extinguisher is maintained

M: Administrative - All events which have or may have resulted in harm to our workers, contractors and members of the public must be managed in such a manner that complies with the Council's Event Management Standard and meet the business expectations around duty of care

M: Administrative - The organisation shall ensure that vehicle events involving any Council owned, leased or rented vehicle or private vehicle, while being used on Council business shall be reported to the local authorities in accordance with the requirements of the insurance

M: Administrative - The organisation shall ensure that all Council owned, leased or rented 4 x 4 vehicles are roadworthy and fitted with seatbelts. The preferred choice of vehicles must be those that achieve a minimum ANCAP rating of 4 or greater

M: Administrative - The organisation shall ensure that where a vehicle is being used



Workplace Specific HARM Register

as a tool of trade, the vehicle shall be fitted with a first aid kit, fire extinguisher, high visibility vest and safety triangle **M:**

Administrative - The organisation shall ensure that a process is in place to annually test and review emergency response procedures for all likely potential events and to identify any areas for improvement. **M:**

Administrative - The organisation shall ensure Emergency Response procedures are in place detailing the response and action required to manage all likely potential events related to this risk **M: Administrative** - The organisation shall ensure that a process is in place to educate workers on fatigue and how to manage fatigue **M: Administrative** - The organisation has in place a process by which the organisation manages the wider impact of business continuity events, incidents or crises until it is under control and contained **M:**

Administrative - The organisation shall ensure that a suitably stocked first aid kit to address any minor injuries that could occur are located in all Council owned or leased light vehicles and there is a process for ensuring the contents of the kits are maintained **M:**

Administrative - All events which have or may have resulted in harm to our workers, contractors and members of the public must be reported and investigated as per the Council's Event Management Standard **M:**

Administrative - The organisation shall ensure that all Council owned or leased 4 x 4 vehicles are fitted with an emergency distress function to raise the alarm in the event of a vehicle accident (e.g. rollover) **M:**

Administrative - The organisation shall ensure that all Council owned or leased vehicles are fitted with a means of monitoring



Workplace Specific HARM Register

			<p>between the vehicle and its base of operations, for example GPS M: Administrative - The organisation shall ensure a process is in place to check the validation period and status of all licence holders operating a Council owned, leased or rented 4 x 4 vehicle M: Administrative - The organisation shall ensure a process is in place to ensure that all workers and contractors hold and maintain the correct licences as required by NZ Legislation to operate a Council owned, leased or rented 4 x 4 vehicle M: Administrative - The organisation shall ensure it has in place an effective induction process specific to 4 x 4 Vehicles to ensure all workers are aware of the requirements of the WDC Safe use of Council Vehicles Policy and also risks and controls associated with driving M: Administrative - The organisation shall have in place a policy and/or procedures detailing any legal and best practice requirements regarding the safe operation of a 4 x 4 vehicle. M: PPE Controls - The organisation shall ensure that sufficient, fit for purpose personal protective eyewear is available for drivers e.g. polarised safety sunglasses for high risk drivers and safety sunglasses are available for adhoc vehicle users</p>		
<p>Use of the All Terrain Vehicle (ATV) and trailer to complete tasks on Wainui Farm.</p>		<p>WDC Farm Manager</p>	<p>20 - - M: Administrative - The organisation shall ensure that it has in place a preventative maintenance regime for all trailers to ensure that they are legally compliant, fit for purpose and in good working condition M: Administrative - Training of ATV and trailer use must be undertaken before worker is allowed to operate the equipment M: Administrative - The organisation shall ensure that Emergency response procedures are in place detailing the response and action</p>		



Workplace Specific HARM Register

			<p>required to manage and action required to manage all the likely potential events related to this risk M: Administrative - A process is in place for a visual pre-start check to be undertaken by the driver to ensure the trailer is in good working order and fit for purpose M: Administrative - All events which have or may have resulted in harm to our workers, contractors and members of the public must be reported and investigated as per the Council's Event Management Standard M: Administrative - The organisation will ensure that the ATV user is trained in relevant techniques required to ride an ATV towing a trailer/load M: Administrative - Always use spray tanks with baffles fitted M: Administrative - Only use attachments designed for and compatible with the ATV M: Administrative - Keep with the load limits stated by the manufacturer M: Administrative - The organisation will ensure that it has in place a process that all workers as identified in the training needs analysis received the required training associated with operating a trailer M: Administrative - The organisation will ensure that Council owned, leased or rented trailers are operated in accordance with manufacturer's recommendations, and/or with the instruction of the leasing or renting organisation including limitations to carrying capacity</p>	
Use of the hydraulic post rammer		WDC farm manager/WDC staff	<p>20 M: Administrative - The operator should ensure that if posts are being driven where the power is underground, it is advisable to contact the local lines companies cable location service and get them to correctly identify EXACTLY where underground cables are M: Administrative - The organisation will ensure that the rammer is fitted with a locking pin no</p>	



Workplace Specific HARM Register

			<p>less than 75% of the diameter of the linkage point to prevent vibration M: Administrative - A process is in place for a visual pre-start check to be undertaken by the driver to ensure the trailer is in good working order and fit for purpose M: Administrative - The organisation shall ensure that it has in place a preventative maintenance regime for all trailers to ensure that they are legally compliant, fit for purpose and in good working condition M: Administrative - All events which have or may have resulted in harm to our workers, contractors and members of the public must be reported and investigated as per the Council's Event Management Standard M: Administrative - The organisation shall ensure that Council owned, leased or rented equipment are operated in accordance with the manufacturers recommendations, and/or with the instruction of the leasing or renting organisation including limitations to carrying capacity M: Administrative - The organisation shall ensure Emergency Response procedures are in place detailing the response and action required to manage and action required to manage all likely potential events related to this risk M: Administrative - The organisation will ensure that training will be completed before worker is able to operate hydraulic post rammer and be signed off as competent M: Administrative - The organisation shall ensure that it has in place a preventative maintenance regime for all equipment to ensure that they are legally compliant, fit for purpose and in good working condition M: Administrative - The operator should undertake a job safety task analysis to ensure that there are no hazards that may affect the task e.g driving near overhead power lines</p>	
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Workplace Specific HARM Register

Use of tractor attachments		WDC staff and members of public	20 M: Administrative - The organisation will ensure that attachments are stored in a locked shed when not use in an area away from general public and are stored at ground level M: Administrative - The organisation shall ensure that Emergency response procedures are in place detailing the response and action required to manage all the likely potential events related tho this risk M: Administrative - The organisation will ensure that the tractor operator is trained to use the attachments M: Administrative - The organisation shall ensure that it has in place a preventative maintenance regime M: Administrative - A process is in place for a daily visual pre-start check to be undertaken by the operator M: Administrative - The organisation will ensure that the operator tests for correct operation of all controls for three-point linkage and FEL attachment M: Administrative - The organisation will provide manual handling training for use of this equipment M: Administrative - The organisation shall ensure that a process is in place to educate operators on fatigue and how to manage fatigue M: Administrative - The operator will undertake a 'Take Five' to ensure that all hazards have been identified before undertaking the task; weather conditions, work area etc M: Administrative - Noise surveys undertaken in areas to identify potential noise hazards. Survey completed by competent person in accordance with the Approved Code of Practice for the Management of Noise in the Workplace M: Administrative - Annual health monitoring is undertaken for all workers that are or maybe exposed to a noise hazard M: Administrative - The organisation will ensure that Council owned, leased or rented	<ul style="list-style-type: none">• Hazard and Risk Management• Identifying and preventing back injuries in the workplace
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Workplace Specific HARM Register

			attachments are operated in accordance with manufacturer's recommendations, and/or with the instruction of the leasing or renting organisation including limitations to carrying capacity M: Administrative - Keep with the load limits stated by the manufacturer M: Administrative - Only use attachments designed for and compatible with the tractor M: Administrative - The organisation will ensure that replacement parts will be made to manufacturer's specifications or their equivalent M: PPE Controls - The organisation will ensure that the operator is provided with the PPE required for the task; protective clothing, safety footwear, safety eye and ear protection, gloves	
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Workplace Specific HARM Register



<p>Use of tractor for various tasks</p>		<p>WDC Farm Manager, WDC staff</p>	<p>15 M: Administrative - The organisation will ensure that Council owned, leased or rented trailers are operated in accordance with manufacturer's recommendations, and/or with the instruction of the leasing or renting organisation including limitations to carrying capacity M: Administrative - All events which have or may have resulted in harm to our workers, contractors and members of the public must be reported and investigated as per the Council's Event Management Standard M: Administrative - A process is in place for a visual pre-start check to be undertaken by the driver to ensure the tractor is in good working order and fit for purpose M: Administrative - The organisation shall ensure that Emergency response procedures are in place detailing the response and action required to manage and action required to manage all the likely potential events related to this risk M: Administrative - Training of tractor use must be undertaken before worker is allowed to operate the equipment M: Administrative - The organisation shall ensure that it has in place a preventative maintenance regime for tractors to ensure that they are legally compliant, fit for purpose and in good working condition M: PPE Controls - The organisation will provide the ear protection devices for use on tractor</p>		
<p>Use of vehicle mounted spray unit at Wainui Farm e.g tractor, ATV</p>		<p>WDC Staff and general public</p>	<p>12 E: Eliminate - The organisation will ensure that a JSA is undertaken to ensure that all other options have been explored to use instead of spray unit M: Administrative - The organisation will ensure that there is a process is in place for a visual pre-start check to be undertaken by the operator to ensure the spray unit is in good working order and fit for</p>		



Workplace Specific HARM Register

purpose **M: Administrative** - The organisation shall ensure that it has in place a preventative maintenance regime for all equipment to ensure that they are legally compliant, fit for purpose and in good working condition **M: Administrative** - The organisation will ensure that training will be completed before worker is able to operate spray unit and be signed off as competent **M: Administrative** - The organisation shall ensure Emergency Response procedures are in place detailing the response and action required to manage and action required to manage all likely potential events related to this risk **M: Administrative** - The organisation shall ensure that Council owned, leased or rented equipment are operated in accordance with the manufacturers recommendations, and/or with the instruction of the leasing or renting organisation including limitations to carrying capacity **M: Administrative** - All events which have or may have resulted in harm to our workers, contractors and members of the public must be reported and investigated as per the Council's Event Management Standard **M: Administrative** - The organisation will ensure that there is a complete stocked first aid with eye wash located on the vehicle **M: Administrative** - Before applying chemicals, read the label of the chemical and follow the instructions for handling, missing and applying **M: Administrative** - Cargo should be properly distributed and securely attached **M: Administrative** - Never exceed the load capacity of the ATV or other vehicle which the spray unit is mounted on **M: PPE Controls** - The organisation will supply the appropriate PPE required for the use of the spray unit; eye protection, safe footwear and as appropriate,



Workplace Specific HARM Register

				respiratory protection (as directed on the pesticide label)		
UV exposure		Workers who are required to work outdoors including travelling in vehicles for more than 4 hours per working day (non consecutive)	16	M: PPE Controls - Where appropriate PPE/Clothing; sun hat, sun glasses, long sleeves, long pants Minimise - Apply sun screen and re-apply as required throughout the day Minimise - Drink plenty of fluids Minimise - Stand in the shade as much as possible and limit time spent in the direct sun	6	

Open Meeting

To	Audit & Risk Committee
From	Tony Whittaker Chief Operating Officer
Date	28 February 2019
Prepared by	Katja Jenkins Risk Advisor
Chief Executive Approved	Y
Reference #	GOV1318 / 2188883
Report Title	Audit New Zealand Broader Audit Risk Assessment

I. EXECUTIVE SUMMARY

The KPMG Insights Session, held in October 2018, included an Audit New Zealand (“Audit NZ”) document titled “Waikato District Council – 2017 Audit Risk” (Appendix 1). The document featured four scatter charts demonstrating Audit NZ’s assessment of inherent risk and residual risk in the following areas:

- Asset Management
- Contract Management
- Procurement
- Risk Assessment.

Follow up with Audit NZ was requested to gain an understanding of the assessment ratings and Council’s performance relative to their peers.

The scatter chart is a visual demonstration of the outcomes of the Broader Audit Risk (“BAR”) assessment. All entities demonstrated in the graph are local government entities; details of the entities were not available. The BAR assessment is comprised of a series of questions aimed at determining performance in the four risk areas specified.

Responses to the questions are provided by a selection of nominated Subject Matter Experts (“SMEs”) e.g. questions associated with the Contract Management and Procurement risk areas would be completed by the Procurement Manager, Chief Financial Officer and a member of the Project Management Office. The assessment includes three specific evidence requirement types: inquiry; observation; and inspection.

The BAR assessment is performed as an initial assessment and where medium or higher level risk is demonstrated, further investigation process may be applied. Scoring for the BAR assessment is as follows:

- <50 Low Risk
- >50 Moderate
- >100 High.

The residual risk assessment scores for Waikato District Council during 2017 were:

- Asset Management: Low
- Contract Management: Moderate
- Procurement: Moderate
- Risk Assessment: Low.

Recommendations associated with the BAR assessment and any subsequent investigation are communicated through the interim/final management reports as part of the 2017/18 audit. Detailed results for Waikato District Council were requested however Audit NZ were not able to provide this level of data.

Waikato District Councils 2018 BAR assessment has also been completed. The residual risk scores and commentary on performance against peers are detailed below:

- Asset Management: Low
 - Inherent risk in this area is in the high end of Councils peers
 - Residual risk demonstrates a decrease from the 2017 results
 - Residual risk is approximate to Councils peers

Council acknowledges that work is required in this space. The recent organisational restructure and current recruitment will contribute to progressing improvements.

- Contract Management: Moderate
 - Inherent risk in this area is in the high end of Councils peers
 - Residual risk remains moderate but demonstrates a decrease from the 2017 results
 - Residual risk is slightly to the higher end of the scale comparative to Councils peers

Work to decrease risk in this area is ongoing including process and framework improvements and appointment of additional contract focused roles.

- Procurement: Low
 - Inherent risk in this area is in the high end of Councils peers
 - Residual risk demonstrates a decrease from moderate to low from the 2017 results
 - Residual risk is approximate to Councils peers

Similarly to Contract Management inroads are being made to decrease risk in this area through improvements in process and technology.

- Risk Assessment: Low
 - Inherent risk in this area is approximate to Councils peers
 - Residual risk demonstrates a decrease from the 2017 results
 - Residual risk is on the lower end of the scale comparative to Councils peers

Projects focused on improving Councils risk maturity are demonstrating positive outcomes. Collaboration with other Councils and internal projects to progress risk culture are ongoing.

2. RECOMMENDATION

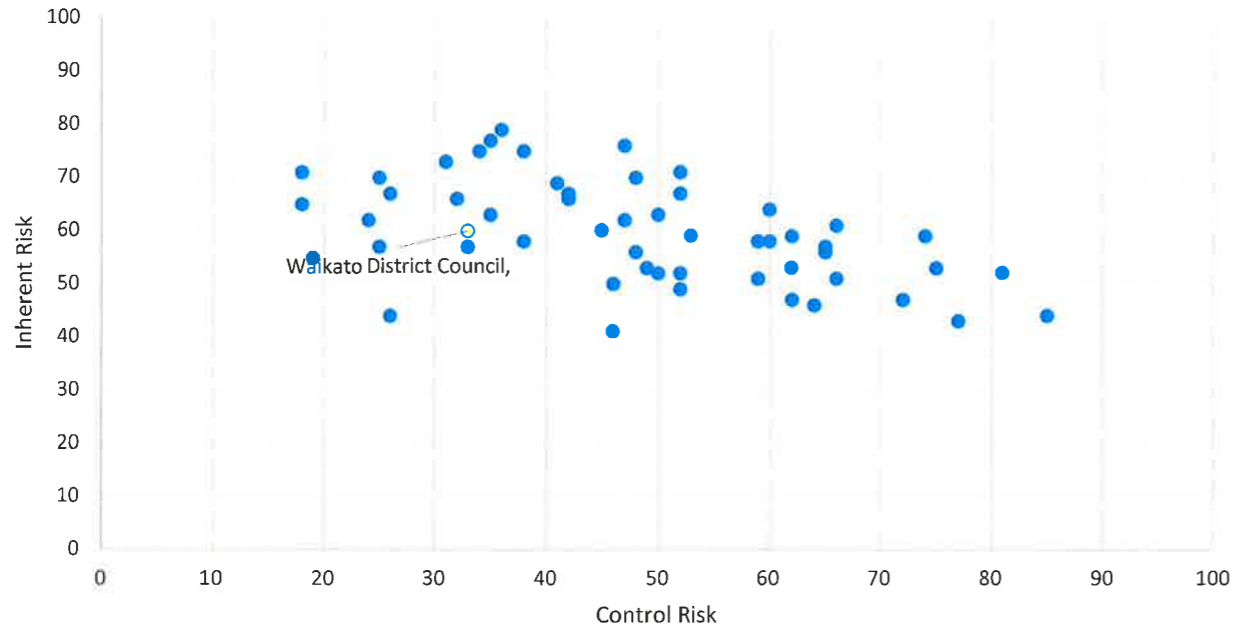
THAT the report from the Chief Operating Officer be received.

3. ATTACHMENTS

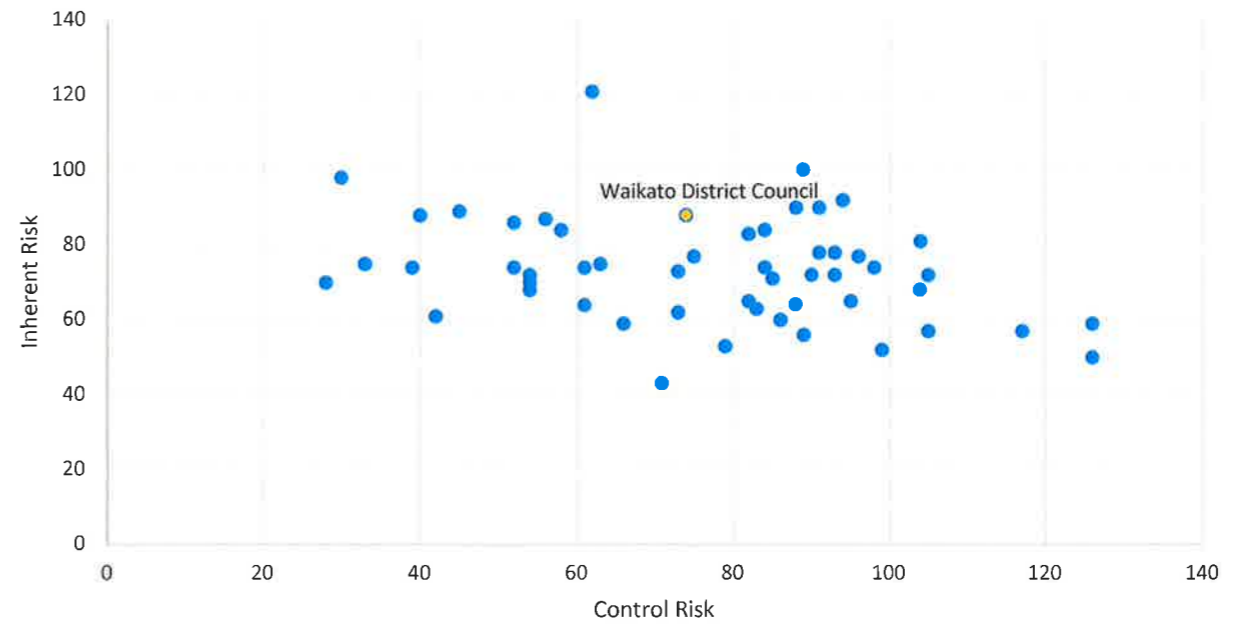
- A 2017 Broader Audit Risk Assessment Graphs
- B 2018 Broader Audit Risk Assessment Graphs

Waikato District Council - 2017 Audit Risk

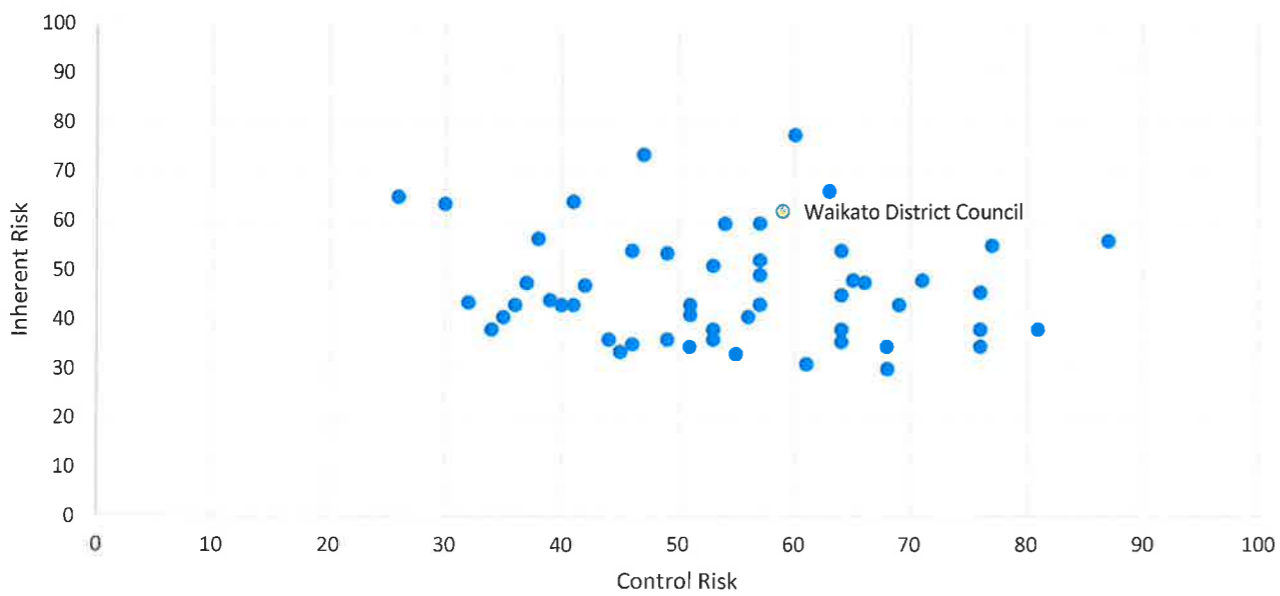
Control Risk, and Inherent Risk: Waikato District Council
Asset Management



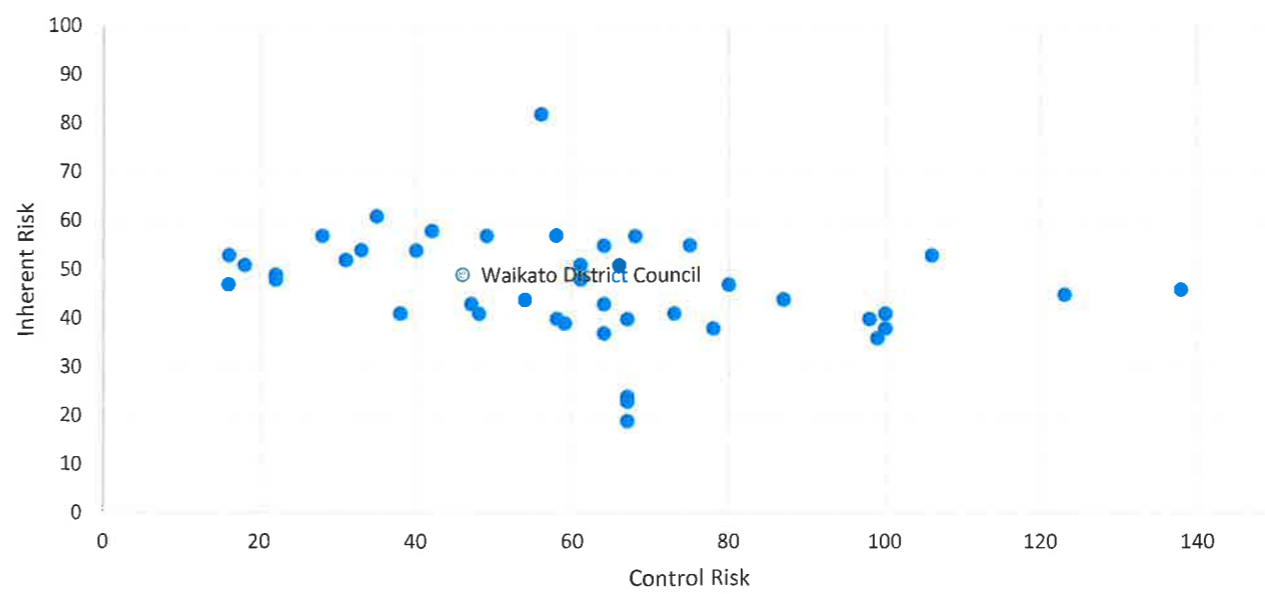
Control Risk, and Inherent Risk: Waikato District Council
Contract Management



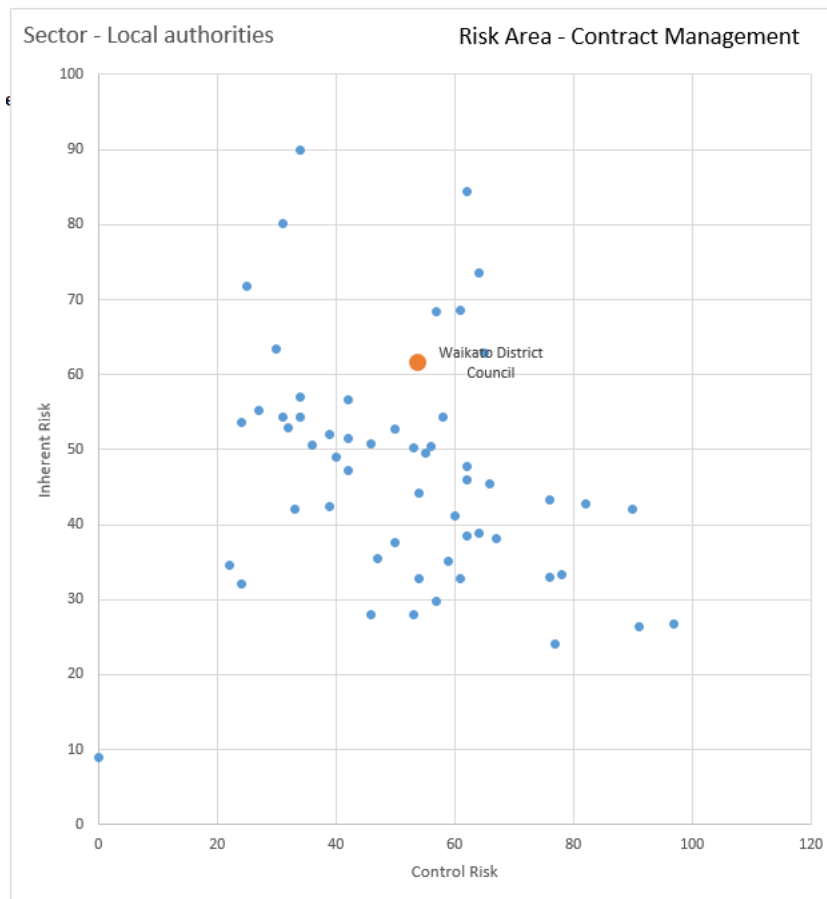
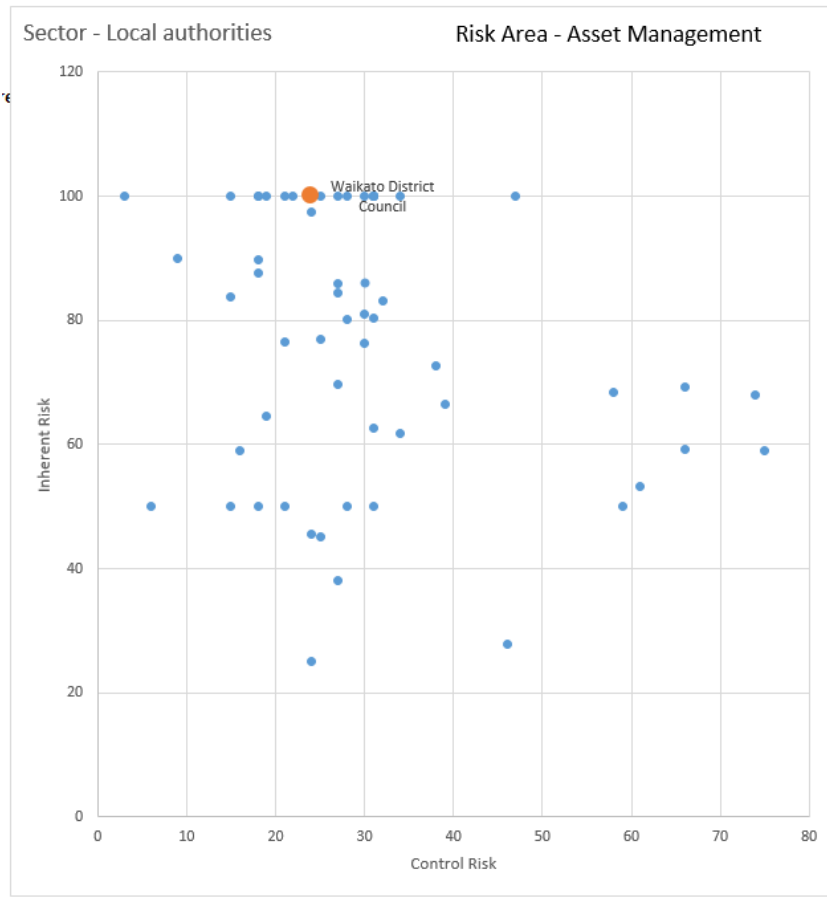
Control Risk, and Inherent Risk: Waikato District Council
Procurement

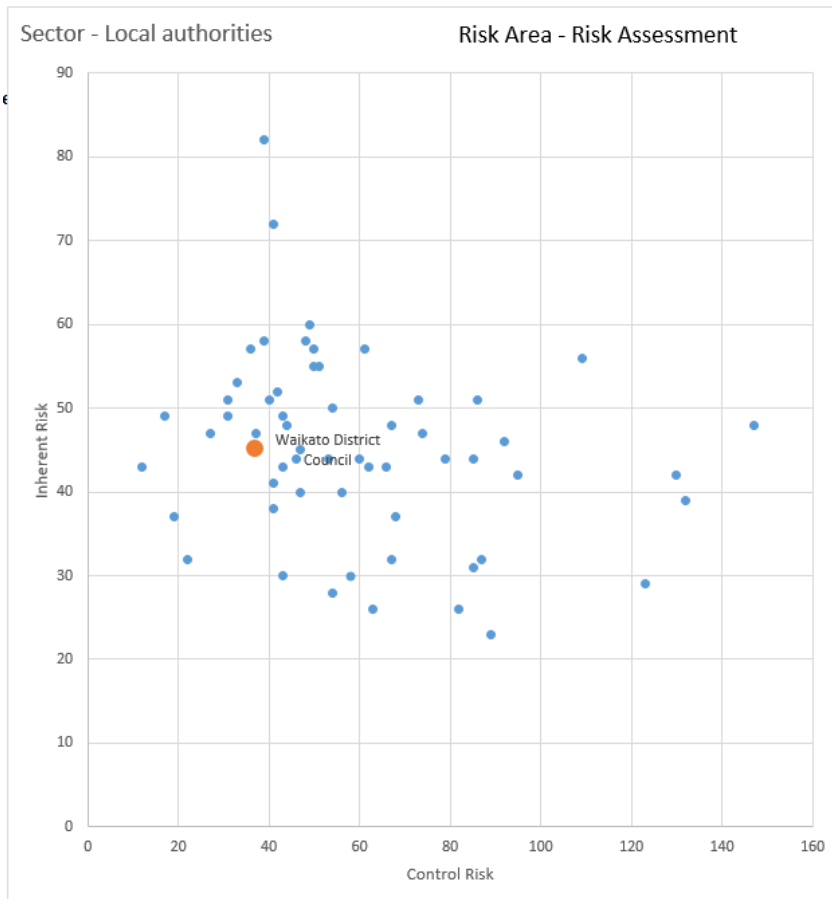
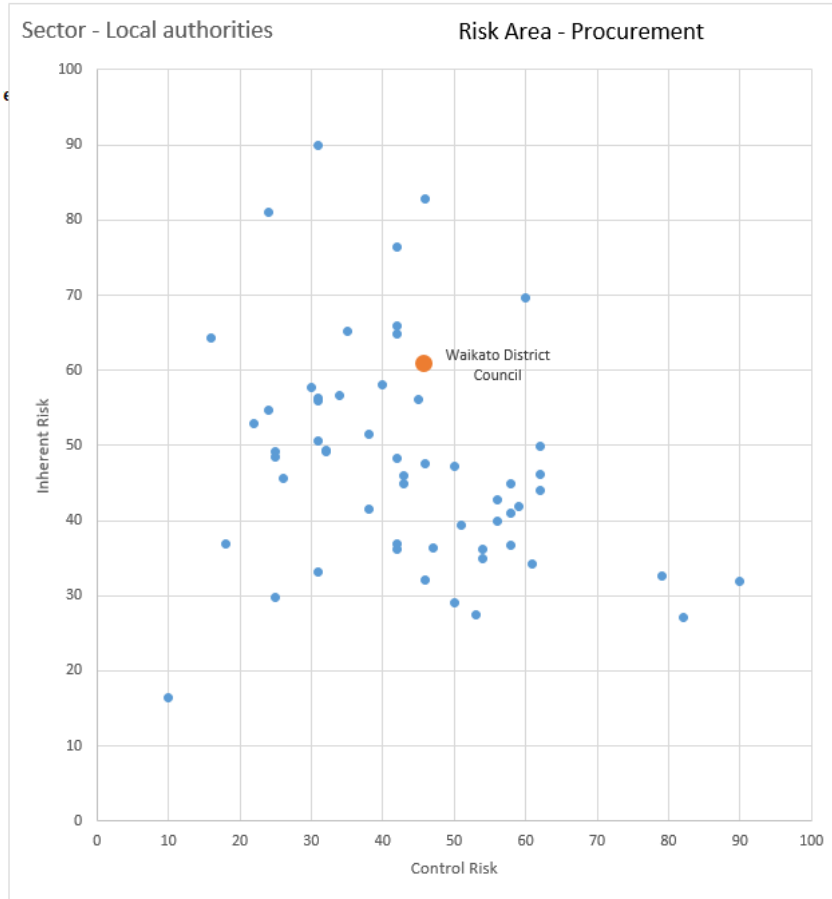


Control Risk, and Inherent Risk: Waikato District Council
Risk Assessment



Broader Audit Risk (“BAR”) Assessment Graphs for 2018





To	Audit & Risk Committee
From	Clive Morgan General Manager Community Growth
Date	20 February 2019
Prepared by	Jim Ebenhoh Planning and Policy Manager
Chief Executive Approved	Y
Reference #	GOV1318 / 2180870
Report Title	Regional / National Strategic Planning Strategic Risk Deep Dive Report

I. EXECUTIVE SUMMARY

The Deep Dive report aims to provide an opportunity for Governance to gain a true understanding of how Management view risk and to assess Management's control actions and mitigation procedures.

The report includes:

- Risk background;
- Internal/external threats and impact;
- Examination of associated treatments;
- Residual risk assessment;
- Forecast;
- Recommendations.

This report relates to the following proposed strategic risk:

Regional/National Strategic Planning: *Council experiences significant disruption to business function caused by local or national government reforms, decentralisation and delegation of authority, or through other external or internal authoritative influences.*

2. RECOMMENDATION

THAT the report from the **General Manager Community Growth** be received.

3. BACKGROUND

3.1 RISK BACKGROUND

The risk is currently described in the Council's Strategic Risk Register as follows:

Regional/National Strategic Planning: *Council experiences significant disruption to business function caused by local or national government reforms, central government policy directives and legislative changes relating to regional and local planning, decentralisation and delegation of authority, or through other external or internal authoritative influences.*

Impact: Business function (planning and operations)
 Cause: Government reform
 Delegation of authority
 Other influences

This risk has been highlighted as a strategic risk for a number of reasons:

- 1) Waikato District Council's most recent experience with local government reorganisation led to it becoming responsible for the southern portion of the former Franklin District Council, increasing the Waikato District's population by approximately 15,700 (32%), with very little time to prepare, no consultation with Waikato ratepayers, and a non-negotiable drop-dead date. The Council is still adjusting to this major external change, including through its recent "Gearing for Growth" programme of internal reorganisation and resourcing.
- 2) Central government is considering changes to a raft of legislation and legislative tools that could significantly alter the way Council conducts its business. In addition to the ever-present possibility of further local government reorganisation, the Government is considering fundamental changes to national planning legislation. This could go beyond the past 'tweaks' to the Resource Management Act 1991 ("RMA") to replace the RMA with a new suite of legislation organised quite differently. Recent reports by the Productivity Commission (Better Urban Planning, March 2017) and the Environmental Defence Society (Reform of the Resource Management System: The Next Generation, February 2019) have both provided alternative models for discussion.

Even without a fundamental change to the RMA, the central government framework for planning at the district level is in the process of being adjusted and expanded. The Government has proposed a range of new tools such as a Housing and Urban Development Authority ("HUDA") to pull together a variety of powers currently sitting in different levels of government across different pieces of legislation. It is also actively working on at least two new National Policy Statements ("NPSs") under the RMA, including a NPS for Indigenous Biodiversity and a NPS for Versatile Land and High Class Soils. Further, the initial set of National Planning Standards to serve as a template for District and Regional Plans is expected to be released this year. The NPS on Urban Development Capacity ("NPS-UDC") is also likely to be reviewed, with an increased focus on spatial planning and the quality of intensification.

Central government is also looking beyond planning legislation to fundamental changes in infrastructure provision, for example through its Three Waters work, which could result in a different role for local government in the future. Another example of increased central government focus on local infrastructure is the recently announced

NZ Infrastructure Commission – Te Waihangā. The Commission will be an autonomous Crown entity with an independent board of between five and seven members, which will work with central and local government, the private sector and other stakeholders to develop a 30-year infrastructure strategy as well as to exercise various procurement and delivery support functions.

The recent call from the local government sector for consideration of more ‘localism,’ i.e. decisionmaking being devolved to the geographic level to which it relates, has garnered attention. The local government sector has been clear that it is tired of ‘unfunded mandates’ and would prefer to be more of a master of its own destiny in terms of making decisions with local impacts, and having access to the financial tools to support these decisions. Under current legislation, however, ‘unfunded mandates’ are a constant possibility sitting within this strategic risk. More discussion is expected after the ‘Project Localism’ report by Local Government New Zealand (“LGNZ”) and the New Zealand Institute is launched at the LGNZ conference in July 2019.

- 3) The Council’s planning context is also likely to be influenced by potentially major changes brought about by central government investment in regionally and nationally significant infrastructure. This includes the passenger rail initiative, which will commence with a trial ‘start-up service’ between Hamilton and Papakura, with stops at Te Rapa and Huntly, and which may eventually be supplemented by high-speed passenger rail on a separate line within the same general corridor. The construction and imminent completion of the Waikato Expressway is another example of a massive infrastructure project that has and will continue to change growth patterns, through its impact on accessibility and location-specific demand for housing and commercial development.
- 4) Central government is also currently leading cross-departmental work with regional and local government and iwi partners in the Hamilton to Auckland Corridor Project (“H2A”). This collaborative framework is likely to lead to intensive spatial planning and transformative work in the Tuakau/Pokeno area, the Hamilton/Waikato metropolitan area, and the river communities of Meremere, Huntly (including Ohinewai) and Ngaruawahia.
- 5) Prior to the current Government’s intensive focus on the Hamilton to Auckland Corridor, various local governments within the Waikato region began collaborating through such initiatives as the Waikato Plan (involving all councils in the Waikato Region) and the growth management framework of the Future Proof Strategy (involving Waikato and Waipa District Councils, Hamilton City Council, and Waikato Regional Council, along with Tangata Whenua).
- 6) The Waikato Regional Council is responsible for a Regional Policy Statement (“RPS”) which guides District Plans, and it also has responsibility for other plans relating to air, water and its other responsibilities under the RMA. Plan Change I, which seeks to implement the Healthy Rivers vision and strategy adopted by Waikato-Tainui and the Crown for the Waikato and Waipa River catchments, has huge implications for Waikato District Council and other territorial local authorities in the region, including in relation to land use, extraction for public water supplies and discharge from public stormwater and wastewater systems.

While points 4 and 5 above are collaborative by design, and thus less likely to bring about sudden, unanticipated disruption than the other points above, the overall picture is one of a changing national and regional planning framework. There are many ‘moving parts’ making

up this change, with some parts moving at different speeds to others, and the relationship between the parts is not always clear.

This report focuses on risk, but it is important to note that the various initiatives above also present opportunities, particularly where there is an invitation to Council to collaborate and influence outcomes. Examples include the H2A Corridor Project, and the eventual application of a HUDA, which could help deliver key initiatives and projects for the district with the required pace and scale that conventional planning tools under the RMA cannot achieve. Indeed, opportunity cost could be considered one of the key risks, i.e. that Council fails to take advantage of the opportunities to achieve its strategic aims on behalf of the community.

4. DISCUSSION AND ANALYSIS

4.1 INTERNAL/EXTERNAL THREATS AND IMPACT

The following information describes identified risks and their impact within scope of the Regional/National Strategic Planning risk. While the overall risk has many components and examples as described in the previous section, the table below cuts across those, to describe the risk in terms of the themes or 'portfolios' currently listed in the Risk Register against this risk.

RISK PORTFOLIO	RISK DESCRIPTION	RISK TRIGGERS	THREAT IMPACT
Political	<p>The Council's decisionmakers (and, by extension, their constituents in the community) could be disempowered by decisions imposed upon it by central government (or, to a lesser degree, by regional government). This could take the form not only of individual decisions being made elsewhere (e.g. Wellington) but of whole spheres of responsibility being transferred away from local government (e.g. planning and development in an area where the HUDA operates, or Three Waters responsibilities across the board). Any local government reorganisation or boundary changes would remove all of the Council's powers in relation to land transferred to an adjacent TLA, or the Council could even cease to exist as a local government entity if local government reorganisation is significant.</p> <p>There is also a risk that the collaboration involved with many of the national / regional strategic</p>	<p>This type of risk could become a reality through (for example):</p> <ul style="list-style-type: none"> ▪ Changes to legislation and legislative tools without local government consultation and collaboration. ▪ Extensive HUDA involvement across the District, particularly if the Council takes a passive approach. ▪ Three Waters transfer of responsibilities away from local government. ▪ Local government reorganisation / boundary changes. ▪ Collaboration turning into public disagreement and criticism from other 	<ul style="list-style-type: none"> ▪ Disempowerment of elected members and the community, as described in the 'Risk Description' column. ▪ Local democratic processes undermined. ▪ Political disagreement and 'point-scoring' through the media

RISK PORTFOLIO	RISK DESCRIPTION	RISK TRIGGERS	THREAT IMPACT
	planning exercises could become fractious, particularly across local governments, and negative media coverage could result.	entities.	
Strategic	The Council's ability to achieve its strategic objectives, including its Vision, Blueprints and other Guiding Strategies, could be compromised by any changes that would reduce or remove Council's powers in relation to (for example) land use, infrastructure planning and delivery, or disaster recovery.	Changes to the legislative framework that would remove Council decisionmaking and/or other tools (e.g. HUDA, or local government reorganisation)	<p>Council might lose levers to influence aspects of community wellbeing, e.g. around infrastructure or land use, and therefore the achievement of stated aims in the Council's strategic planning framework could be negatively impacted.</p> <p>Council's ability to plan for and implement recovery and restoration after an environmental event, natural disaster or other emergency could be diminished or overridden by central government. In a worst-case scenario, this could involve relocation of communities with little Council input or control.</p>
	<i>Note: many of the 'indirect risks' listed below could be considered direct risks, as they are significant.</i>		

A number of associated strategic risks have been identified and considered as part of the risk assessment process:

RISK DESCRIPTION	ASSOCIATION
Growth: Council experiences significant business and community disruption caused by district growth	The ability of Council to manage growth can be impacted by national and regional strategic planning and legislative reform; the Council's toolkits can be enhanced or diminished, as can the Council's role. The various treatments for the Growth risk (e.g. Blueprints, District Plan Review, District Development (Growth) Strategy) could be empowered or marginalised.

RISK DESCRIPTION	ASSOCIATION
<p>Economic and Social Development: Waikato district suffers inhibited economic and social development and or missed funding opportunity as a result of poor planning, investment strategy, and or relationships.</p>	<p>The ability of Council to promote economic and social development in the district can be impacted by national and regional strategic planning and legislative reform; the Council's toolkits with regard to land use, regulation and infrastructure can be enhanced or diminished, as can the Council's overall role. The various treatments for the Economic and Social Development risk (e.g. Economic Development Strategy, District Development Strategy, and Cross Boundary Initiatives) could be empowered or marginalised.</p>
<p>Compliance Management: Council is exposed to significant financial loss or business disruption caused by non-compliance with legislative, regulatory or policy requirements</p>	<p>Legislative reform may increase or at least change the requirements for Council compliance (e.g. National Planning Standards, National Policy Statements, or changes to the RMA). There is a chance that the Council will miss deadlines or otherwise fail to comply due to resourcing or information gaps.</p>
<p>Stakeholder Engagement: Council fails to deliver appropriate community outcomes and or wastes resources due to unsuitable stakeholder identification and interaction practices.</p>	<p>Council's stakeholder engagement and the treatments to manage risks around it could be negatively impacted through confusion arising from any changes to Council's roles resulting from national and regional strategic planning and legislative reform. The community may also not know where / how to engage with non-Council entities (e.g. a HUDA) or even that these entities are now responsible for certain programmes and decisions rather than Council.</p>
<p>Council Partnerships: Council experiences diminished public confidence and or operations are significantly impacted due to actions, representations or conduct of partnership enterprises or associations.</p>	<p>While this risk is primarily about suppliers and contractors, it is possible that the collaboration with national and regional government partners and other agencies could expose the Council to the risk of its reputation or operations being negatively impacted by the actions of the partners.</p>
<p>People and Culture: Business outcomes are significantly impacted due to an inability to attract or retain suitable personnel.</p>	<p>The ability of the Council to attract or retain suitable personnel may be diminished if the Council's role and powers are decreased through national and regional strategic planning and legislative reform. It may be seen as more prestigious or impactful to work within national or regional government, or another territorial local authority.</p>
<p>Affordable Housing [to be added to risk register]</p>	<p>In theory, many of the current national and regional strategic planning efforts are intended to increase housing supply and thus the affordability of housing. The mechanisms are complex, however, and monitoring of this risk in the wake of any significant changes will be critical.</p>

A number of in-direct risks have been identified and considered as part of the risk assessment process:

RISK PORTFOLIO	RISK DESCRIPTION
Reputation / Image	Related to the Political risk described above, the Council's reputation could be diminished if its powers and roles are decreased, or if poor relationships with other agencies result in negative media coverage. At the same time, there could be opportunities to increase the Council's reputation and image if positive outcomes result from Council participation in collaborative processes (e.g. H2A Corridor Project).
Business continuity	Business continuity could be negatively impacted if a significant change were introduced suddenly and/or without prior discussion, unless the Council happened to have resources in place that could quickly adapt and respond to new requirements.
Compliance / Regulatory	Related to the Compliance Management strategic risk described above, there is a risk that if the Council is unprepared for legislative reform, it will miss deadlines or otherwise fail to comply due to resourcing or information gaps.
People	<p>There is a risk that the Council may not be prepared to respond to the various invitations and opportunities to collaborate in national and regional strategic planning and legislative reform initiatives. If the Council misses the opportunity to have improved outcomes for the Council and its community through collaboration and co-design, by failing to resource these initial phases adequately, it could end up on the back foot. This would increase the likelihood that it will be unprepared for implementing whatever comes out of those initiatives, with flow-on effects for other risks (political, reputation, business continuity, compliance, technical, etc.)</p> <p>Related to the People and Culture strategic risk described above, there is a risk that the Council's ability to attract or retain suitable personnel may be diminished if the Council's role and powers are decreased through national and regional strategic planning and legislative reform. At the same time, there could be opportunities to increase the Council's image if it uses new tools efficiently and productively.</p>
Technical	There is a risk that new requirements coming out of legislative reform may have technical requirements that Council staff are unprepared for, due to a lack of prior awareness or a lack of appropriate skills and experience.
Financial	<p>If the Council fails to achieve its growth objectives or economic and social development goals due to losing some of its powers and responsibilities, the overall rating base could be decreased from the status quo. Similarly, local government reorganisation that transferred land from Waikato District to another entity would have the same effect – a significant financial impact undermining the Council's planned strategic approach to land transfer.</p> <p>On the other hand, if the collaboration involved in many of the national and regional strategic planning initiatives includes cost-sharing between central and local government, the Council's financial situation could be improved.</p>

Inherent Risk Score

With consideration to identified internal and external impacts and associated risks Management initially assessed the inherent risk as Unlikely. This may be a valid assessment in relation to the more extreme elements of the overall risk, e.g. significant local government reorganisation. However, considering a broader range of risk components as described in section 3.1 of this report, Management have now agreed that the inherent risk is Likely. In other words, without any treatments such as being involved in regional or national discussions, the Council is likely to face one or more significant national or regional planning or legislative changes that would be at odds with Council's strategic goals.

Likelihood: **Likely** (4)

- Strong probability of occurrence in the foreseeable future / History of frequent occurrence

Consequence: **Moderate** (3)

- Financial exposure \geq \$100k but $<$ \$500k in any 12 month period;
- Adverse local media coverage that if repeated over time will adversely affect Council or negatively perceived business practice leading to widespread resident/ratepayer complaints or prolonged unresolved dispute requiring legal oversight;
- Breach of policy, process or legislation requiring internal investigation including moderate treatment for the purpose of damage control;
- Short term political attention with moderate impact to deliverables associated with Long Term Plan objectives;
- Moderate and short term resourcing deficit (trained/skilled specialist roles).

The inherent risk factor, based on the adjusted assessment of the likelihood as "Likely," is therefore considered to be **High**.

Note: all identified risks have been documented and will be managed in accordance with Councils risk management policy and associated processes.

Refer to *Appendix I* for full risk guide.

4.2 EXAMINE ASSOCIATED TREATMENTS

To ensure a holistic approach, treatments have been established with consideration to the Regional / National Strategic Planning risk, and the identified associated and indirect risks. There are also potential additional treatments that have not yet been added to the Risk Register.

RISK	TREATMENT	IMPACT	COMMENT
<p>Primary Risks:</p> <p>Political: disempowerment and fractious relationships</p> <p>Strategic: decreased ability to achieve strategic objectives.</p>	<p>TREATMENT MC00135</p> <p><i>[from Risk Register]:</i></p> <p>Council participates as a key stakeholder in the Waikato Mayoral forum, Waikato LASS and Future Proof. Through these initiatives Council proactively contributes to a single voice for the Waikato region to central government.</p>	<p><i>[from Risk Register]:</i></p> <p>This treatment impacts the likelihood of the risk by capitalising on relationships with other councils in the region and by being part of a collaborative governance approach.</p>	<p>This is a critical treatment in terms of promoting positive relationships and turning risks into opportunities. The description could be expanded to refer to other collaborative initiatives now underway, such as the Hamilton to Auckland Corridor (H2A).</p>
	<p>TREATMENT MC00490</p> <p><i>[from Risk Register]:</i></p> <p>The Long Term Plan (LTP) and Annual Plan process provide a basis for an assessment of legislative and other external and internal influences on the business.</p>	<p><i>[from Risk Register]:</i></p> <p>This treatment impacts the likelihood of the risk by ensuring Council is adequately informed of Regional and National governance development and provides a set process to accommodate currency of information to future planning.</p>	<p>This treatment is useful as part of the suite of treatments but is not quite at the 'front end' – it ensures that any known initiatives and developments are factored into our planning, but it doesn't ensure we are involved in the shaping of those initiatives and developments.</p>
	<p>TREATMENT MC00491</p> <p><i>[from Risk Register]:</i></p> <p>Through applied process Council keeps abreast of Government's legislative pronouncements and becomes involved through the submissions process in any development that would advocate Councils best interest.</p>	<p><i>[from Risk Register]:</i></p> <p>This treatment impacts the likelihood of the risk by ensuring that Council not only has the required information regarding developments but an avenue to respond to/influence outcomes.</p>	<p>This is an important treatment in terms of Council using opportunities to influence outcomes, but it could be expanded to get Council involved earlier - seeking invitations for early collaboration before the formal submissions stage (e.g. through initial working parties), and resourcing Council's participation appropriately.</p> <p>We are developing a political advocacy and relationship plan to improve engagement and relationships with key Government officials and ministers in part to mitigate "not knowing."</p>

RISK	TREATMENT	IMPACT	COMMENT
	<p>TREATMENT MC00492</p> <p><i>[from Risk Register]:</i></p> <p>Council's Chief Executive (CE) is committed to building a relationship with Wellington to facilitate open communication and ensure the organisation receives timely information and has opportunity for response and contribution.</p> <p>Regular meetings are held with Central Government ministers and with a key manager in the Department of Internal Affairs.</p>	<p><i>[from Risk Register]:</i></p> <p>This treatment impacts the likelihood of the risk by assisting in the timely communication of information and developments.</p>	<p>This is an important treatment in terms of decreasing the likelihood of 'surprise' for Council, particularly from central government.</p> <p>See previous comment regarding political advocacy and relationship plan.</p>
	<p>TREATMENT MC00500</p> <p><i>[from Risk Register]:</i></p> <p>District Development Strategy</p> <p>The purpose of the District Development Strategy is to provide the Council with a strategic spatial framework for development planning. The District Development Strategy links to the District Plan Review, the LTP, the Economic Development Strategy, the Infrastructure Strategy and the Integrated Land Transport Strategy.</p>	<p><i>[from Risk Register]:</i></p> <p>This treatment impacts the likelihood of the risk by ensuring Council has a plan for development that incorporates a scheduled formal review process to consider and communicate changes in direction and development planning.</p>	<p>To the extent that this Strategy merely reacts to changes in direction, it is similar to the LTP / Annual Plan treatment above. The treatment could be expanded to provide more 'front end' influence on the various national and regional strategic planning discussions. For example, if the District Development Strategy were updated soon, based on Blueprints and other examples of Council's latest strategic thinking, it could be brought into the national and regional strategic planning discussions, providing Council with a stronger voice and influence.</p>
	<p>SUGGESTED ADDITIONAL TREATMENT:</p> <p>Ensure that the Council's "People and Capability" function is aligned with current and potential future needs of the organisation in terms of participating in, and responding to, national and regional strategic planning and legislative reforms. In addition to ensuring adequate numbers of staff, this could include seeking to attract staff with a diverse, flexible skill set and the ability to provide value in a variety of planning and governance frameworks. Negotiation and persuasion skills would also be key.</p>	<p>This treatment would assist in providing immediate resourcing to collaborative projects as opportunities emerge, and in ensuring that when new requirements emerge the Council is not caught on the back foot.</p>	<p>This is undoubtedly part of the thinking behind "Gearing for Growth" but could be made more explicit in the Risk Register through a formal treatment mechanism.</p>

RISK	TREATMENT	IMPACT	COMMENT
Associated Strategic Risks			
Growth	All the above	See above	
Economic and Social Development	All the above, plus ensure that the Economic and Social Development team is plugged into national / regional strategic planning projects, not just the Planning and Policy team, the GMs or CE.	See above	
Compliance Management	All the above, plus provide staff training as soon as new requirements are known.	See above	
Stakeholder Engagement	All the above, plus create opportunities to inform the community on any proposed or actual changes to Council's role and responsibilities.	See above; and the additional treatment to the left should reduce the likelihood of Council being blamed for any negative outcomes over which it has limited or no control.	
Council Partnerships	All the above	See above	
People and Culture	All the above, especially the proposed additional treatment relating to People and Capability.	See above	
Affordable Housing	All the above, especially the District Development Strategy.	See above	
Indirect Risks			
Reputation / Image	All the above, plus create opportunities to inform the community on any proposed or actual changes to Council's role and responsibilities.	See above; and the additional treatment to the left should reduce the likelihood of Council being blamed for any negative outcomes over which it has limited or no control.	
Business continuity	All the above	See above	
Compliance / Regulatory	All the above, plus provide staff training as soon as requirements are known.	See above	
People	All the above	See above	

RISK	TREATMENT	IMPACT	COMMENT
Technical	All the above, plus provide staff training as soon as requirements are known.	See above	
Financial	All the above, plus adequately budget for participation in collaborative strategic planning exercises with central, regional and local governments.	See above	

4.3 RESIDUAL RISK ASSESSMENT

This residual risk assessment considers all identified risks areas, risk treatments and treatment impacts affecting the strategic risk:

Regional/National Strategic Planning: *Council experiences significant disruption to business function caused by local or national government reforms, decentralisation and delegation of authority, or through other external or internal authoritative influences.*

The assessment has been broken down into the main risk portfolios identified through the assessment process.

Portfolio I (Political & Strategic):

- **Likelihood – Possible**

The combined existing treatments, particularly those focusing on collaboration and proactive involvement, would decrease the likelihood that significant changes will occur that would be at odds with Council’s strategic goals. On average, across the variety of ways in which this overall risk could present itself, the likelihood is considered “possible.”

- **Consequence – Minor**

The combined existing treatments, plus the proposed additional treatment, are designed to ensure that any significant changes, even if at odds with Council’s strategic goals or other preferences, would be anticipated and not be extremely disruptive. As with the Likelihood above, this represents an averaging of assessments of consequence across a variety of risk examples; it is possible that some changes (e.g. sudden local government amalgamation or boundary adjustments) could have more than minor consequences.

The residual risk factor in this area is 6, representing a **Moderate Risk**, in contrast to the inherent High Risk.

Other Portfolios (associated and indirect risks): Business Continuity, People, Financial, Reputation / Image, Compliance / Regulatory, Technical.

Because this is such a broad strategic risk, the treatments are considered to result in the same residual likelihood and consequence across the other portfolios, i.e. reducing Likelihood to “Possible”, and reducing Consequence to “Minor,” for an overall residual risk factor of 6, representing a Moderate risk.

4.4 FORECAST

The strategic risk, in its current form, is broad and multi-layered, with many moving parts at present. Under the current government, this risk is unlikely to dissipate or simplify itself any time soon. At the same time, it presents unprecedented opportunities for Council to collaborate with a range of partners for changes that will benefit its communities and advance its strategic goals. The old adage “the only constant is change” seems applicable now more than ever, and the more Council can gear up in a flexible, adaptable way for

active, persuasive involvement in all relevant processes, the more likely it can harness the potential benefits that these opportunities present.

5. CONSIDERATION

The following recommendations relate to the current risk and are for consideration:

- It is suggested that this risk could be reworded to reflect the likelihood that the most potential disruption would come not from “strategic planning” per se, especially not at the regional or sub-regional level, but from changes to local government structure and its powers in relation to central government. An alternative title for this risk could therefore be “**Government-led strategic planning and legislative reform,**” setting aside regional collaboration. However, central government’s current involvement in regional and sub-regional initiatives like the H2A Corridor planning and its planned involvement via the HUDA could blur this distinction between central government leadership and regional-scale collaboration. If regional or sub-regional strategic planning was still considered to be a risk, the title could be expanded to “**National and regional strategic planning and legislative reform.**”

On balance, it is recommended that consideration be given to splitting the risk into two parts: (1) structural and legislative changes by central government; and (2) national / regional strategic planning exercises (e.g. Future Proof or H2A Corridor). The latter category is generally more collaborative and could present a lower risk profile than the former.

- The Council needs to ensure it is properly resourced to participate in, and respond to, national and regional strategic planning and legislative reforms. In addition to ensuring adequate numbers of staff, the type of staff attracted and retained needs to provide a diverse, flexible skill set with the ability to provide value in a variety of planning and governance frameworks. An additional formal treatment has been proposed above in this regard.

The following recommendations relate to learnings to date for consideration:

- The existing treatments are essential and should be continued. They have already proven to be of value in terms of getting a Council voice ‘around the table’ at important discussions with central, regional and local government partners, ensuring timely access to proposals and ideas, and informing Council’s “Gearing for Growth” process.

6. CONCLUSION

As stated earlier in this report, this strategic risk is broad, multi-layered and complex, with many moving parts at present. Because of the wide range of potential outcomes, the inherent risk is considerable. However, the open discussions happening on a range of strategic planning matters present unprecedented opportunities for Council to collaborate to advance its strategic goals for the benefit of the community. In addition to mitigating risk, treatments such as gearing up for proactive participation in current and future processes can hopefully ensure that there is positive net benefit, rather than simply harm minimisation. In this sense, the biggest potential risk or cost is possibly the opportunity cost that would

result from the Council burying its proverbial head in the sand. The more Council can gear up in a flexible, adaptable way for active, persuasive involvement in all relevant processes, the more likely it can harness the potential benefits that these opportunities present.

7. ATTACHMENTS

NIL

Open Meeting

To	Audit & Risk Committee
From	Tony Whittaker Chief Operating Officer
Date	1 March 2019
Prepared by	Alison Diaz Chief Financial Officer
Chief Executive Approved	Y
Reference #	GOV1318/ 2190383
Report Title	Tax Risk Governance Framework

1. EXECUTIVE SUMMARY

Council is a high profile organisation responsible for providing services to the public. As such, Council is mindful of the need to maintain appropriate governance and tax compliance standards.

Council works in conjunction with tax experts from PwC to manage council's ongoing tax obligations and risks. In September 2015, Council adopted a tax governance framework that documents council's tax risk management strategy (low risk), staff responsibilities and reporting mechanisms for taxation related issues. This framework has been reviewed by staff and the updated version is being presented for Audit & Risk Committee review and approval.

2. RECOMMENDATION

THAT the report from the Chief Operating Officer be received;

AND THAT the Audit & Risk Committee approves the updated Tax Risk Governance Framework.

3. BACKGROUND

Although Council is largely exempt from paying corporate income tax, it is required to correctly account for Goods and Services Tax (GST), Fringe Benefit Tax (FBT), Pay as You Earn (PAYE), and a range of other withholding taxes. Inland Revenue has signalled its expectation that all large organisations have tax risk management incorporated within their governance framework. This is consistent with international best practice.

4. DISCUSSION AND ANALYSIS OF OPTIONS

4.1 DISCUSSION

Minor changes are suggested to the framework to reflect changes in roles at Council, and refinements to the reporting of tax risk to the Audit & Risk Committee.

Each adjustment to the reporting requirements is highlighted in the draft tax risk governance attachment. The current framework document has also been attached for comparison purposes.

In summary the changes are:

- a) insertion of a definition of a significant tax risk;
- b) inclusion of including in the report details of any tax advice that has been sought and any future matters to be considered; and
- c) simplified reference to demonstrating actual achievement against a low risk tax profile.

4.2 OPTIONS

The Committee could make the changes as suggested, request adjustments or retain the current framework (with the exception of role changes).

5. CONCLUSION

Approval is being sought for minor changes to the current Tax Risk Governance Framework.

6. ATTACHMENTS

- A Draft Tax Risk Governance Framework for consideration (PwC branded)
- B Current Tax Risk Governance Framework



1. Purpose

This document establishes the tax governance framework for Waikato District Council's Audit and Risk Committee.

1.1. Background

Waikato District Council is a large, high profile, organisation that is responsible for providing services to the New Zealand public. As such, Waikato District Council must maintain exemplary governance and tax compliance standards.

Although Waikato District Council is largely exempt from paying corporate income tax, it is required to correctly account for Goods and Services Tax, Fringe Benefit Tax, PAYE, and a range of other withholding taxes. These taxes make up a significant portion of the New Zealand Government's annual tax take. Accordingly, the tax obligations of Waikato District Council cannot be taken lightly.

Inland Revenue has signalled its expectation that all large organisations should have tax risk management incorporated within their governance framework. This is consistent with international best practice; tax authorities in foreign jurisdictions, including Australia and the United Kingdom, have been advocating this approach is taken by large Public and Private sector organisations.

1.2. Risk management

The Audit and Risk Committee is, along with other responsibilities, tasked to:

- Assist Waikato District Council to determine its appetite for risk.
- Review whether management has in place a current and comprehensive risk management framework and associated procedures for effective identification and management of Waikato District Council's significant risks.
- Consider whether appropriate action is being taken by management to mitigate Waikato District Council's significant risks.
- Ensure that management is kept apprised of Waikato District Council's governance body's views on uncontrolled risk.
- Ensure management are keeping the Audit and Risk Committee fully apprised of all independent sources of assurance, via the risk management framework.

Proactive tax risk management can facilitate mitigation of:

- Operational risk – by way of reducing the potential for reputational damage befalling Waikato District Council as a result of non-compliance, and the possible negative impacts on various stakeholders, such as employees and suppliers.
- Financial risk – through minimising the financial impact of non-compliance, and the costs associated with over- or under-paying tax by Waikato District Council.
- Compliance risk – in terms of ensuring areas of non-compliance are identified, thereby minimising any penalties or interest being imposed by Inland Revenue and reducing the risk of Waikato District Council being subject to an Inland Revenue audit.

2. Tax risk profile

Waikato District Council has an obligation to fulfil its tax compliance obligations as required by tax legislation, including the Income Tax Act 2007, Goods and Services Tax Act 1985 and Tax Administration Act 1994.

Given the high profile and public nature of Waikato District Council, there is a need to adopt a conservative approach towards tax compliance. Accordingly, Waikato District Council will adopt a "LOW" tax risk profile such that it has an open and honest working relationship with Inland Revenue.

3. Tax risk management strategies

The following strategies will be adopted by Waikato District Council to ensure that it maintains a low tax profile and effectively manages its tax obligations and potential tax risks.

Waikato District Council will develop a tax risk management plan to be formally adopted by the Audit and Risk Committee. The plan will be reviewed *at least* every three years. The plan will:

- Identify key areas of tax compliance risk that are faced by Waikato District Council
- Establish the steps required to effectively manage or mitigate each risk area
- Provide clear and realistic time frames to carry out the steps.

3.1. Responsibility for tax issues

The Chief Financial Officer has overall responsibility for the management of the tax issues of Waikato District Council. As appropriate, the Chief Financial Officer may delegate responsibility for tax issues to another appropriately qualified person.

3.2. Reporting tax risks to Audit and Risk Committee

Any 'significant tax risks' will be reported in the first instance to the Chief Financial Officer as soon as they are identified and where appropriate, to the chair of the Audit and Risk Committee within two weeks of being identified.

A 'significant tax risk' to Waikato District Council may be where an incorrect interpretation is made that results in:

- A situation where penalties and interest could be imposed against Waikato District Council
- A situation where a tax liability is required to be settled that is in excess of \$20,000
- A situation where Waikato District Council could be subject to prosecution
- A situation where an accusation of tax avoidance could be levied.

Waikato District Council will report on all tax risk management matters to the Audit and Risk Committee at least once a year. As part of that report, a summary should be prepared and presented to the Audit and Risk Committee setting out key issues, and may include the following:

- Key financial information including any outstanding taxes due, and any interest or penalties imposed during the year
- Particulars of any proposed legislative tax changes which could impact on Waikato District Council
- Details of any significant outstanding taxes in dispute with Inland Revenue
- Details of advice sought and future matters to consider
- A table of tax tools and services used and whether each aligns with Waikato District Council's 'LOW' risk tax profile i.e. Strategy vs Achievement.

3.3. Tax awareness and training

Waikato District Council will ensure that all relevant staff are provided with adequate training and resources to effectively identify and manage its tax obligations and risks. Where appropriate, this may involve sending selective staff on external courses or engaging an external speaker to conduct in-house training.

3.4. Meetings and correspondence with Inland Revenue

Waikato District Council will endeavour to maintain strong working relationships with Inland Revenue, other government bodies, and related third parties. All dealings with external parties will be undertaken in a professional and timely manner.

Apart from routine PAYE, FBT and GST returns and payments, all other correspondence, meeting requests or queries from Inland Revenue must be immediately referred to the Chief Financial Officer. The Chief Financial Officer is the only person authorised to correspond or meet with Inland Revenue to discuss the tax matters of Waikato District Council – although they may delegate this responsibility to others where appropriate.

3.5. Tax advice and rulings

Waikato District Council will maintain detailed information and computations supporting all tax return filing positions. If there is any uncertainty in respect of a filing position where the amount of tax exceeds \$10,000, Waikato District Council will seek written advice from external tax advisors.

In some instances, the degree of uncertainty over a particular tax issue may warrant seeking a Binding Ruling from Inland Revenue. No approach should be made for a Binding Ruling without the prior approval of the Chief Financial Officer. However, the Chief Financial Officer may obtain agreement from the Audit and Risk Committee if considered appropriate.

3.6. Tax returns and payments

Waikato District Council will file all returns and pay any resulting tax liability on, or before, the stipulated due dates. When preparing and filing tax returns, Waikato District Council will be transparent, and fully disclose all relevant information supporting a tax position in a tax return. Waikato District Council will only adopt tax positions that are highly likely to be correct based on current law. Notwithstanding this, Waikato District Council will endeavour to ensure that the most tax efficient position is adopted.

Any tax payments in excess of \$20,000 must be authorised by the Chief Financial Officer. However, the Chief Financial Officer may delegate this in accordance with Waikato District Council's delegation authorities.

Tax payments must be supported by detailed tax computations and explanations which are initialled by the preparer and then countersigned by that person's superior prior to payment.

3.7. Filing and record keeping

In terms of the Tax Administration Act 1994, Waikato District Council is required to retain tax records for several years. To assist in archiving and the subsequent retrieval of relevant tax records, Waikato District Council will separately file each tax return and supporting computation and advisory correspondence based on the year of assessment and tax type.

In addition, Waikato District Council will maintain a detailed index of the relevant tax files to enable their efficient retrieval should they be requested by Inland Revenue in later years. Specifically, the index should contain details relating to the file reference, relevant tax period, tax type, subject of the document on file and location of the file, and evidence of review by the Finance Operations Team Leader. This index should be maintained irrespective of whether the information is in electronic or hard copy format.

3.8. Regular reviews

The tax risks of Waikato District Council potentially increase over time through a combination of personnel and legislative changes. To ensure the tax compliance procedures of Waikato District Council are kept up to date and accurate, an independent external review of GST, PAYE/Withholding Taxes and FBT should be undertaken every three years. This review will tend to be undertaken in a 'rolling' format, with a different tax type being reviewed each year.

3.9. Penalties and voluntary disclosures

Wherever possible Waikato District Council should endeavour to minimise any penalties and Use Of Money Interest. Accordingly, any tax discrepancies identified should be addressed and disclosed to Inland Revenue as soon as possible. Unless the discrepancy has been identified pursuant to a (current) tax investigation, Waikato District Council (in consultation with the Audit and Risk Committee) should always consider making a Voluntary Disclosure as a means of minimising any potential penalties.

3.10. Tax policies

To assist staff with the day to day tax treatment of issues specific to Waikato District Council and to ensure a consistent tax treatment of items across the organisation, Waikato District Council subscribes to PwC's Online Tax Policies. PwC maintains PAYE, GST, FBT, and KiwiSaver tax policies, and are regularly

updated for legislative changes. These tax policies will provide an outline of common tax issues arising and how they should be treated in the various tax returns of Waikato District Council.

4. Tax governance framework - adoption

Tax Governance Framework – version 1.1

Approved:

.....
Name:

Position:

Date:

.....
Name:

Position:

Date:

DRAFT



Waikato District Council

Tax Risk Governance Framework

1. Purpose

This document establishes the tax governance framework for Council's Audit and Risk Committee.

1.1 BACKGROUND

Council is a large, high profile, organisation that is responsible for providing services to the New Zealand public. As such, Council must maintain exemplary governance and tax compliance standards.

Although Council is largely exempt from paying corporate income tax, it is required to correctly account for Goods and Services Tax, Fringe Benefit Tax, PAYE, and a range of other withholding taxes. These taxes make up a significant portion of the New Zealand Government's annual tax take. Accordingly, the tax obligations of Council cannot be taken lightly.

Inland Revenue has signalled its expectation that all large organisations should have tax risk management incorporated within their governance framework. This is consistent with international best practice; tax authorities in foreign jurisdictions, including Australia and the United Kingdom, have been advocating this approach is taken by large public and private sector organisations.

1.2 RISK MANAGEMENT

The Audit and Risk Committee is, along with other responsibilities, tasked to:

- ▶ Assist the Council to determine its appetite for risk.
- ▶ Review whether management has in place a current and comprehensive risk management framework and associated procedures for effective identification and management of the Council's significant risks.
- ▶ Consider whether appropriate action is being taken by management to mitigate Council's significant risks.
- ▶ Ensure that management is kept apprised of the Council's governance body's views on uncontrolled risk.
- ▶ Ensure management are keeping the Audit and Risk Committee fully apprised of all independent sources of assurance, via the risk management framework.

Proactive tax risk management can facilitate mitigation of:

- ▶ Operational risk – by way of reducing the potential for reputational damage befalling Council as a result of non-compliance, and the possible negative impacts on various stakeholders, such as employees and suppliers.
- ▶ Financial risk – through minimising the financial impact of non-compliance, and the costs associated with over- or under-paying tax by Council.
- ▶ Compliance risk – in terms of ensuring areas of non-compliance are identified, thereby minimising any penalties or interest being imposed by Inland Revenue and reducing the risk of Council being subject to an Inland Revenue audit.

2.0 Tax Risk Profile

Council has an obligation to fulfil its tax compliance obligations as required by tax legislation, including the Income Tax Act 2007, Goods and Services Tax Act 1985 and Tax Administration Act 1994.

Given the high profile and public nature of Council, there is a need to adopt a conservative approach towards tax compliance. Accordingly, Council will adopt a "LOW" tax risk profile such that it has an open and honest working relationship with Inland Revenue.

3.0 Tax Risk Management Strategies

The following strategies will be adopted by Council to ensure that it maintains a low tax risk profile and effectively manages its tax obligations and potential tax risks.

Council will develop a tax risk management plan to be formally adopted by the Audit and Risk Committee. The plan will be reviewed *at least* every three years. The plan will:

- ▶ Identify key areas of tax compliance risk that are faced by Council;
- ▶ Establish the steps required to effectively manage or mitigate each risk area;
- ▶ Provide clear and realistic time frames to carry out the steps.

3.1 RESPONSIBILITY FOR TAX ISSUES

The General Manager Strategy & Support has overall responsibility for the management of the tax issues of Council. As appropriate, the General Manager Strategy & Support may delegate responsibility for tax issues to another appropriately qualified person.

3.2 REPORTING TAX RISKS TO AUDIT AND RISK COMMITTEE

As the Audit and Risk Committee meet on a quarterly basis, any significant tax risks will be reported in the first instance to the General Manager Strategy & Support as soon as they are identified and where appropriate, to the chair of the Audit and Risk Committee within two weeks of being identified.

Council will report on all tax risk management matters to the Audit and Risk Committee at least once a year. As part of that report, a summary should be prepared and presented to the Audit and Risk Committee setting out key issues including:

- ▶ Key financial information including any outstanding taxes due, and any interest or penalties imposed during the year;
- ▶ Particulars of any proposed legislative tax changes which could impact on Council;
- ▶ Details of any significant outstanding taxes in dispute with Inland Revenue;
- ▶ The annual budget for resolving tax risk issues, amount spent to date and estimate of costs for remainder of the financial year;
- ▶ A schedule of:
 - Key areas of potential tax compliance risk;
 - An estimate of "worst case" tax cost arising for each risk;

- An assessment of likelihood of risk occurring based on a scale of 1 - 10;
- Steps recommended to manage or mitigate each risk; and
- Realistic time frames to resolve each risk.

3.3 TAX AWARENESS AND TRAINING

Council will ensure that all relevant staff are provided with adequate training and resources to effectively identify and manage its tax obligations and risks. Where appropriate, this may involve sending selective staff on external courses or engaging an external speaker to conduct in-house training.

3.4 MEETINGS AND CORRESPONDENCE WITH INLAND REVENUE

Council will endeavour to maintain strong working relationships with Inland Revenue, other government bodies, and related third parties. All dealings with external parties will be undertaken in a professional and timely manner.

Apart from routine PAYE, FBT and GST returns and payments, all other correspondence, meeting requests or queries from Inland Revenue must be immediately referred to the Finance Manager. The Finance Manager is the only person authorised to correspond or meet with Inland Revenue to discuss the tax matters of Council – although they may delegate this responsibility to others where appropriate.

3.5 TAX ADVICE AND RULINGS

Council will maintain detailed information and computations supporting all tax return filing positions. If there is any uncertainty in respect of a filing position where the amount of tax exceeds \$10,000, Council will seek written advice from external tax advisors.

In some instances, the degree of uncertainty over a particular tax issue may warrant seeking a Binding Ruling from Inland Revenue. No approach should be made for a Binding Ruling without the prior approval of the General Manager Strategy & Support. The General Manager Strategy & Support may obtain agreement from the Audit and Risk Committee if considered appropriate.

3.6 TAX RETURNS AND PAYMENTS

Council will file all returns and pay any resulting tax liability on, or before, the stipulated due dates. When preparing and filing tax returns, Council will be transparent, and fully disclose all relevant information supporting a tax position in a tax return. Council will only adopt tax positions that are highly likely to be correct based on current law. Notwithstanding this, Council will endeavour to ensure that the most tax efficient position is adopted.

Any tax payments must be authorised in accordance with Council's delegation authorities. Tax payments must be supported by detailed tax computations and explanations which are initialled by the preparer and then countersigned by that person's superior prior to payment.

3.7 FILING AND RECORD KEEPING

In terms of the Tax Administration Act 1994, Council is required to retain tax records for several years. To assist in archiving and the subsequent retrieval of relevant tax records, Council will separately file each tax return and supporting computation and advisory correspondence based on the year of assessment and tax type.

In addition, Council will maintain a detailed index of the relevant tax files to enable their efficient retrieval should they be requested by Inland Revenue in later years. Specifically, the index should contain details relating to the file reference, relevant tax period, tax type, subject of the document on file and location of the file, and evidence of review by the Finance Manager. This index should be maintained irrespective of whether the information is in electronic or hard copy format.

3.8 REGULAR REVIEWS

The tax risks of Council potentially increase over time through a combination of personnel and legislative changes. To ensure the tax compliance procedures of Council are kept up to date and accurate, an independent external review of GST, PAYE/Withholding Taxes and FBT should be undertaken every three years. This review will tend to be undertaken in a 'rolling' format, with a different tax type being reviewed each year.

3.9 PENALTIES AND VOLUNTARY DISCLOSURES

Wherever possible Council should endeavour to minimise any penalties and Use Of Money Interest. Accordingly any tax discrepancies identified should be addressed and disclosed to Inland Revenue as soon as possible. Unless the discrepancy has been identified pursuant to a (current) tax investigation, Council (in consultation with the Audit and Risk Committee and/or Council's appointed Tax Advisor) should always consider making a Voluntary Disclosure as a means of minimising any potential penalties.

3.10 TAX POLICIES

To assist staff with the day to day tax treatment of issues specific to Council and to ensure a consistent tax treatment of items across the organisation, Council subscribes to TaxTeam's Online Tax Policies. TaxTeam maintains PAYE, GST, FBT and KiwiSaver tax policies, and are regularly updated for legislative changes. These tax policies provide an outline of common tax issues arising and how they should be treated in the various tax returns of Council.

Open Meeting

To	Audit & Risk Committee
From	Tony Whittaker Chief Operating Officer
Date	04 March 2019
Chief Executive Approved	Y
Reference/Doc Set #	GOV1318 / 2190916
Report Title	Internal Audit Programme

I. EXECUTIVE SUMMARY

Council has supported a \$30,000 investment per annum in strategic internal audit activity through its Long Term Plan process. The expectation was this would enable two internal audits to be commissioned each year by the Audit & Risk Committee (“the Committee”).

Previous audits undertaken include a risk maturity assessment, cyber security, project management and a number of audits in procurement and contract management. A number of the latter have been in response to known challenges.

The Committee has supported a moratorium on additional strategic internal audit activity over the past 2 years to enable staff to address the numerous actions or recommendations that have come from the audits. Good progress on these actions has been made as a result of this strategy. It is now considered time to progress the internal audit activity again.

The approach to the internal audit programme is based on Councils identified strategic risks and outstanding audit recommendations (as per advice from PwC 2016). In addition, it is considered that internal audit funding should be used for internal audit briefs – *“to evaluate and improve the effectiveness of risk management, control and governance processes”* – rather than to address frameworks and processes that are known to be deficient. Although the latter is important and should be a focus, it is not the internal audit function that delivers this. If this approach is supported, the Committee is requested to consider briefs within the following internal audit activity areas:

- Records Management
- Revenue Process (outstanding)
- Payments Process (outstanding)

Staff will work with KPMG to specifically define the internal audit brief once priorities are determined. The areas above have been suggested based on risk and an assessment of the robustness of current process.

The paper presented to the Committee (under separate cover) which shows the current assessment of the gap between residual risk and Council’s risk appetite for the identified

strategic risks may also be useful in determining a relevant internal audit programme. Staff have taken into account the fact a number of the mitigations are expected to improve the residual risk assessment over time and hence it is considered appropriate to allow the mitigation work to have some effect prior to any internal audit activity.

2. RECOMMENDATION

THAT the report from the **Chief Operating Officer** be received;

AND THAT the **Audit & Risk Committee** provide direction to staff on the development of an updated internal audit programme.

3. ATTACHMENTS

NIL

Open Meeting

To	Audit & Risk Committee
From	Gavin Ion Chief Executive
Date	1 March 2019
Prepared by	Lynn Shirley Zero Harm Manager
Chief Executive Approved	Y
Reference/Doc Set #	GOV1318 / 1866302
Report Title	Waikato District Council Zero Harm Safety Management System

1. EXECUTIVE SUMMARY

The purpose of this report is to present an overview of the Waikato District Council Zero Harm Safety Management System (ZHSMS) to the Audit & Risk Committee and provide an update on current health and safety performance.

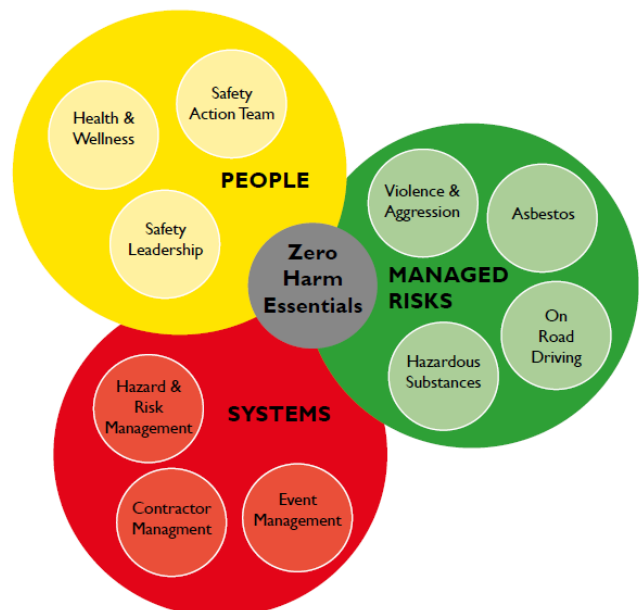
2. RECOMMENDATION

THAT the report from the Chief Executive be received.

3. REPORT

Primary Objective


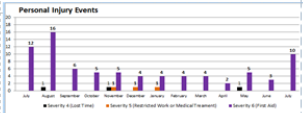
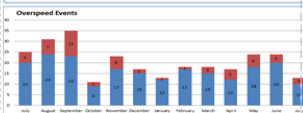
To develop a sustainable zero harm culture that is supported by sound systems, policies, standards and procedures that enable best practice workplace health and safety performance. We aim for more than just compliance by observing the principle that workers and others should be given the highest level of protection against harm to ensure their health, safety and wellbeing.



Disciplined Management Systems

Zero Harm “Work Safe, Home Safe” Strategic Plan

The Zero Harm Team has continued to focus on implementing and undertaking the activities identified in the 2018-2019 Strategic Plan.

Date: 27/02/2019 Version 3		Zero Harm “Work Safe, Home Safe” Strategic Plan 2018/2019		Lead: Gavin Ion Support: Kylie Anderson and Lynn Shirley																																																																																															
<p>Vision</p> <p>To promote a culture of Zero Harm to ensure that people are safe at work and go home safe and healthy every day</p> <p>We want our 'work safe, home safe' vision to extend beyond the workplace. We encourage the safe and healthy practices we undertake at work to be carried out in the home and community environment.</p> 		<p>“Work Safe, Home Safe” 2018/2019 Plan</p> <table border="1"> <thead> <tr> <th>Goal</th> <th>Activities</th> <th>Lead</th> <th>Q1</th> <th>Q2</th> <th>Q3</th> <th>Q4</th> </tr> </thead> <tbody> <tr> <td rowspan="5">People Safety Engagement Conversation Target = 2 per Manager/Team Leader per month</td> <td>1. Develop and undertake a Safety Leadership survey with all People Leaders</td> <td>ZHT</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>2. Further embed Zero Harm Essentials into BAU activities.</td> <td>ELT/ ZHT ELT/ SLT</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>3. Further strengthen Safety Engagement Conversation culture</td> <td>ZHT</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>4. Work Safe, Home Safe 2019 Campaign developed and deployed to all workers and councillors</td> <td>ZHT</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>5. Review SAT Training Needs Analysis and implement required training for SAT Reps</td> <td>ZHT</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td rowspan="6">Disciplined Management Systems Number of corrective actions > 7 days overdue</td> <td>1. Develop and deploy 'Work Safe, Home Safe' Compliance Calendar</td> <td>ZHT</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>2. Continue to review and further develop the Zero Harm Management System Framework</td> <td>ZHT</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>3. Continue to review current Physical Works Contractor H&S Management Plans</td> <td>ZHT</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>4. Undertake a review of existing Contractor Management Procedures and processes</td> <td>ZHT</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>5. Undertake a review of current Hazard Management Procedures and the use of BWare to manage hazard data and corrective actions</td> <td>ZHT</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>6. Review hazard management and event investigation training requirements and implement required training for all levels of the organisation</td> <td>ZHT</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td rowspan="3">Managed Risks 80% of critical risk bow tie controls implemented</td> <td>1. Review and develop Critical Risk Standard and Bowtie for Hazardous Substances</td> <td>ZHT</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>2. Review and develop Critical Risk Standard and Bowtie for Aggression and Violence</td> <td>ZHT</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>3. Develop and implement Working Alone Standard and undertake risk assessments where required.</td> <td>ZHT</td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>				Goal	Activities	Lead	Q1	Q2	Q3	Q4	People Safety Engagement Conversation Target = 2 per Manager/Team Leader per month	1. Develop and undertake a Safety Leadership survey with all People Leaders	ZHT					2. Further embed Zero Harm Essentials into BAU activities.	ELT/ ZHT ELT/ SLT					3. Further strengthen Safety Engagement Conversation culture	ZHT					4. Work Safe, Home Safe 2019 Campaign developed and deployed to all workers and councillors	ZHT					5. Review SAT Training Needs Analysis and implement required training for SAT Reps	ZHT					Disciplined Management Systems Number of corrective actions > 7 days overdue	1. Develop and deploy 'Work Safe, Home Safe' Compliance Calendar	ZHT					2. Continue to review and further develop the Zero Harm Management System Framework	ZHT					3. Continue to review current Physical Works Contractor H&S Management Plans	ZHT					4. Undertake a review of existing Contractor Management Procedures and processes	ZHT					5. Undertake a review of current Hazard Management Procedures and the use of BWare to manage hazard data and corrective actions	ZHT					6. Review hazard management and event investigation training requirements and implement required training for all levels of the organisation	ZHT					Managed Risks 80% of critical risk bow tie controls implemented	1. Review and develop Critical Risk Standard and Bowtie for Hazardous Substances	ZHT					2. Review and develop Critical Risk Standard and Bowtie for Aggression and Violence	ZHT					3. Develop and implement Working Alone Standard and undertake risk assessments where required.	ZHT				
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<p>Performance, gaps and targets Where are we?</p> <p>2017/2018 Performance</p> <ul style="list-style-type: none"> 9 Total Recordable Injuries (TRIFR) 624 events reported in BWare Safety Manager 258 Over speed events (45% reduction on 2016/2017) 54 Over speed events at greater than 110km (27% reduction on 2016/2017) No WorkSafe NZ Notifiable Events The number of safety engagement conversations being held have increased (23% on 2016/2017) <p>Personal Injury Events</p>  <p>Over speed Events</p>  <p>Reflection on activities (2017/2018) How did we perform?</p> <table border="1"> <thead> <tr> <th>Theme</th> <th>Rating</th> <th>Key result/meaning?</th> </tr> </thead> <tbody> <tr> <td>People</td> <td>Green</td> <td>Work Safe, Home Safe 2018 campaign successfully completed in March 2018. Zero Harm Essentials were rebranded and brought to life using our people. Zero Harm Essentials Guide developed and rolled out at Work Safe Home Safe 2018. Zero Harm Essentials incorporated into Health and Safety communications and other related documentation. Regular Zero Harm Moments developed and distributed. Safety Skills developed to support our People Leaders to undertake safety engagement conversations. Safety Action Team (SAT) Representative position description developed. SAT charter reviewed. SAT training needs analysis developed and implemented.</td> </tr> <tr> <td>Disciplined Management Systems</td> <td>Green</td> <td>New Event Management standard developed and implemented. BWare is actively being used to assign and track the completion of corrective actions. Zero Harm Compliance calendar yet to be developed. Pain and Discomfort Self Reporting Form developed. Protago processes related to event management have been reviewed and published. Volunteer Health & Safety Plan developed for managing physical works</td> </tr> <tr> <td>Managed Risks</td> <td>Orange</td> <td>Four critical risks selected for focus. On road Driving and Asbestos bowties developed. Hazardous Substances and Aggression/Violence still to be developed. Managing Threats Project (Fear Free) completed. Work yet to commence on review of current hazard management procedures and BWare hazard registers.</td> </tr> </tbody> </table>		Theme	Rating	Key result/meaning?	People	Green	Work Safe, Home Safe 2018 campaign successfully completed in March 2018. Zero Harm Essentials were rebranded and brought to life using our people. Zero Harm Essentials Guide developed and rolled out at Work Safe Home Safe 2018. Zero Harm Essentials incorporated into Health and Safety communications and other related documentation. Regular Zero Harm Moments developed and distributed. Safety Skills developed to support our People Leaders to undertake safety engagement conversations. Safety Action Team (SAT) Representative position description developed. SAT charter reviewed. SAT training needs analysis developed and implemented.	Disciplined Management Systems	Green	New Event Management standard developed and implemented. BWare is actively being used to assign and track the completion of corrective actions. Zero Harm Compliance calendar yet to be developed. Pain and Discomfort Self Reporting Form developed. Protago processes related to event management have been reviewed and published. Volunteer Health & Safety Plan developed for managing physical works	Managed Risks	Orange	Four critical risks selected for focus. On road Driving and Asbestos bowties developed. Hazardous Substances and Aggression/Violence still to be developed. Managing Threats Project (Fear Free) completed. Work yet to commence on review of current hazard management procedures and BWare hazard registers.																																																																																						
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Zero Harm Safety Management System (ZHSMS)

Work is continuing on reviewing and revising our existing health and safety management system documentation. As previously discussed the Council’s Zero Harm Safety Management System (ZHSMS) will establish the minimum standards for planning, implementing and managing health and safety to ensure our people work safe and go home safe every day.

Recently reviewed or newly developed standards or policies include:

- Contractor Management Standard
- Personal Protective Equipment Standard

Key areas of focus for the next quarter include:

- Volunteer Management
- Hazardous Substances Management
- Injury Management
- Health Monitoring

Hazard and Risk Management

A number of hazard identification and risk assessment activities have been undertaken in the last three months. The Zero Harm team have been developing tools within BWare Safety Manager to audit and approve a contractor’s Job Safety Analysis (JSA) or Task Analysis prior to work commencing.

BWare Safety Manager continues to be promoted as the place where hazards need to be recorded and where required support is being provided with assigning actions to implement controls. The status of actions (e.g. overdue actions) is being reported to and monitored by the Executive Leadership Team (ELT) weekly.

An additional fixed term fulltime resource was approved for the Zero Harm team in August 2018. The Zero Harm Administrator role has been responsible for reviewing the workgroup hazard registers for:

- Woodlands Estate
- Wainui Farm Reserve
- Raglan Kopua Holiday Park

The Zero Harm Administrator also commenced developing Standard Operating Procedures (SOPs) for tasks undertaken by Council workers at Woodlands Estate and Wainui Farm Reserve. The role has been vacant since December 2018 as the incumbent left the organisation. Recruitment is now underway to fill this vacancy.

Contractor Management

Contractor Management remains a key area of activity for the Zero Harm team. A new Contractor Health and Safety Risk Assessment tool has been developed and is now being trialled with the Community Connections and Programme Delivery teams.

The Zero Harm teams has also been working with Contract Managers to review the Zero harm content of tender and contract documents for a range of contracted works. The review of contractor health and safety plans for existing contracts is also continuing. Contract specific audit tools have been developed for a number of contracts, to undertake in the field reviews of risk controls.

Several contractor audits and site visits have been undertaken in the last three months including;






- Waikato District Alliance
- Fosters Construction Ltd
- Smart Environmental Ltd
- Belgravia Leisure Ltd
- Xtreme Zero Waste Ltd

Critical Risk Management

Hazardous Substances

Work has commenced on writing a Hazardous Substances Management Standard. The Chlorine Emergency Response processes in Promapp have been updated following review. A review of hazardous substances signage is underway at all water and wastewater treatment plants.

Workplace Violence

 		
Site: Huntly Swimming Pool (Properties) Date: 08-02-2019 Conducted By: Zero Harm	Signature: 	
Aquatic Supervision	Comments	Images
How many Lifeguards are on duty? 3		
Are the number of Lifeguards on duty in accordance with the documented Aquatic Supervision Risk Management Plan (RMP)? Yes		
Have there been any recent staff changes and if so have the new staff read and signed off on the relevant Aquatic RMP? No	Kalia new to Manager role and this needs to be updated in the Plan and Kalia needs to then sign the Plan. Kalia started 14th Jan. Not new to Belgravia.	
What communication strategies are in place to ensure facility users are informed of pool rules and water safety issues? Signage at entrance. Pool guidelines.		
Are children being issued with bracelets as the Aquatic RMP? Yes	Under 16 are red. Inflatables are yellow. Non confident is orange.	
Printed: 08/02/2019 © Bware 2019		Page 1 of 6 Waikato District Council 15 Galileo Street, Ngaurawahia, Waikato 07 824 8633

The Workplace Violence Critical Risk Bowtie has now been completed and is ready for review by the Executive Leadership Team (ELT). Once approved a gap analysis against the Bowtie controls will be conducted with key stakeholders.

People and Organisational Safety Culture

Safety Action Team (SAT)

Following the organisational structure changes, a review of the SAT membership has been conducted. Where required additional representatives have been requested from workgroups.

The Safety Action Team completed Incident Investigation training to Unit Standard 17601 in December. Hazard Identification and Risk Management training is now being planned.

Safety Engagement Conversations

A key focus for the last six months has also been to develop and improve personal ownership of health and safety via safety engagement conversations. 247 engagement conversations have been undertaken and recorded in BWare Safety Manager in the last three months.

Health and Wellness

Wellness has been a key focus for the Zero Harm team. Development of a Wellness Strategy and Plan based around the Te Whare Tapa Wha health model is underway. A Wellness Collective has been established to support wellness activities. The group of 43 staff met for the first time on 8th February. Currently 37% of the organisation is participating in Tracksuit Inc.'s Global Shift Walking Challenge.

4. DISCUSSION AND ANALYSIS OF OPTIONS

4.1 DISCUSSION

This report is to assist Councillors with their due diligence requirements as Officers. The report should start the conversation and provide opportunities for Councillors to raise questions and discuss progress.

4.2 OPTIONS

Council could choose to accept the report or not. Council could ask for additional information if needed.

5. CONSIDERATION

5.1 FINANCIAL

There are no direct financial requirements identified in this report.

5.2 LEGAL

This report is prepared as part of assisting Council with compliance with Health & Safety at Work Act 2015 and associated regulations.

5.3 STRATEGY, PLANS, POLICY AND PARTNERSHIP ALIGNMENT

Council has a Zero Harm Strategy which forms the basis of our health & safety systems and philosophy.

5.4 ASSESSMENT OF SIGNIFICANCE AND ENGAGEMENT POLICY AND OF EXTERNAL STAKEHOLDERS

Highest levels of engagement	Inform	Consult	Involve	Collaborate	Empower
	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Councillors, as Officers under the Health & Safety at Work Act 2015 are required to undertaken due diligence to ensure appropriate health & safety systems are in place and operating.					

State below which external stakeholders have been or will be engaged with:

Planned	In Progress	Complete	
	✓		Internal
	✓		Community Boards/Community Committees
			Waikato-Tainui/Local iwi
			Households
			Business
	✓		Other Please Specify

6. CONCLUSION

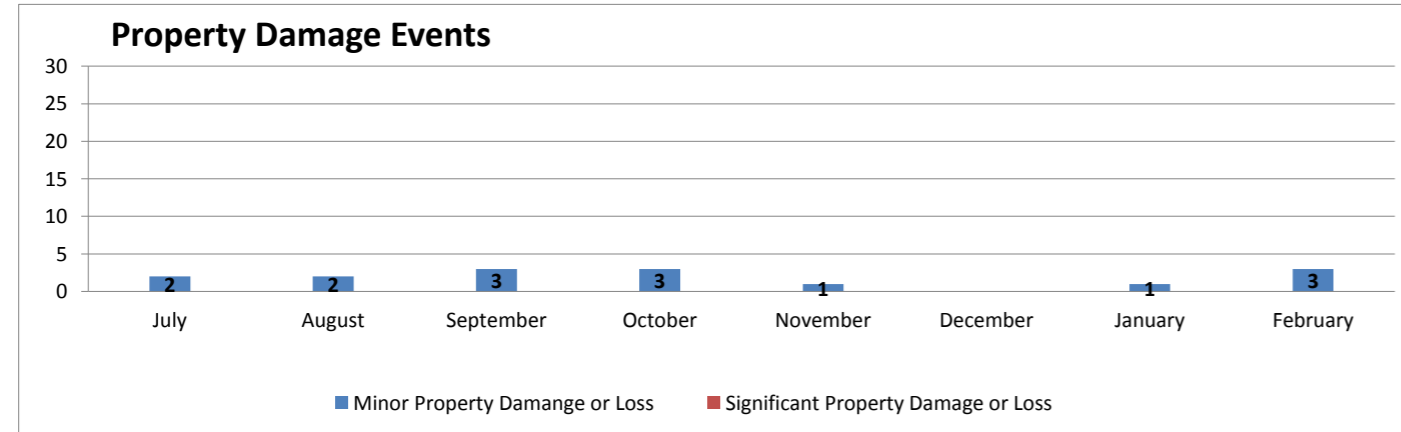
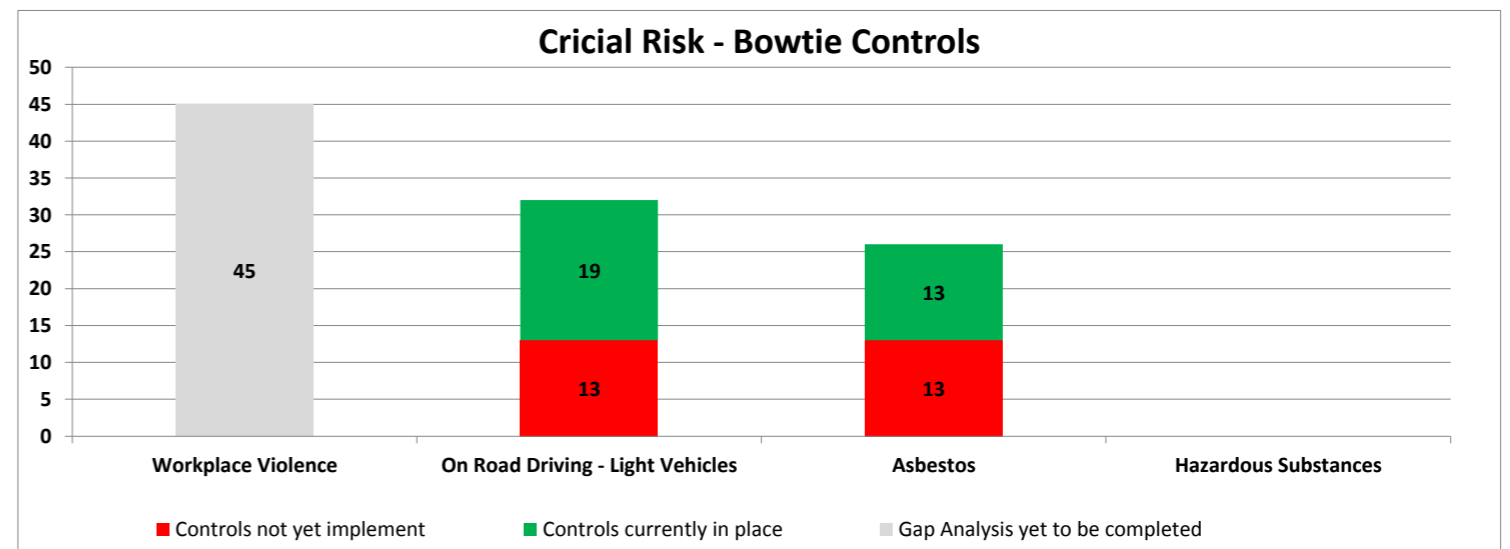
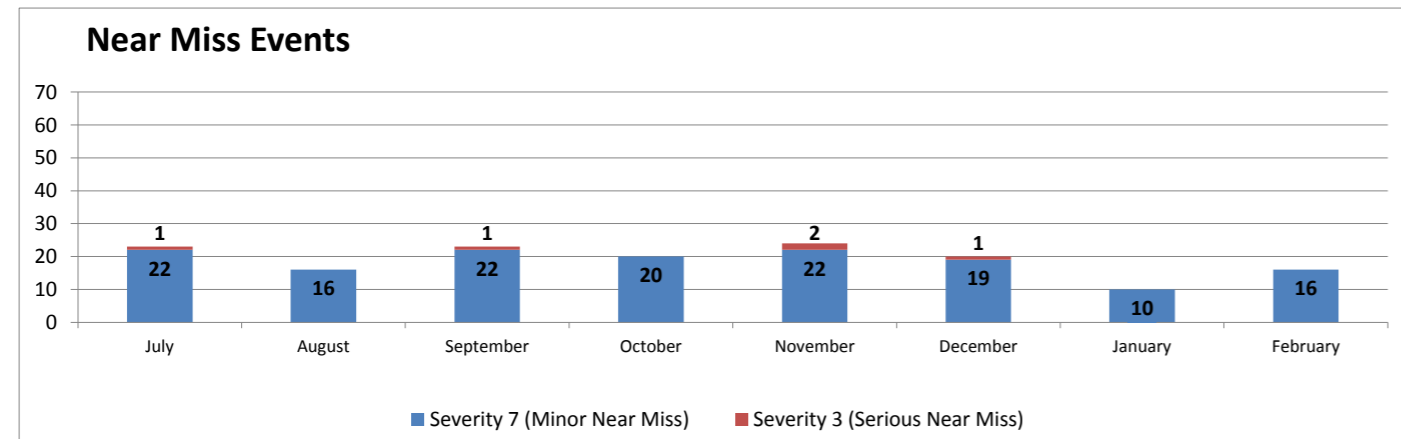
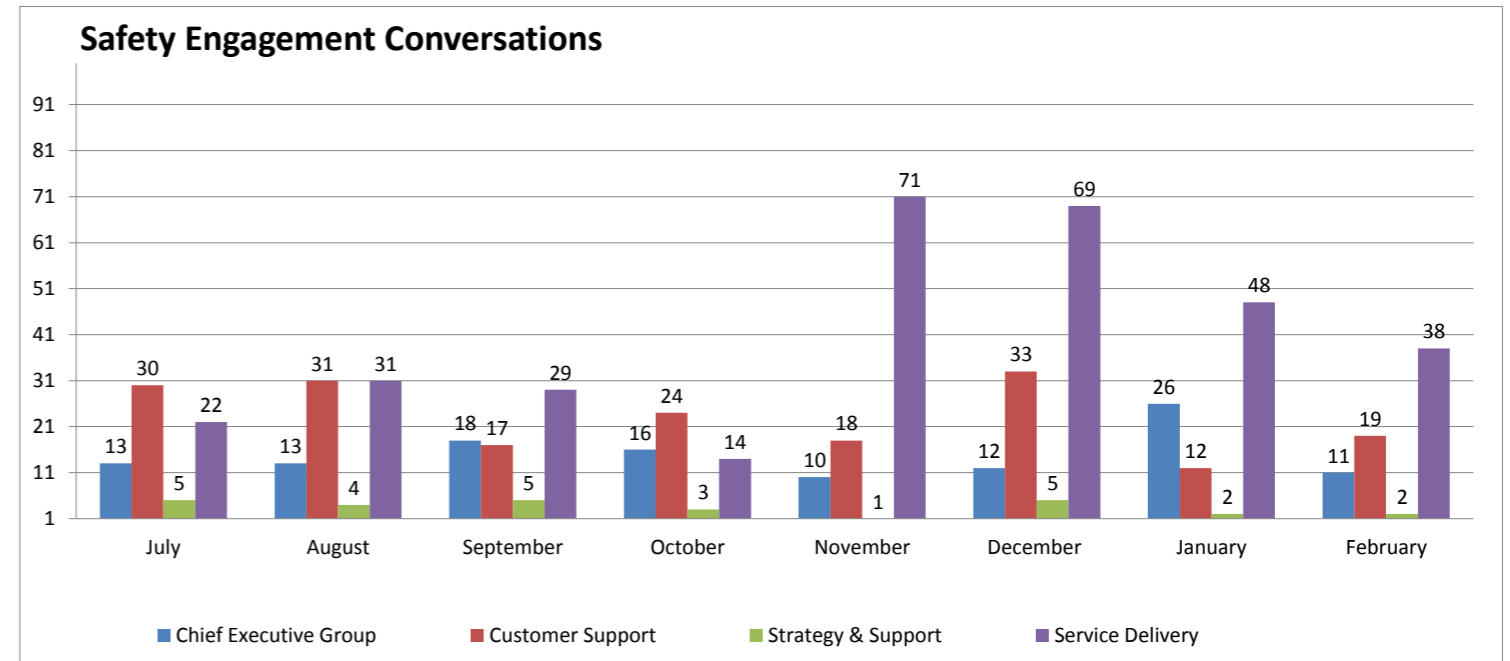
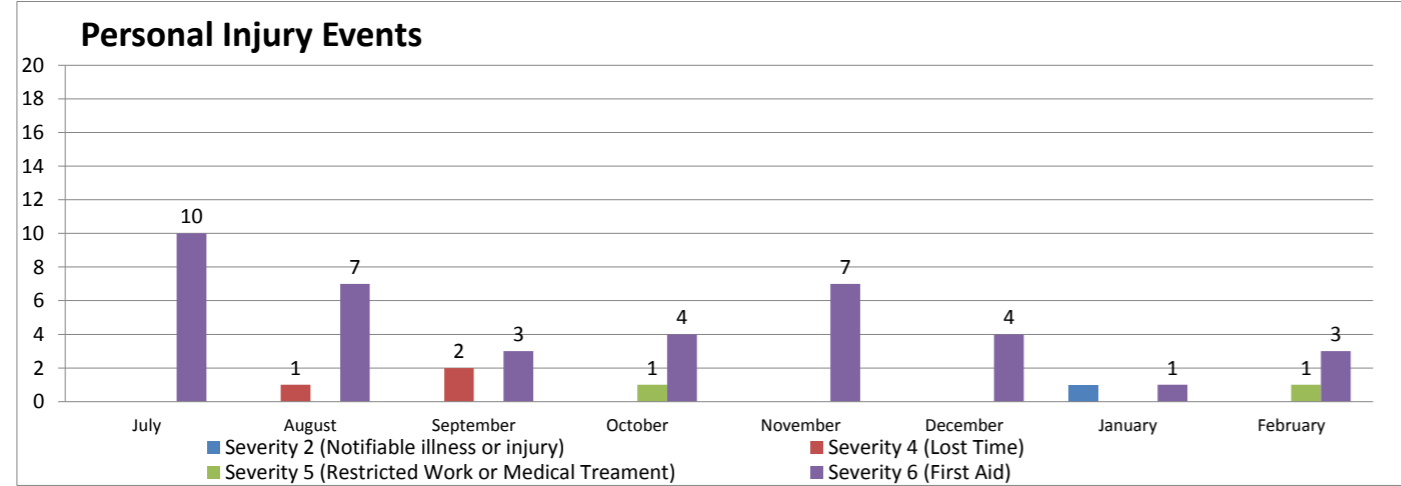
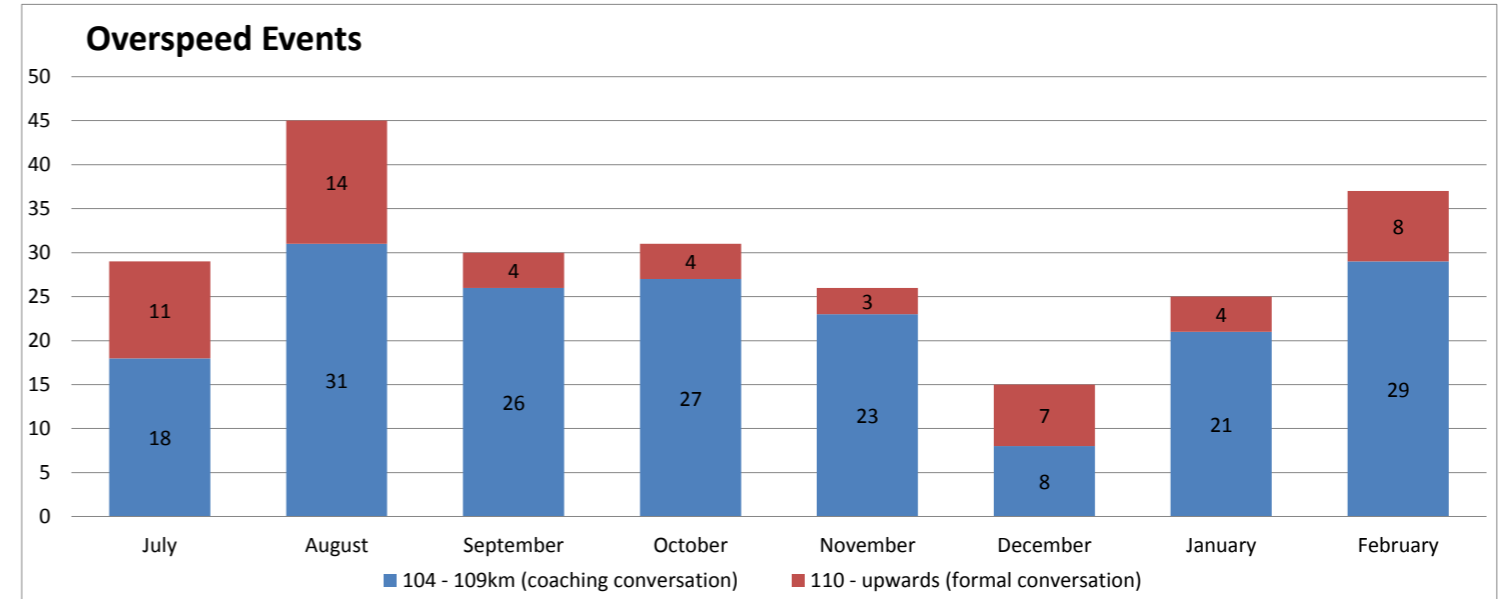
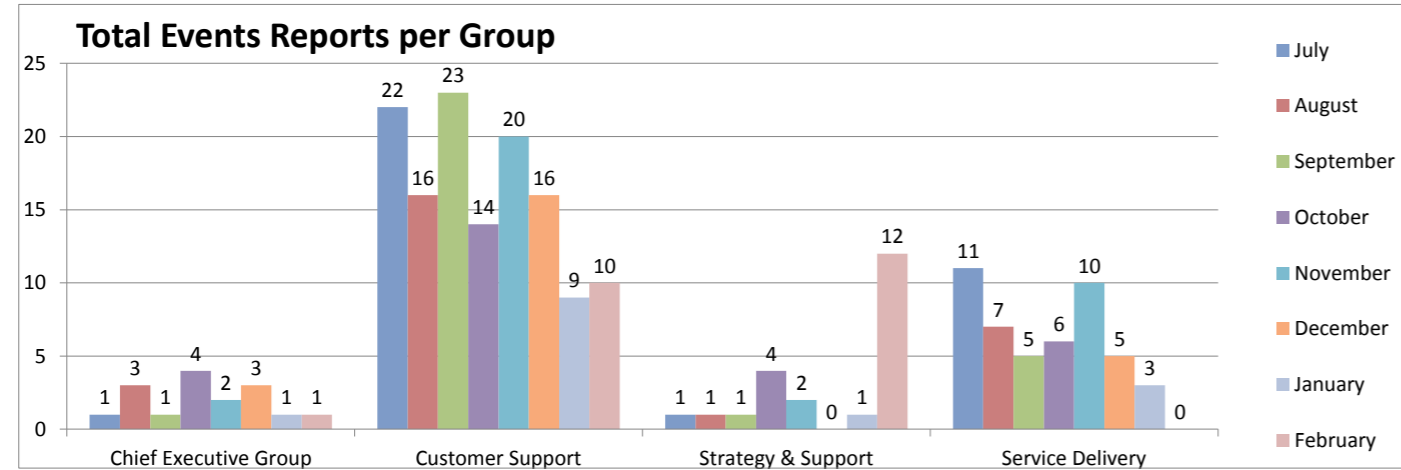
This report provides an update on progress with our Zero Harm systems and processes, and monthly statistics progress

7. ATTACHMENTS

Zero Harm Dashboard – (February 2019)

Zero Harm Dashboard - February 2019

As at 27/02/2019



“Work safe, home safe”

Open Meeting

To	Audit & Risk Committee
From	Tony Whittaker Chief Operating Officer
Date	21 February 2019
Prepared by	Madelina Baena-Escamilla Continuous Improvement Analyst
Chief Executive Approved	Y
Reference #	GOV1318 / 2181734
Report Title	Update on Process Audit and Quality Improvement

I. EXECUTIVE SUMMARY

This report outlines the work planned and undertaken in the past three months to support quality improvement throughout the business. It covers the process audit programme, policy review, and business process improvement.

2. DISCUSSION

2.1. Process Audit Programme

The process audit programme for 2018/2019 is in progress, 14 audits are scheduled to audit 40 business processes. During the past two months, a total of three audits (covering eight processes) have been completed. The remaining two (covering six processes) are in progress with some interviews still to be completed.

One audit has been postponed due to the processes being reviewed at the moment, this audit will be included in the next schedule. The three completed audits resulted in zero non-conformances and 19 recommendations for improvement. Process owners and experts are addressing these non-conformances and making relevant changes to the processes. (See attached Process Audit Status (2018-2019) @19-02-2019 Activity Report).

The Risk Advisor and Continuous Improvement Analyst have undertaken a review to identify the effect of internal audit results on organisational risks. The internal audit process has been updated to include a periodic meeting between the Continuous Improvement Analyst and Risk Advisor to discuss processes to be included in the audit schedule that are deemed high risk. Similarly, internal audit results that may trigger risk assessments associated with identified major non-conformances will be communicated to the Risk Advisor.

During the past year staff turnover has resulted in the loss of 10 Auditors; Auditor training will be scheduled in the next three months to increase the number of auditors from 23 to 34.

2.2. Policy

The work programme for reviewing internal and external Council policies is progressing.

Policies published in the last three months:

- Drug and Alcohol Policy
- Conflict of Interest Policy
- On Road Driving and Safe Use of Council Vehicle Policy
- Activity Management Policy
- Harassment and Bullying Policy
- Gambling Venues Policy 2018

Policies ready to be reviewed by ELT:

- Smokefree Workplace Policy

Policies being revoked:

- Community Engagement

Other policies being created or reviewed are:

- Firearms Policy
- Disability Policy (new)
- Occupancy Policy (will include Pensioner Flat Allocation, Pensioner Housing – Provision of Housing, and Pensioner Housing – Tenant Exchange policies).

2.3. Improvement Forum

Improvement champions have focused on ensuring that processes and documents have been updated to reflect the changes of the organisational re-structure.

Council hosted the Promapp Regional user group mid-February, a case study on our journey was presented by the Project and Innovation Manager. The presentation was described as inspirational by the majority of the attendees and was seen as motivation to get the wheels turning at other councils.

New staff continue to be trained on the use of Promapp, process mapping and process improvement as part of their induction. As existing staff move into roles of process experts additional training is undertaken, to ensure they have the tools and knowledge to map and improve their process in an effective way. Because of the organisational changes, there has been a significant increase in this training requirement.

The Improvement Forum continues to meet every month to drive the Council's Quality Management System and encourage process mapping and continuous improvement. In the next two months, changes will be required in the Improvement Forum to reflect the new organisational structure.

3. RECOMMENDATIONS

THAT the report from the Chief Operating Officer be received.

4. ATTACHMENTS

Process Audit Status (2018-2019)

Audit Schedule 2018-2019 (to be completed by Feb 2019)

Group/Team	Processes	Owners and experts	Auditors	Date of Audit	Outcome			Progress update
					Major NC (high)	Minor NC (medium)	Rec (Low)	
					8	0	43	
Environmental Health	<ul style="list-style-type: none"> Regulation 110(2)(a-b) - Recognised Agency: Conflicts of interest Regulation 110(2)(c) - Recognised Agency: Confidential Information Regulation 110(2)(n) - Recognised Agency: Contractual Arrangements 	Tony Pipe Baker Siddique	Kay Warren	19/09/2018	0	0	2	The audit has been carried out, and the report has been sent to the process owner.
	<ul style="list-style-type: none"> Regulation 110(2)(d) - Recognised Agency: Staffing Regulation 110(2)(e) - Recognised Agency: Resourcing Register Template Food Control Plan (FCP) 	Tony Pipe Baker Siddique	Shelley Woollett	21/09/2018	5	0	5	The audit has been carried out, and the report has been sent to the process owner.
	<ul style="list-style-type: none"> Regulation 110(2)(f) - Recognised Agency: Reporting Regulation 110(2)(g-h) - Recognised Agency: Records Process Application to Register Health Premises 	Tony Pipe Baker Siddique Sudhir Kumar	Sharlene Jenkins	14/03/19				The audit has been scheduled.
	<ul style="list-style-type: none"> Regulation 110(2)(i-j) - Recognised Agency: Non Compliance and Corrective Actions Regulation 110(2)(k) - Recognised Agency: Complaints Verify Template Food Control Plan (FCP) 	Tony Pipe Baker Siddique	Samantha Frederick	26/09/2018	0	0	10	The audit has been carried out, and the report has been sent to the process owner.
	<ul style="list-style-type: none"> Regulation 110(2)(l) - Recognised Agency: Internal Management Regulation 110(2)(m) - Recognised Agency: Review of Performance Recognised Agency: Continuous Improvement Recognised Agency: Internal Audit 	Tony Pipe Baker Siddique	Annetta Purdy	24/09/2018	2	0	1	The audit has been carried out, and the report has been sent to the process owner.

Council Support	<ul style="list-style-type: none"> • Manage Disclosure of Interests Register - Staff • Identify, Declare and Manage Conflicts of Interest (Management and Staff) • Manage Disclosures of Interests Register - Elected Members • Identify, Declare and Manage One-off Conflicts of Interest (Elected Members) 	Rose Gray Gavin Ion	Alan Kuyper Reece Turner Mark Shaw	23/10/2018	1	0	6	The audit has been carried out, and the report has been sent to the process owner.
Development Contribution	<ul style="list-style-type: none"> • Development Contributions Process • Update Development Contribution Catchments 	Annette Brodie Jodi Bell-Wymer Anton Marais Karl Pavlovich	Robert Ball Rosemary Towl Paul Harrison	04/12/2018 29/11/2018	0	0	2	Audit was completed and report sent to the processes owner and expert. Processes are now undergoing a total review
Monitoring	<ul style="list-style-type: none"> • Monitor Land Use Resource Consents • Carry out Site Inspection/Investigation • Take Enforcement Action for Non-Compliance with District Plan 	Margaret Glassey Craig Birkett	Jonathan Ward Christine Cunningham	05/12/2018	0	0	12	The audit has been carried out, report has been sent to the processes owners.
Corporate Planning - Delegations	<ul style="list-style-type: none"> • Request Change to delegations • Manage delegations register • Issue a staff warrant card 	Sandra Kelly Kurt Abbot	Phyllis Hefang Tracey Oakes	31 January 2019 & February 2019	0	0	5	Audit is in process, few interviews need to be carried out.
Human Resources	<ul style="list-style-type: none"> • Obtain approval for and plan recruitment • Review applications and shortlist interviewees • Carry out interviews 	Tharsha Adamstein Vanessa Jenkins	Lynette Wainwright Elijah Tamati	28/02/2019				The audit has been scheduled
	<ul style="list-style-type: none"> • Carry out reference checks for potential candidates • Make offer of employment • Carry Out Police Vetting Check 	Tharsha Adamstein Vanessa Jenkins	Evonne Miller Pam Osborne	Middle of March				The audit has been scheduled

Human Resources / Information Management	<ul style="list-style-type: none">• Prepare for and Carry Out Staff Induction• Set Up New User Account	Tharsha Adamstein Vanessa Jenkins Niall McGrath Gene Oudes						Audit has been postponed due the processes being reviewed at the moment by the teams
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Open Meeting

To	Audit & Risk Committee
From	Tony Whittaker Chief Operating Officer
Date	27 February 2019
Prepared by	Angela Parquist Change Manager
Chief Executive Approved	Y
Reference #	GOV1318 / 2187922
Report Title	Team Up – Gearing for Growth & Greatness Launch Post Implementation Report

1. EXECUTIVE SUMMARY

This report details outcomes and benefits delivered from project PR-1310 Team Up – Gearing for Growth & Greatness (“G4GG”) Launch.

2. RECOMMENDATION

THAT the report from the Chief Operating Officer be received.

3. DISCUSSION

In 2017 it was recognised that the organisation needed a clear and compelling vision to help manage how Council intended to do business both now and in the future and a commitment was made to improve the organisational culture.

During the subsequent eight months the organisation was reset through a co-designed restructure; increasing staff numbers in line with business needs and taking employees on a journey that was transparent, agile and focussed on doing things differently. A number of different communication and engagement tools were utilised including district wide drop in sessions; co-design workshops to finalise Our Plan strategy chapters; physical space changes (e.g. the Innovation Space, agile work areas and internal branding); increased presence and interaction of the Executive Leadership Team; timely and transparent flat communication (a move away from cascaded messaging); revitalised branding and marketing specific to recruitment activity and design tactics to align individuals and teams to Council’s vision of Liveable, Thriving and Connected Communities.

All of these different tactics were in preparation for the Team Up event, held at Hampton Downs on 15 January 2019. A project to deliver the event was initiated in

November 2018. The event design was in the style of a one day conference, the intent of the day to 'care for our people, value our people and inspire our people'. The desire was that all staff would come away from the day believing that the organisation has changed, trusting that things will be different and excited to contribute to Waikato District Council being successful.

The closure report (Appendix I) demonstrates that the event achieved the planned outcomes and that expected benefits will continue to be realised during the next twelve months.

4. CONCLUSION

In essence, the Team Up project was a significant component of the wider Organisational Change Programme. A number of established dependencies exist between the expected benefits of the programme and the Team Up project. It is believed that designing the right environment within the organisation, will result in the same being reflected in the work that our people commit to for our customers across the district.

The next six months is focussed on maintaining momentum for the programme holistically. Key engagement projects will be led by staff that focus on the organisational vision. This is alongside the prioritisation and scoping of Our Plan projects across all four chapters.

5. ATTACHMENTS

Appendix I: Project Closure Report – PR-1310 Team Up – G4GG Launch



Project Closure Report

Team Up PR-1310

Author	Angela PARQUIST
Document version	V0.1
Version status	Draft
Date	17/01/19

Document Control

Document Information

Document Name	PR-1310 – Team Up – Project Closure Report
Document Owner	Angela PARQUIST
Document ECM #	

Document History

Version	Date	Author	Change
0.1	17/01/19	Angela PARQUIST	First draft for initial review by Kurt ABBOT
0.2	27/02/19	Angela PARQUIST	Draft for initial review by Gavin ION & Kurt ABBOT
1.0			Final for sign-off

Distribution List

This list is in addition to those who are on the Document Approval & Endorsement lists

Name	Position	Department/Company
Natasha NOLAN	L&D Advisor	HR
Executive Leadership Team		
Audit & Risk Committee		

Closure Approval

Approval to formally close this project and accept the deliverables and handover items as outlined in this document.

Project Role	Name	Signature	Date
Project Manager	Angela PARQUIST		
Business Owner	Kurt ABBOT		
Project Sponsor	Gavin ION		

Document Purpose

A Project Closure Report is a document which formalises the closure of the project. It provides confirmation that the criteria for successful completion of the project have been met and requests sign-off from the Project Sponsor to close the project.

A Project Closure Report includes:-

- Confirmation that each completion criterion has been met
- A list of outstanding business activities, risks and issues & related ownership
- A set of closure actions (to hand-over project deliverables, documentation, terminate suppliers, release resources and undertake closure communication).

A Project Closure Report is produced at the start of the Project Close Phase. The document is usually prepared by the Project Manager and presented to the Project Sponsor & Business Owner for acceptance & sign-off. Following sign-off, a suite of closure activities is undertaken to formally close the project.

When the Project Closure Report is approved, the Post Implementation Review will be conducted to capture final statistics and identify lessons learnt for future projects. The Benefits Realisation Review(s) are scheduled, to measure the achievement of the business benefits achieved as per the Business Case.

Project Closure Process

The following outlines the key steps required for the close down of a project:-

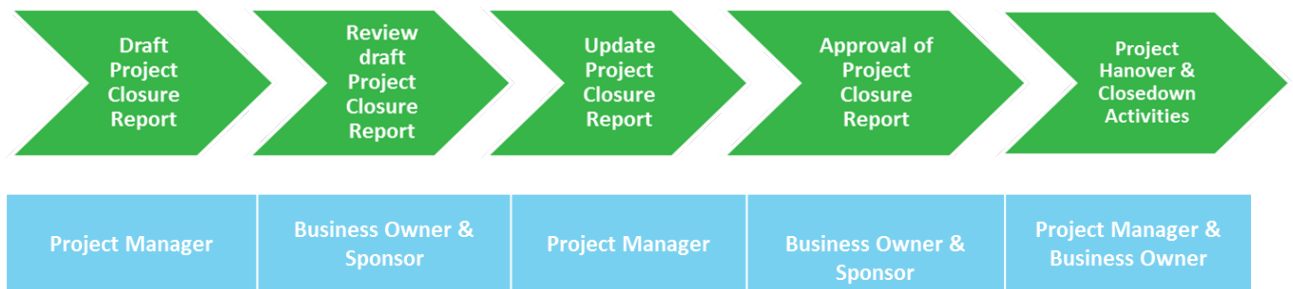


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I Project Completion

This section identifies the criteria required to complete the project and any outstanding items which still need to be undertaken even though the project may be ready for completion.

I.1 Completion Criteria

Listed below are the items which were agreed in the signed off the Business Case & Project Execution Plan (PEP), as the criteria that must be met for successful completion of the project & to the satisfaction of the Business Owner.

Category	Criteria	Achieved
Objectives	<ul style="list-style-type: none"> Value our people Care for our people Inspire our people 	Initial feedback from the project indicates that all three objectives were met.
Benefits	<ul style="list-style-type: none"> Improved organisational engagement (one vision) Improved culture 	Benefits realisation is likely to take some time to demonstrate however the vision appears to have been successfully communicated and feedback indicates that immediate response to event was high level of engagement.
Deliverables	<ul style="list-style-type: none"> Team Up event Vision collateral 	Completed and accepted by Business Owner. Socialised with organisation.

I.2 Outstanding Items

The following outstanding items still need to be undertaken even though the project has satisfied the above completion criteria. Each item has action(s) required to be undertaken and the owner responsible for undertaking the action.

Item	Action	Owner
Activities	<ul style="list-style-type: none"> Organisation wide access to associated collateral 	Angela PARQUIST
Risks	<ul style="list-style-type: none"> Lack of buy-in from individuals/groups No post event follow through on organisational objectives 	Angela PARQUIST
Issues	N/A	N/A

2 Project Closure

This section outlines the steps required to perform the closure of the project. It includes handover of the deliverables and documentation to the business owner, the conclusion of supplier contracts, the release of project resource back to the business and the communication to all stakeholders that the project is now formally closed.

2.1 Deliverables

Listed below are the project deliverables as per the approved Project Execution Plan (PEP) with a hand-over plan for the release of all project deliverables to the business owner.

#	Deliverable	Description	Location/Link	Handover Date	Owner	Comment
D01	Team Up Event	Event held on 15/01/2019	Hampton Downs	N/A	Angela PARQUIST	
D02	Event Collateral	All collateral including presentations, signage, Vision & values documents	Event documents stored in ECM against project code PR-1310 project code PR-1310 Vision & values collateral stored	N/A	Angela PARQUIST	
D03	Post event engagement plan	Includes staff access to collateral e.g. Waisite along with future engagement requirements to maintain org momentum	ECM/Networks drives/Waisite	N/A	Angela PARQUIST and Sheryl FLAY	

2.2 Project Management documents Handover

Listed below are the documents relating to the project deliverables and the Project Management documents, with related handover details.

#	Document Name	File Type	Location/ Link	Handover Date	Owner	Comment
PMD 01	All project documents	ECM	Stored against project code PR-1310	17/01/2019	Angela PARQUIST	

2.3 Suppliers

Supplier Name	Contract Reference	Completion Activity	Release Date	Activity Owner
Guest Speaker 1		Invoices paid in full		Angela PARQUIST
Guest Speaker 2		Invoices paid in full		Angela PARQUIST
Guest Speaker 3		Invoices paid in full		Angela PARQUIST
Hampton Downs (Venue)		Invoices paid in full		Angela PARQUIST

2.4 Resources

Resource Name	Current Designation	Release Activity	Release Date	Activity Owner
Project Team	Project has been successfully completed and is now closed	Project closure celebration	21/02/2019	Angela PARQUIST

2.5 Project Accounting

The original budget was \$30,000. The actual spend was \$24,131.36. Total event cost \$68.94 per person.

It should be noted that Council received a LGOIMA in relation to this event. Costs were communicated transparently and were publicised in the Waikato Times positively.

All project costs have been finalised and document store accordingly.

2.6 Communication

Below is the plan to communicate the project closure to all stakeholders and interested parties.

Target audience	Intended message	Method used	Dispatch date	Dispatch owner
SLT	Requirements to maintain momentum and continued engagement with vision and values	People leaders	17/02/2019	Angela PARQUIST
ELT	Requirements to maintain momentum and continued engagement with vision and values	ELT meeting & email to group	17/02/2019	Angela PARQUIST

2.7 Lessons Learned (initial, until Post Implementation Review is conducted)

What went well (pre-event)

- Agile project team
- Administration support throughout
- Project team highly engaged, committed, capable and productive – large amount of discretionary effort invested to deliver on project
- Venue choice (Hampton Downs) – partnership, size, location & facilities
- Pre-visits to location beneficial for planning and set up

- Open & transparent communications to all staff
- Food provider – interactions, food, social good concept & reception from staff
- Engagement with new starters and invitation for them to attend
- Partnership with HGB (design and marketing) and delivery of new collateral in time for event
- Trust for and empowerment of the project team by ELT
- Having well recognised speaker as motivation for staff to attend event

What went well (day of event)

- Kaumatua welcome
- Food set up
- A.V.
- Teamwork
- Energy
- Number of speakers (3)
- Departure (no specific plan for departure – went smoothly without much supervision i.e. people just went to the buses and boarded).
- Bus experience – host, engagement, prizes
- Prizes on buses well received (fuel vouchers). People responded very well to this as a gift
- Host and support combinations – good dynamics
- Speakers – choice of (well received by attendees)
- Digital showcase of partners as staff arrived, during lunch and as they departed
- Agenda (well prepared – good flow)
- Dressing of venue – banners etc.
- Video production
- Presentations digital and physical (whiteboard gift wrapped)
- Choice of day of week (middle of week - Tuesday)
- Dedicated first aid space (was not required but presence was valued)
- Management of pool vehicles on site (key logging system)
- Overall agility of project team to respond to staff and speaker requirements
- Project team's discretionary effort to set up, prepare and pack down event
- Well defined roles and responsibilities for the project team

Learnings (pre-event)

- Longer lead in required
- Need greater level of buy-in from, and more engagement with, SLT
- Christmas period complicated arrangements (leave, availability – internal and external)
- Requirement for/leverage off group communication i.e. slack/FB
- PM – formal reporting, communications and training requirement
- Project Manager required from outset
- Dietary requirements – poor engagement with requests for advice (incomplete/not notified) – recommend possibility as inclusion in HR system
- Booking transport - poor engagement with requests for booking & commitment (required large amount of follow up across the business)
- Guidelines for external gifts required e.g. some suppliers gifted alcohol
- Goodie bag content – consider recipient response and look and feel
- Require updated leave list close to event (e.g. 2 days out)
- Vehicles pre-booked use by project team for set up. Moved from compound at booking time to ensure booking remained valid. Most bookings still ended up being automatically cancelled by Smart Track (vehicles parked in Councillor car park).

Learnings (day of event)

- Roaming microphone would have been beneficial throughout the day (to encourage more questions engagement from staff with presentations)
- Missed opportunity to 'interview' staff as they left the event to get on the buses
- Runner required (appoint one for between event coordinator and MC)
- Require prepared instruction pack for the role of Speaker Host
- Build in time buffer required to allow for over runs and prevent hurry (MC)
- Refreshment set up – the area was swamped and ran into issues of being able to provide for all attendees on arrival
- Access to buses at Nga (car parking arrangements communicated but not adhered to leaving some buses unable to park appropriately – staff behaviour/adherence to instruction)
- More breaks required to facilitate toilet breaks and mingling
- Icebreakers would have been beneficial at tables as many tables had mixed staff
- Speaker topics/briefings – ensure that key messages are clear and that audience understands how speakers presentations tie back to the intended message
- Run-sheet required on logistics board
- Requirement to keep records of prize winners

Recommendations

- Six month commitment to projects maintaining culture momentum agreed to by ELT
- Continued visibility of ELT across organisation in authentic and meaningful settings
- Connection of culture to Our Plan deliverables
- Connection of individual roles through to team business planning, to Our Plan, to LTP and ultimately to the vision of Liveable, Thriving and Connected Communities (the golden thread)
- Continue to maintain visibility of internal branding (e.g banners and other visual collateral).

Open Meeting

To	Audit & Risk Committee
From	Tony Whittaker Chief Operating Officer
Date	26 February 2019
Prepared by	Sharlene Jenkins Executive Assistant
Chief Executive Approved	Y
Reference #	GOV1318 / 2185447
Report Title	Updated Future Work Plan and Action List

1. EXECUTIVE SUMMARY

The purpose of this report is to present an updated Future Work Plan and Action List for the Audit & Risk Committee's information.

2. RECOMMENDATION

THAT the report from the Chief Operating Officer be received.

3. ATTACHMENTS

- Updated Future Work Plan
- Action List

Audit & Risk Committee: Action List**175**

#	Action	Owner	Date Assigned	Date Due	Status
1.	Bella Vista Learnings	Tony Whittaker / Sue O’Gorman	December 2018	March 2019	Workshop held Wednesday, 27 February 2019. Key points from the Workshop will be shared with the Audit & Risk Committee.
2.	Risk Scatter Graph	Tony Whittaker / Katja Jenkins	December 2018	March 2019	A report has been provided to the March meeting.
3.	Member Training and Development	Mayor Allan Sanson	December 2018	June 2019	A training and development plan required for relevant Councillors.
4.	Mitigating actions against future insurance premium increases	Alison Diaz	March 2019	November 2019	Waikato Local Authority Shared Services project to be delivered at individual council level, but is a piece of work all councils would benefit from.

	13 March 2019	27 June 2019	18 Sept 2019	December 2019 <small>TBC</small>	Standing items for all meetings
Risk	Review of Council Controlled Organisations Statements of Intent	Annual Report Risk Assessment Annual Report Programme Compliance Risk Management Framework Review		Waikato District Council Health & Safety Framework Review H&S Management framework Risk Appetite Review	<ul style="list-style-type: none"> ▪ Strategic Risk Register Update on key strategic risks & associated management actions. ▪ Risk Framework Update on direction risk framework & organizational engagement. ▪ Emerging Risks Opportunity to discuss emerging risks with potential for strategic impact. ▪ Strategic Risk Deep Dive Detailed inspection of a key risk for the purpose of assurance in the context, assessment & mitigation space. ▪ Risk Conversations Opportunity for Committee to dialogue with key staff to obtain assurance that appropriate controls and culture are in place. ▪ Zero Harm Update H&S update on H&S performance against agreed targets, systemic issues identified which can be fed into the risk control framework. To include monthly statistics. ▪ Update on Process Audit and Quality Improvement Rolling review of bylaw & policies – schedule to be agreed. ▪ Post Implementation Reviews and/or Incident Debrief Reports Post project appraisals on key investments. ▪ Update on Progress against Audit Issues Update on progress against Audit management report. ▪ Procurement Update Update on procurement and contract management.
Internal Audit		Procurement and Contract Management Framework Review	Spend Analysis Update		
Insurance			Insurance Renewal Process Update Insurance review	Insurance Policy / Premium Confirmation	
Annual Report	Annual Report Project Planning Annual Report Programme		Annual Report	Final Management Report Audit Management Report	
Other		Zero Harm Site Visit	Audit & Risk Committee Key Achievements Review of Audit & Risk Committee performance against Terms of Reference Zero Harm Site Visit		

Strategic Risks

- | | | | |
|---|--|--|--|
| <ul style="list-style-type: none"> ▪ Council Partnerships ▪ Zero Harm ✓ ▪ Asset Management | <ul style="list-style-type: none"> ▪ Waters Social Franchise Model ✓ ▪ Stakeholder Engagement ▪ Economic and Social Development | <ul style="list-style-type: none"> ▪ People and Culture ✓ ▪ Regional / National Strategic Planning ✓ ▪ Projects and Initiatives | <ul style="list-style-type: none"> ▪ Compliance Management ▪ Business Resilience ▪ Cyber Security |
|---|--|--|--|

Open Meeting

To	Audit & Risk Committee
From	Tony Whittaker Chief Operating Officer
Date	04 March 2019
Prepared by	Sharlene Jenkins Executive Assistant
Chief Executive Approved	Y
Reference #	GOV1318 / 2190707
Report Title	Aon New Zealand Renewal Report

1. EXECUTIVE SUMMARY

The purpose of this report is to present Aon New Zealand's Renewal Report which was circulated to the Audit & Risk Committee by email on 14 January 2019.

2. RECOMMENDATION

THAT the report from the Chief Operating Officer be received.

3. ATTACHMENTS

Aon New Zealand Renewal Report for Waikato District Council, November 2018



Renewal Report

Waikato District Council

November 2018

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This report contains information which is confidential to Waikato District Council and Aon New Zealand (Aon). Accordingly, we trust you will understand this report is given to Waikato District Council and its officers and employees in confidence and may not be reproduced in any form or communicated to any other person, firm or company without the prior approval of Aon.

Edition LEGAL-180731 | RENEWAL REPORT 2018 (002)



Introduction

We are pleased to present to you a summary of renewal terms negotiated with insurance markets in respect of Waikato District Council's insurance programme for the period 1 November 2018 to 1 November 2019. This report contains information which is confidential to Waikato District Council and Aon New Zealand (Aon).

We trust this report is to your satisfaction and look forward to receiving your renewal instructions.

Contact Information

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Claims Management	<p>Abbie Haitana</p> <p>T: 07 837 7100 DDI: 07 837 7136 E: abbie.haitana@aon.com</p>
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Office Details	<p>Hamilton Corporate 85 Tristram St Hamilton PO Box 1281 Hamilton 3240</p>

Important Notices

As your insurance advisor, we want to draw your attention to certain important matters that relate to your insurance.

For the purposes of this document, the following words (and any variation of them) that appear in bold shall mean the following:

- (i) **Aon/we/us/our** - Aon New Zealand; and
- (ii) **you** - an Aon client who instructs us or for whom we may provide services.

1. Advice Given for Your Benefit

Any advice, report or information that we provide is given solely for your benefit and cannot be given to or relied upon by any third party without our prior written consent.

2. Aon Terms of Business

Except as otherwise agreed (in writing), you agree that Aon's Terms of Business apply to the provision of our services. These terms are available here:

<https://www.aon.co.nz/About-Aon/Terms-of-Business>

and apply to all new business and renewals.

You accept these terms by continuing to instruct us.

Key provisions include:

- Our obligation to perform our services competently, with reasonable care, skill and integrity.
- Your obligation to supply us with all material information and facts in relation to the provision of our services, (relevant information includes all information and facts that may be material to an insurer's assessment of a risk for which you have asked us to arrange insurance cover).
- Our remuneration. Aon may receive consideration from insurers, banks and/or finance companies with whom we place insurance and associated services, on your behalf.
- Service and administration fees: minimum fees may apply;
- Limitation of liability: Among other things, to the extent permitted by law:
 - our aggregate liability in respect of any claims howsoever arising in connection with the terms or our services is limited to NZ\$1 million or such other amount as may be expressly agreed between us in writing; and
 - we are not liable for any consequential, incidental, indirect or special damage or loss of any kind.

3. Business Description

It is important that the business description declared in your proposal for insurance is full and accurate. You need to check that this description is reflected accurately in the policy. Insurers will only indemnify you for claims that arise from your business as described in the policy (subject to the other terms of the policy).

4. Change of Circumstances must be notified

It is also important that you advise your insurer of any material changes to your business or circumstances (including location change, change in size or value, increase in number of premises/sites owned or occupied, any mergers or acquisitions, or the nature of business activities) that may occur during the period of insurance. We can assist you in notifying the insurer of any material changes or circumstances.

5. Claim Notification

You are responsible for notifying claims or potential circumstances that may give rise to a claim, in accordance with the terms of your policy. In presenting a claim it is your responsibility to disclose all facts which are material to the claim. You should familiarise yourself with the specific coverage conditions and procedures relating to claims and their notification under the policy. Failure to adhere to those requirements and report a claim or circumstance in a timely manner, may jeopardise coverage or entitle insurers to disclaim liability.

6. Claims Made

Directors' and Officers' Liability, Crime, Professional Indemnity, and Trustees' Liability policies, and some other liability policies are typically written on a "Claims Made" basis.

This means that the policy responds to claims first made against you and notified to the insurer in writing during the period of insurance, provided that the originating act or omission occurred after any retroactive date (see Retroactive Date below). Where you give notice in writing to the insurer of any facts that might give rise to a claim against you as soon as reasonably practicable after you become aware of those facts, but before the expiry of the period of insurance, the policy will, subject to its terms and conditions, provide cover even if that claim is made after the expiry of the period of insurance.

In order to ensure any entitlement to indemnity under the policy is protected, you must report all incidents or circumstances that may give rise to a claim against you to the insurer without delay prior to expiration of the policy period.

Retroactive Date

Directors' and Officers' Liability, Crime, Professional Indemnity, and Trustees' Liability policies, and some other liability policies are written on a "Claims Made" basis may have a retroactive date.

This means that coverage is limited to acts and omissions that occur or are alleged to have been committed on or after the retroactive date. For example, if you have a retroactive date of 1 July 2017, the policy will not cover a claim arising from acts or omission occurring prior to that date. If this applies, please ensure that the retroactive date you select is sufficient and that you have no uncovered periods.

7. Contractual Liabilities

Insurers may only provide indemnity for liabilities that arise from your common law obligations arising from the conduct of your business. Where you have entered into a contract with another party that extends your liability beyond what you would have been liable for had the contract not been in place, you may not be indemnified for these assumed liabilities under your policy. Further, you may not be indemnified for any express guarantees or warranties which extend beyond common law obligations, unless liability would have attached in the absence of any express guarantee or warranty.

8. Duty of Disclosure

Before **you** enter into a contract of general insurance, **you** have a duty to disclose to the insurer every matter that **you** know, or could reasonably be expected to know, may affect the insurer's decision to insure **you** and on what terms. **You** have that duty after the proposal, and up until the time the insurer agrees to insure **you**. **You** have that duty before you renew, extend, vary or reinstate a contract of general insurance.

You do not need to tell the insurer anything that:

- reduces the risk;
- is common knowledge;
- **your** insurer knows or should know as an insurer; or
- the insurer waives compliance with relating to **your** duty of disclosure.

If **you** are uncertain about whether or not a particular matter should be disclosed to the insurer, please contact **your** Aon Client Relationship Manager.

Non-disclosure

If **you** do not tell your insurer anything **you** are required to, the insurer may cancel **your** contract or reduce the amount that it is required to pay **you** if **you** make a claim, or both. If **your** failure to disclose is fraudulent, the insurer may refuse to pay a claim and treat the contract as if it never existed.

Disclosure by Subsidiary, Related & Associated Entities

Where cover is arranged for subsidiary, related or associated entities, those entities have the same duty of disclosure as the named insured. Please ensure that each such entity is made aware of its disclosure obligations and makes the necessary disclosures in the proposals for insurance.

9. Insured Description

It is important that the description of all entities and persons sought to be insured in **your** proposal for insurance is full and accurate. **You** need to check that this description is reflected accurately in the policy and policy schedule.

10. Interest of Other Parties

Your policy/policies may exclude cover for an interest in the insured property held by someone other than the named insured, unless that interest is specifically noted on the policy. For example, if property is jointly owned, leased or subject to finance, the interest of the joint owner, lessor or financier may be excluded if it is not specifically noted on the policy. Generally, the safest course is always to have all interests in all property insured noted on each policy. If anyone other than **you** has an interest in property **you** are insuring, please let us know.

11. Leasing, Hiring and Borrowing Property

When **you** lease, hire or borrow property, plant or equipment, make sure that the contract clearly identifies who is responsible to insure the property under contract. Please contact **your** Aon Client Relationship Manager should **you** have an obligation to insure such property.

(IMPORTANT NOTICES edition: 31 July 2018)

12. Occurrence Basis

Combined General Liability, Material Damage/Business Interruption, Travel, Aviation, Contract Works, and Marine policies and some other policies are written on an "occurrence" basis. This means that the policy responds to claims when the incident occurred or when the injury, loss or damage manifested itself, not when the claim itself was received.

13. Policy Warranties and Conditions

Your policy may contain warranties and/or conditions that may impose specific obligations which must be complied with. Failure to do so may invalidate **your** policy or enable insurers to disclaim liability.

14. Recovery Rights/Hold Harmless/Waiver of Subrogation

Many policies exclude or limit the insurer's liability if **you** enter into an agreement that excludes or limits **your** rights of recovery against third parties whose acts, errors, omissions or other conduct have caused or contributed to **your** loss or liability.

15. Schedule of Values or Property Insured

In New Zealand, the Schedule of Values (also known as the Schedule of Property Insured) typically attaches to the policy so as to:

- Limit insured property to only those assets listed on that Schedule of Values;
- Limit the maximum amount payable by the insurer for each asset to its declared value on the Schedule of Values with or without a margin; and
- Record the time limits applying to the Business Interruption section of the policy.

To avoid assets being uninsured or underinsured, it is therefore imperative that **you** carefully and thoroughly include and describe all insured assets on that Schedule of Values and have updated valuations from a registered insurance valuer for each insured asset prior to inception and renewal.

It also important to ensure that the business interruption indemnity period is adequate for **your** business. When selecting the indemnity period, it is important to know that the indemnity period is not just the time it takes for **your** building to be restored or contents replaced. It is the entire period that **your** business is affected by the disruption.

16. Understanding Your Policy Terms and Conditions

Please carefully review all documents we give **you** (including policies and endorsements) containing the terms of **your** cover (including applicable limits, sub-limits and deductibles and **your** obligations) to ensure that the cover suits **your** needs and so **you** understand and comply with **your** obligations under **your** policies. Failure to do this may result in uninsured losses. Please advise **your** Aon Client Relationship Manager immediately if **you** notice any mistakes of fact or believe the contents do not address **your** needs.

17. Utmost Good Faith

Every contract of insurance is based on the principle of utmost good faith, requiring each party to act towards the other party in respect of any matter arising under or in relation to the contract, with the utmost good faith. If **you** fail to do so, you may prejudice **your** rights under the policy and in particular, any claim.

Executive Summary

Firstly, we would like to thank the staff at Waikato District Council for their help in providing the required renewal documentation. The following summary provides an overview of the marketing and renewal outcomes for the major classes of business.

We also provide more detailed commentary on the current insurance market conditions later in the report and a summary table of the premium outcomes for this year.

Material Damage and Business Interruption

For the reasons detailed later in this report under the Insurance Market Update, we have seen continued rating increases applicable to these covers as the supply of global capacity reduces and underwriters look to apply rating increases to ensure sustainability of pricing.

By using Aon's market presence, we have been able to mitigate the impact of these rating increases. As detailed later in this report, the major driver for premium increases has been increased Natural Disaster Premium Rating. Whilst the greater Waikato Region is viewed as a relatively benign seismic area, there has still been rating increases applied, as "Natural Disaster" also encompasses storm and flood type risks.

The underlying rate for the material Damage and Business Interruption policies has increased by approximately 13% over the expiring 2017-2018 rate.

In the current market this is an excellent outcome.

However, the actual premium increase is greater than 13% because there has been an increase in the Total Declared Values of 8% over the 2017-2018 figure. These figures are detailed later in this report.

The table below provides a comparison of the expiring rates and new rates when applied to expiring values and new values.

Waikato DC MDBI Premium Comparison				
	2017	Expiring Value/2018 Rate	2018	% Change
TDV	\$ 211,454,028.00	\$ 211,454,028.00	\$ 228,071,572.00	8%
Premium	\$ 227,258.15	\$ 257,712.80	\$ 277,965.68	22%
Effective Rate	0.107%	0.122%	0.122%	13%

In line with the hardening market insurers are now placing more emphasis on the quality of information supplied in the property schedules. It will be imperative that these schedules are accurate and complete. Values declared on these schedules need to represent the full Replacement Cost of the items insured unless they are wanting to be insured for a lesser amount than the full Replacement Cost. This is a subject that we will be taking to all councils about in preparation for the 2019 renewal.

Infrastructure Insurance

In line with the comments made under the Material Damage / Business Interruption Insurance and under the Insurance Market Update in this report, there has been upwards pricing pressure on this cover.

However, as a result of the London Market visit prior to renewal, and the presentations to underwriters, we have been able to mitigate the impact of this.

The underlying rate for this cover has increased by 22% over the 2017 rate. However, there has been a slight reduction in the Total Declared Values of 1%. Therefore, the actual change in premium is 21%.

The table below provides a comparison of the expiring rates and new rates when applied to expiring values and new values.

Waikato DC Infrastructure Premium Comparison				
	2017	Expiring Value/2018 Rate	2018	% Change
TDV	\$ 372,407,243.00	\$ 372,407,243.00	\$ 369,786,161.00	-1%
Premium	\$ 78,503.31	\$ 95,529.46	\$ 94,857.10	21%
Effective Rate	0.021%	0.026%	0.026%	22%

Public Liability / Professional Indemnity

Due to a deterioration of the claims experience for the Local Government sector, especially in the building consenting space. The previous lead insurer declined to offer renewal terms. We have therefore had to change lead insurer. We have had to change the insurer panel on this programme. Additionally, the current pricing for these covers is no longer sustainable. Please refer to separate paper "Local Authority Public Liability and Professional Indemnity Market Commentary", supplied previously.

To ensure future sustainability there has had to be a significant adjustment to premiums. The premium change for this year is 94% with the combined Public Liability and Professional Indemnity premium increasing from \$93,000 to \$180,388.

The table below provides a comparison of the premiums over the last 3 years.

Waikato DC PI & PL Premium Comparison				
	2016	2017	2018	% Change
Premium	\$ 77,500.00	\$ 93,000.00	\$ 180,388.00	94%

This level of increase has been applied across the entire council market segment with some councils experiencing increases greater than that applied to Waikato District Council, subject to their individual claims history.

Motor Vehicle

The claims experience for the New Zealand commercial motor portfolio has been deteriorating for a number of years. This coupled with an increase in repair costs as vehicles become more complex has seen an upward adjustment to the premium rating.

In addition, to this the individual claims performance for each council is the main determining factor for the final premium rating.

Waikato DC Motor Premium Comparison				
	2017	2018	% Change	
Fleet Value	\$ 3,520,543.00	\$ 3,554,683.00	1%	
Premium	\$ 54,705.67	\$ 55,794.69	2%	
Effective Rate	1.554%	1.570%	1%	

Through the collective marketing approach, we have been able to mitigate the premium the premium increases required with the underlying rate only increasing by 1% for Waikato District Council.

Employers Liability and Statutory Liability

We have now seen the effects of the new Health and Safety legislation, and there has been an increase in the levels of reparations that have been applied as a result of workplace injuries. We have been able to negotiate with the insurers to keep these premiums static for this year, and they are the same as the expiring 2017-2018 premiums.

Crime/Fidelity

With the change of lead liability insurer, we have also had to change the Crime and Fidelity insurer to the same insurer. This has brought about an increase in the premium for this cover. However, this increase is again bringing the council portfolio in line with other industry segments.

Personal Accident

Historically, councils have purchased a personal Accident policy to cover elected members and other key staff. The original intention for this policy was to provide funds to the council in the event of the accidental death of an elected member to cover the cost of the subsequent by-election.

However, this policy has been relied upon recently to provide benefits for staff members families. If councils wish to provide an Employee benefits type policy, there are other more suitable policies that can be arranged, and we would like to discuss these options with you in more detail.

All Other Lines

For all other lines premiums have remained largely static. These premiums are detailed later in this report.

Insurance Market Update June 2018

PLEASE INSERT THE MOST RECENT COMMENTARY AND DELETE ANY NON-APPLICABLE WORDS

Overview

The New Zealand insurance market has entered a hardening phase with premium increases common across all classes and, in the case of the property segment, increases are accompanied by restrictions in capacity for locations in higher risk earthquake zones. Pressure on the profitability of local insurers is the main driver but options may be available from overseas insurance markets if required. It is key to keep in contact with your insurance advisers to ensure you're up to date with the latest market changes. Remember to prepare early for renewal and be ready to provide comprehensive risk information in order to achieve the best possible outcome for your insurance programme.

Property – New Zealand market

New Zealand markets have suffered significant losses from both the Canterbury and Kaikoura earthquake events. Following the Kaikoura earthquake in November 2016, where losses exceeding \$5 billion are projected, most insurers in New Zealand placed an embargo on accepting new property risks or increases to sums insured for risks in the Wellington and Marlborough regions. There are still some major insurers applying an embargo. Other New Zealand based insurers, while not applying the strict embargo, are still not offering additional capacity where there is an exposure to Wellington area risks. This capacity squeeze has tightened further recently with some insurers looking to significantly reduce their natural disaster exposure to the Wellington and other seismically active regions. This is resulting in premium increases for most and increases in excess levels for some.

In other parts of New Zealand, the impact is varied and is dependent on location, construction, age and New Zealand Building Standard (NBS) rating of the property. Auckland and the Waikato regions, which are both classed as low seismic zones, can expect minimal increases.

Insurers continue to require comprehensive information when assessing risks. This generally includes such items as building valuations, engineering and geotechnical reports (depending on location), risk management reports, council data, NBS rating, underlying land structure and status reports on any building improvement or strengthening notices issued by a local authority.

Obtaining natural disaster cover for earthquake prone buildings and buildings noted as at risk by councils remains difficult and expensive.

In addition to the seismic issues raised above, insurers are also looking closely at certain types of risks where there have been recent significant global losses. One specific area which may have an impact on New Zealand companies is the insurance of EPS (expanded polystyrene) type panelling, largely used in the primary industry sector. Insurers are requiring a significant amount of information regarding these types of risks including, but not limited to, detailed engineering fire reports. Additionally, insurers are cautious in underwriting properties with other higher risk building materials such as aluminium composite panelling, used on the exterior of buildings. Some of these panel products have a core of highly flammable polyethylene (refer Grenfell fire in the UK) which attracts punitive insurer terms and conditions.

The Fire and Emergency New Zealand Act brought significant change to the NZ Fire Service. The legislation repealed the two Acts that previously governed fire services in New Zealand and introduced a single New Zealand fire service called Fire and Emergency New Zealand or FENZ. The cost of the changes is being passed on to individuals and companies who buy insurance and the impact is significant. As part of the transition to the new regime, the Government increased the Fire Service Levy rate by 40% from 1 July 2017. Further changes, to the method of calculating fire service levies are currently scheduled for introduction on 1 July 2019, however there are indications that this might be delayed further as officials continue to debate these changes.

Property – Global Markets

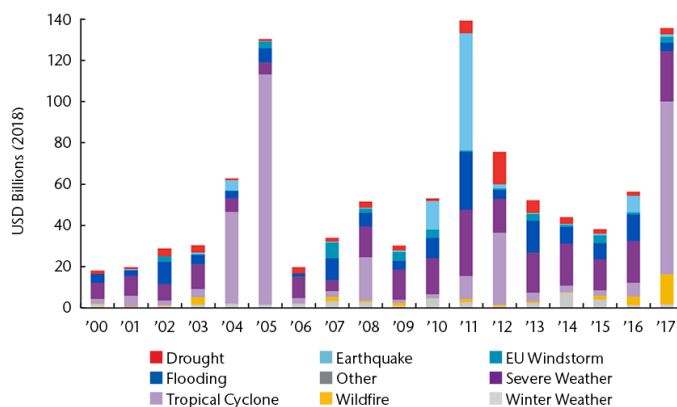
Overseas insurers and their reinsurers were impacted by multiple events in the US, Mexico and Puerto Rico (Hurricanes Harvey, Irma and Maria, fires in California, two large earthquakes in Mexico). The total cost of these events in late 2017 is estimated at US\$94 billion or 69 percent of all global pay-outs during the year.

Recent US catastrophe losses will place further pressure on reinsurance pricing and we expect a flow on to New Zealand insurers.

Costliest catastrophe year on record

Insured Losses by Year, by Type

Exhibit 1



- 2017 latest global statistics show pay-outs of USD136 billion, including payments by both public and private insurance entities.
- The majority of the losses last year were driven by three hurricanes (Harvey, Irma, Maria) and separate California wildfire outbreaks.
- In New Zealand there is concern that another major event here could severely limit the availability of earthquake insurance as is the case in Japan and California.

Liability

The Liability insurance market remains relatively stable. The key area of focus for insurers is the impact of the significant reform of New Zealand's workplace health and safety system. The Sentencing Act now enables the Courts to award reparations, particularly under the Health and Safety at Work Act, in situations where injured parties receive entitlements under ACC.

Insurers and reinsurers continue to exhibit a strict technical approach towards rating and retention levels.

Professional Indemnity insurance for some professions such as design/construction, have experienced increased claims (frequency and severity) in recent months. Accordingly, insurers are becoming more selective in terms of individual accounts and classes they wish to continue to underwrite and on what premium/policy terms and conditions. Increasing regulatory scrutiny and investigations, from the likes of the FMA and Commerce Commission, have placed some industries such as Fund Managers, Financial Advisers and Real Estate Agents on insurers' watch lists.

Directors and Officers Liability insurers of dual market listed companies continue to review their capacity and premiums due to significant Directors and Officers Liability claims in Australia, following securities class actions. As a result, local insurers have limited appetite for providing company entity cover however London markets remain an option. For NZX listed companies, insurers / reinsurers are now scrutinising placements as they wish to review the underwriting to ensure that the New Zealand Directors and Officers Liability insurance market does not have the same exposure and outcomes.

The General Liability insurance market remains competitive with several insurers actively seeking to grow their portfolios.

Statutory Liability insurers have started to experience higher defence costs and reparation orders under the Health and Safety at Work Act 2015. The starting point for reparation orders is now between \$80,000 and \$250,000 (dependant on the injury) and defence costs in a serious Health and Safety at Work claim have doubled from what they were three years ago. Consequently, we expect that Statutory Liability premiums will begin to increase.

Crime insurance is being considered by more clients due to the delineation between cyber and crime becoming blurred, with many insurers offering Fake Invoicing Extensions. There also continues to be a flow of fraud claims, often perpetrated by long standing and trusted employees.

Due to the number of significant natural disasters in 2017, a number of insurers are seeking premium increases across their whole Liability insurance book to offset declining profitability in their property portfolios.

Cyber

Cyber insurance is an evolving market with active interest and involvement from many NZ insurers. While there has been significant media attention and a volume of claims have been paid, the cost of the individual claims has been low to date compared to global trends. Offshore privacy regulation development and enforcement is likely to have an impact on this space in New Zealand going forward. Premium rates for cyber are holding flat but insurers are hinting that increases are on the way.

Contract Works

While the Contract Works insurance markets are under similar pressures to property and generally seeking increased rates, capacity is still available and there is still competition.

We are seeing a retraction in additional covers and restrictions to some coverage. The market is also reviewing excess levels, and this is resulting in increases in many cases.

While there may be fewer restrictions on capacity for construction risks, upon completion material damage conversion must still be arranged and this can be challenging. If the asset or building is located in Wellington, or in any other seismically active region, it is recommended that insurance cover for the completed building be arranged at the commencement of the construction project to reserve capacity.

Some markets are using property criteria to underwrite construction risks and will be influenced by whether they wish to insure the finished building. If it does not fit their property risk appetite, then they may be reluctant to provide terms for the construction risk or will offer it but at much higher premiums and more restrictive terms.

Motor Vehicle

The motor insurance market is facing spiralling claims costs because of a growing population, increasing claims frequency and increasing claims severity.

The average repair cost for newer vehicles is much higher than for older vehicles mainly due to expensive in-vehicle technology, for example sensors, cameras and automatic braking. Electronics currently account for a quarter of a vehicle's value and this is estimated to soon reach 40 percent.

Examples of more advanced technology commonly fitted in newer cars include the 'autonomous' type sensors, such as blind-spot warnings, adaptive cruise control and lane change sensors. These are largely located on the periphery of cars, exposing them to damage in an accident.

Additionally, labour costs from motor repairers are increasing due to the added skill and time needed to accommodate the complexities of in-vehicle technology, the new types of materials being used and to reinstate electronic control and safety systems.

Motor premiums are therefore going up, along with minimum excesses, as insurers move to bring premiums in line with these growing costs.

While the above comments apply primarily to the private motor insurance market, they are equally applicable to the commercial vehicle and fleets. Consequently, we are seeing large premium increases being imposed on commercial fleet renewals as insurers struggle to make a return from their motor portfolios.

In respect of heavy motor, insurers are becoming more cautious and requiring increases in fleet rates commensurate with claims experience and exposure, although options are available to mitigate these increases.

Premium Comparison (last year/this year)

The following section provides a more in-depth analysis of the premiums outcomes for this year's core policies at renewal. There is also a summary table at the end of this section showing premiums for all covers purchased by council.

Class of Business	Total Declared Values	Limit of Indemnity	Last Year	This Year
Material Damage (excl. Fire)	\$223,518,656	\$150,000,000	\$180,065.86	\$204,312.55
Material Damage (Fire)	\$223,518,656	\$150,000,000	\$45,016.46	\$68,104.19
Business Interruption	\$4,552,916	Declared Value	\$2,175.83	\$5,559.48
Infrastructure Cover -	\$369,786,161	\$100,000,000	\$53,868.69	\$62,737.09
Infrastructure Cover – Primary 10M	\$369,786,161	\$10,000,000	\$24,634.62	\$32,132.79
Commercial Motor	\$3,516,621	Declared Value	\$54,705.67	\$55,794.69
Employers Liability	-	\$2,000,000	\$1,056.00	\$1,056.00
Statutory Liability	-	\$2,000,000	\$6,500.00	\$6,500.00
Fidelity/Crime	-	\$2,000,000	\$6,553.89	\$12,343.86
General Liability	-	\$50,000,000	\$37,200.00	\$47,988.00
Professional Indemnity	-	\$50,000,000	\$55,800.00	\$132,400.00
Cyber Liability	-	\$1,500,000	\$15,488.92	\$17,846.50
Boiler Explosion	\$156,750	Declared Value	\$421.93	\$344.85
Personal Accident	-	\$1,500,000	\$990.00	\$915.75
Standing Timber	\$275,000	Declared Value	\$502.42	\$522.87
Aviation Hull – UAV	\$1,900	\$1,000,000	\$608.67	\$621.76
Aviation Owners & Hanger Keepers	-	\$5,000,000	\$625.00	\$700.00
Marine Hull	\$45,280	\$2,000,000	\$633.92	\$697.00
Trustees Liability	-	\$1,000,000	\$1,075.00	\$1,200.00

Note

Recently Aon New Zealand adopted an approach consistent with most professional firms and introduced a mandatory broker administration and documentation charge of \$50 *minimum* + GST, *per transaction*. This will be automatically charged during invoicing, effective this renewal.

The above quoted premiums do not include this charge.

<i>Deductible</i>	<p>Councils with greater than \$50,000,000 of assets \$10,000</p> <p>Fire following a Natural Disaster - 2.5% of the Material Damage Site Value with a minimum of \$10,000 each site.</p> <p>Fire following a Natural Disaster of Pre-1935 Property – 10% of the material Damage Site Value with a minimum of \$10,000 each site</p>
<i>GST</i>	<p>The Limit of Liability and Sub Limits are exclusive of GST</p> <p>The Deductibles are inclusive of GST</p>
<i>Policy Wording</i>	<p>Aon/AIG Agreed Material Damage Fire Policy and incorporating the agreed Aon Local Authority Endorsements</p>

Material Damage – Excluding Fire

Coverage	All risks including Earthquake, but excluding Fire and /or Fire occasioned by or through or in consequence of any Natural Disaster	
Insured	Waikato LASS including each of the following Councils:	
	Waikato Regional Council	South Waikato District Council
	Hamilton City Council	Thames Coromandel District Council
	Hauraki District Council	Waikato District Council
	Matamata Piako District Council	Waipa District Council
	Otorohanga District Council	Waitomo District Council
Period of Insurance	From: 4:00pm	1 November 2018
	To: 4:00pm	1 November 2019
Covering	Including, but not limited to all tangible and personal property of every type and description either:	
	<ul style="list-style-type: none"> - Owned in whole or in part by the insured - And/or the interest of the insured in property of others held on commission - And/or property on consignment and/or for which they have assumed or may assume liability - And/or property of others which the Insured has agreed to insure whether held by the insured or by others - And/or property for which the Insured is legally liable - At the sole option of the Insured, any personal property of officers and employees, subject to a specified limit 	
Limit of Liability	Combined Limit Material Damage/Business Interruption any one loss or series of losses arising out of any one event in excess of policy deductible	\$150,000,000
Limit of Liability Sub-Limits Applicable excess of the Deductibles	Buildings not declared under \$250,000 – limit any one loss	\$250,000
	Capital Additions	\$1,000,000
	Contract Works	\$1,000,000
	Curios or Works of Art – Limit any one item unless declared	\$250,000
	Destruction of Undamaged Property	\$50,000
	Directors and Employees Effects	\$20,000
	Electric Motors covered up to 5Kw	
	Expediting Costs	\$50,000
	Gradual Damage (from leaking water pipes or leaking internal water systems)	\$50,000
	Hazardous Substances Emergencies limit any one loss	\$100,000
	Landslip, combined any one loss for MD & BI policies	\$1,000,000
	Money: Section A during business hours	\$100,000
	Section B outside business hours not in safe	\$10,000
	Property in or on water Limit per item	\$25,000
	Limit any one loss	\$250,000
	Protection Costs	\$200,000
	Refrigerated Goods, limit any one loss	\$25,000
	Keys and Locks Extension	\$25,000
	Subsidence - Limit any one loss	\$2,000,000
	Transit, combined limit any one loss for MD and BI policies	\$100,000

	Natural Perils Clause	100%
	Margins Clause - excluding Natural Disaster perils	105%
Main Policy Exclusions	<ul style="list-style-type: none"> ▪ Gradual Deterioration, Rot, Mould, Mildew etc ▪ Burning out of motors over 5KW ▪ Defective or faulty materials and /or workmanship ▪ Fraudulent Misappropriation ▪ Landslip and Subsidence (loss of land) ▪ Mechanical Breakdown/ Boilers ▪ Nuclear Radiation ▪ Public Confiscation ▪ Terrorism; War ▪ Wear and Tear ▪ Infrastructural Assets including but not limited to Reservoirs (in ground) ▪ Political Risk Endorsement ▪ Electronic Date Recognition ▪ Electronic Data Exclusion ▪ Transmission and Distribution Lines 	
Property Schedules	<ul style="list-style-type: none"> ▪ Waikato District Council 	\$223,518,656
Deductible	<p>Non-Earthquake Perils</p> <p>All Councils</p> <p>Except:</p> <p>Waikato District Council</p> <p>Earthquake / Natural Disaster Perils:</p> <p>Post 1935 - 2.5% of Material Damage Site Value with a minimum of \$10,000 each site</p> <p>Pre-1935 where 10% of Material Damage site value with a minimum of \$10,000</p>	\$10,000
GST	The Limit of Liability and Sub Limits are exclusive of GST The Deductibles are inclusive of GST	
Policy Wording	Aon/AIG agreed Material Damage excluding Fire Policy And incorporating the agreed Aon Local Authority Endorsements	

Business Interruption

Coverage	Consequential Loss resulting from physical loss or damage to any property used by the Insured, as below		
Insured	Waikato District Council		
Insured	Waikato LASS including each of the following Councils:		
	Waikato Regional Council	South Waikato District Council	
	Hamilton City Council	Thames Coromandel District Council	
	Hauraki District Council	Waikato District Council	
	Matamata Piako District Council	Waipa District Council	
	Otorohanga District Council	Waitomo District Council	
	and/or associated and/or subsidiary companies and/or Council Controlled Organisations, Body(ies) Corporate (s) for their respective rights and interests and/or as may be agreed		
Period of Insurance	From:	4:00pm	1 November 2018
	To:	4:00pm	1 November 2019
Covering	Physical loss or damage of any property or any part used or to be used by the Insured leading to interruption to the business as detailed under limit of liability below, including but not limited to the destruction and/or damage caused by:		
	<ul style="list-style-type: none"> ▸ Such risks as are covered under the Insured's Material Damage Insurance Policy(s) being: <ul style="list-style-type: none"> ▪ Material Damage Fire ▪ Material Damage Excluding Fire including earthquake ▪ Explosion/implosion of any pressure vessel on the premises or elsewhere 		
Limit of Liability	Waikato LASS Shared Limits	Sum Insured	Indemnity Period
	Additional Increased Cost of Working	\$10,000,000	24 Months
	Claims Preparation Costs	\$2,500,000	24 Months
	Council Specific Limits		
	Waikato District Council		
	Loss of Rents Receivable	\$1,536,288	24 Months
	Loss of Revenue	\$100,000	24 Months
GST	The Limit of Liability and Sub-Limits are exclusive of GST The Deductibles are inclusive of GST		
Sub Limits of Liability (excess of policy deductible)	Acts of Civil Authorities	} 10% of Sum Insured with a maximum limit of \$1,000,000	
	Fumes gases and toxic substances		
	Compulsory Closure		
	Dependency		
	Transport Routes Endorsement		
	Landslip (combined limit MD & BI policies)		\$1,000,000
Deductibles	Combined Material Damage /Business Interruption deductible applies: refer to Material Damage for summary		

<i>Time Deductible</i>	Prevention of Access Dependency Clauses Public Utilities Public Authorities	7 days (or 14 days for loss from Natural Disaster)
<i>Premises</i>	At any location and/or property, either owned, leased and/or rented by the Insured, including places where the Insured has property for the purpose of the business and situated anywhere within New Zealand.	
<i>Policy Wording</i>	Aon/AIG agreed Business Interruption Policy and incorporating the agreed Aon Local Authority Endorsements	

Infrastructure Insurance

Coverage	Physical loss caused by a Natural Catastrophe Event including: Earthquake, Natural Landslip, Flood, Tsunami, Tornado,	
Insured	Waikato LASS including each of the following Councils:	
	Waikato Regional Council	South Waikato District Council
	Hamilton City Council	Thames Coromandel District Council
	Hauraki District Council	Waikato District Council
	Matamata Piako District Council	Waipa District Council
	Otorohanga District Council	Waitomo District Council
Insured	Waikato District Council	
	and/or associated and/or subsidiary companies and/or Council Controlled Organisations for their respective rights and interests and/or as may be agreed	
Covering	Insurer(s) will pay or make good to the Insured the value of the property at the time of the happening of its destruction or the amount of such damage thereto to an amount not exceeding in respect of each item the sum expressed in the Schedule of declared infrastructural assets.	
Sum Insured	Each and every loss	\$369,786,161
Period of Insurance	From: 4:00pm 1 November 2018	
	To: 4:00pm 1 November 2019	
Sub-Limits Applicable Excess of the Deductibles (not in excess of sum insured above)	Section 1: Material Damage	
	Demolition Costs	Included
	Capital Additions	\$2,000,000
	Contract Works	\$2,000,000
	Enablement Costs (Combined Limit)	\$32,500,000
	Unspecified Items (Combined Limit)	\$4,500,000
	Claims Preparation Costs	\$1,500,000
	Section 2: Business Interruption	
	Expediting Expenses (as part of and not in addition to the council sub-limit. -24-month indemnity period)	Up to 15% of the Councils loss limit
	AICOW (Shared limit across all councils – 24 months indemnity period.)	\$ 5,000,000
Deductibles	Landslip & Subsidence	\$1,000,000
	Natural Catastrophe Peril	\$500,000
Policy Extensions and Cover Limits	Capital Additions	\$2,000,000
	Demolition	Included
	Contract Works	\$2,000,000
	Expediting Costs	\$2,000,000
	Claims Preparation Costs	\$1,500,000
	Increased Cost of Working / Additional Increased Cost of Working	\$5,000,000
	Enablement Costs	\$19,500,000
	Unspecified items	\$3,500,000

<i>Council Specific Sub Limit</i>	Waikato District Council	\$100,000,000
<i>Endorsements</i>	Mould, Mildew, Fungi	
<i>Policy Notes</i>	<p>Natural Landslip is covered by the policy, subject to the standard council excess above.</p> <p>Subsidence is excluded by this policy</p> <p>Material Damage Natural Catastrophe Insurance – including – Earthquake, Natural Landslip, flood, Tsunami, Tornado, Windstorm, Volcanic Eruption, Hydrothermal & Geothermal Activity and Subterranean Fire and Business Interruption resulting there from.</p>	
<i>Loss Limit</i>	NZD300,000,000	
<i>GST</i>	The Limit of Liability and Sub-Limits are exclusive of GST	
<i>Insurer</i>	Aon Group Ltd (London)	

Infrastructure Insurance – Primary \$10M

Coverage	Physical loss caused by a Natural Catastrophe Event including: Earthquake, Natural Landslip, Flood, Tsunami, Tornado,	
Insured	Waikato LASS including each of the following Councils:	
	Waikato Regional Council	South Waikato District Council
	Hamilton City Council	Thames Coromandel District Council
	Matamata Piako District Council	Waikato District Council
	Otorohanga District Council	Waipa District Council
		Waitomo District Council
	and/or associated and/or subsidiary companies and/or Council Controlled Organisations for their respective rights and interests and/or as may be agreed	
Covering	Direct physical loss to Insured Infrastructural Assets caused by a Natural Catastrophe Event, including: Earthquake, Natural Landslip, Flood, Tsunami, Windstorm, Volcanic Eruption, Hydrothermal and Geothermal activity, and Subterranean Fire and Business Interruption resulting therefrom.	
	- Natural landslip is covered, subject to the standard Council excesses noted above.	
	- Subsidence is excluded from cover.	
	The Insurer's liability does not exceed 60% of the 100% value of any one event.	
	All limits, sub limits, excesses, sum insureds and/or declared values noted are expressed in 100% terms.	
Sum Insured	Each and every loss	\$369,786,161
Period of Insurance	From: 4:00pm 1 November 2018	
	To: 4:00pm 1 November 2019	
Deductibles	Landslip & Subsidence	\$10,000
	Natural Catastrophe Peril	\$500,000
Indemnity Period	24 months	
Policy Extensions and Cover Limits	Capital Additions	\$2,000,000
	Demolition	\$included
	Contract Works	\$2,000,000
	Expediting Costs	\$2,000,000
	Claims Preparation Costs	\$1,500,000
	Increased Cost of Working / Additional Increased Cost of Working	\$5,000,000
	Enablement Costs	\$20,500,000
	Unspecified items	\$4,500,000
Loss Limit	Any one event or loss	\$10,000,000
	In the aggregate during any one period of insurance	\$20,000,000
Policy Notes	Natural Landslip is covered by the policy, subject to the standard council excess above. Subsidence is excluded by this policy	

Material Damage Natural Catastrophe Insurance – including – Earthquake, Natural Landslip, flood, Tsunami, Tornado, Windstorm, Volcanic Eruption, Hydrothermal & Geothermal Activity and Subterranean Fire and Business Interruption resulting there from.

GST

The Limit of Liability and Sub-Limits are exclusive of GST

Policy Wording

HDI Gerling Policy Wording

Insurer

HDI Gerling Australia

Combined Public Liability & Professional Indemnity

Covering	Claims made & notified during the period of Insurance arising from actual or alleged acts, errors or omissions or conduct omitted or committed in connection with the business or the Insured	
Insured	Waikato District Council and/or associated and/or subsidiary companies and/or Council Controlled Organisations for their respective rights and interests and/or as may be agreed	
Period of Insurance	From: 4:00pm 1 November 2018 To: 4:00pm 1 November 2019	
Business	Any activity now or hereafter carried on by the Insured, including but not limited to: <ul style="list-style-type: none"> • Territorial Local Authority • Council Controlled organisations and associated organisations 	
Limit of Liability	General Liability – any one occurrence and in the aggregate any one period of insurance	\$50,000,000
	Product Liability – any one occurrence and in the aggregate any one period of insurance	\$50,000,000
	Professional Indemnity – any one claim and in the aggregate during any one period of insurance	\$50,000,000
Retroactive / Continuity Date	Retroactive Continuity	Unlimited 1 November 2018
Territorial / Jurisdiction Limits	New Zealand	
Sub Limits	Employees Property	\$1,000,000
	Forest & Rural Fires Act	\$1,000,000
	Hall Hirers Liability	\$1,000,000
	Indemnity to Ratepayers	\$1,000,000
	Property in Care, Custody and/or Control	\$1,000,000
	Punitive & Exemplary Damages (NZ Only)	\$1,000,000
	Service & Repair (Vehicle and/or Watercraft)	\$500,000
	Vibration & Removal of Support	\$500,000
	Underground Services	\$50,000,000
Deductible	GL/PL - Each and Every Claim incl. Defence Costs	\$10,000
	PI – Each and Every Claim (inclusive of Costs and Expenses)	\$25,000
	- Other than claims relating to the Building Act 2004	\$50,000
Endorsements	Public Liability <ol style="list-style-type: none"> 1. Employees Property Extension 2. Hall Hirers Liability 3. Indemnity to Ratepayers 4. Additional Insured Endorsements 5. Airport Operators Liability Exclusion 6. Marina Operators Liability Extension 7. Contract Works Maximum Contract value \$5,000,000 Professional Indemnity	

1. Additional Insured Endorsement
2. Continuity Clause Amendment
3. Prior or Pending Exclusion Amendment
4. Aviation & Airport Operators Exclusion
5. Marina Operators Liability Exclusion

Combined Public Liability and Professional Indemnity

1. Sanctions Exclusion
2. Co-Insurance Clause
3. GST – all limits of liability, and sub limits of liability are exclusive of GST.
All deductibles are inclusive of GST
4. ACP Exclusion

Policy Wording

Aon/BHSI Agreed General Liability for Councils Policy Wording
Aon/BHSI Agreed Professional Indemnity (Civil) for Councils Policy

Insurer

Berkshire Hathaway Specialty Insurance New Zealand

Combined Employers and Statutory Liability

Covering	Defence Costs, Fines and Penalties arising from unintentional breaches of the Insured Acts. Excluded Acts: Arms Act 1983, Aviation Crimes Act 1972, Crime Act 1961, Proceeds of Crimes Act 1961, Summary Offences Act 1981, Transport Act 1962, Transport (Vehicle and Driver Registration and Licensing Act) 1986 and Real Estate Agents Act 2008. Liability arising out of claims made by Employees for Bodily Injury outside the scope of the Accident Compensation Corporation scheme.	
Insured	Waikato District Council and/or associated and/or subsidiary companies and/or Council Controlled Organisations for their respective rights and interests and/or as may be agreed	
Period of Insurance	From: 4:00pm 1 November 2018 To: 4:00pm 1 November 2019	
Business	Any activity now or hereafter carried on by the Insured, including but not limited to: <ul style="list-style-type: none"> • Territorial Local Authority • Council Controlled organisations and associated organisations 	
Limit of Liability	Employers Liability In the aggregate for loss (excluding Defence Costs) In the aggregate for Defence Costs	\$1,000,000 \$1,000,000
	Statutory Liability In the aggregate for Loss (excluding Defence Costs) In the aggregate for Defence Costs	\$1,000,000 \$1,000,000
Deductible	Employers Liability each and every claim Statutory Liability each and every claim	\$1,000 \$10,000
Exclusions	Statutory Liability Arms Act 1983 Aviation Crimes Act 1972 Crimes Act 1961 Criminal Investigations (bodily samples) Act 1995 Misuse of Drugs Act 1975 Criminal Proceeds (Recovery) Act 2009 Summary Offences Act 1981 Land Transport Act 1961 and/or 1998	
Jurisdiction	New Zealand	
Policy Wording	Berkshire Hathaway Employers Liability Policy Berkshire Hathaway Statutory Liability Policy	
Insurer	Berkshire Hathaway Specialty Insurance New Zealand	

Fidelity Guarantee (Crime)

Coverage	<p>▶ Direct financial loss sustained by the insured arising from or in connection with any single act or series of related, continuous or repeated acts (which shall be treated as a single act) discovered during the policy period or applicable Discovery Period and reported to the Insurer as per the policy wording noted below.</p>
Insured	<p>Waikato District Council</p> <p>and/or associated and/or subsidiary companies and/or Council Controlled Organisations for their respective rights and interests and/or as may be agreed</p>
Period of Insurance	<p>From: 4:00pm 1 November 2018</p> <p>To: 4:00pm 1 November 2019</p>
Business	<p>Any activity now or hereafter carried on by the Insured, including but not limited to:</p> <ul style="list-style-type: none"> • Territorial Local Authority • Council Controlled organisations and associated organisations
Limits of Liability	<p>Any one claim and in the annual aggregate \$2,000,000</p>
Deductibles	<p>Each and every claim including costs \$50,000</p>
Territorial Limits	<p>New Zealand</p>
Retroactive date	<p>Unlimited, excluding known circumstances</p>
Insuring Clauses	<p>Fidelity Guarantee; Third Party Crime; Electronic and Computer Crime; Destruction of Money; Criminal Damage to Property; Erroneous Funds Transfer</p>
Policy Extensions	<p>Care, Custody and Control Computer or Funds Transfer Fraud Contract Penalties – Limit 10% of the Limit of Indemnity Court Attendance Costs - \$250 per day Credit Card Fraud Extortion Forgery & Counterfeiting Interest Receivable or Payable – limit 10% of the limit of indemnity Legal costs Money or securities – destruction or disappearance Outsourcing Public relations costs Telephone system fraud</p>
Discovery Period	<p>Losses discovered during the policy period or within 90 days after termination of the policy</p>
Main Exclusions	<ol style="list-style-type: none"> 1. Consequential loss 2. Credit risks 3. Fines, penalties or damages 4. Loss sustained after knowledge 5. Non-violent crime by any Third Party 6. Profit, loss or inventory computation 7. Sanctions

8. Unauthorised trading
9. Voluntary exchange or purchase
10. War and terrorism

GST

The Limit of Liability and Sub-Limits are exclusive of GST
All deductibles are inclusive of GST

Policy Wording

Berkshire Hathaway Crime Insurance Policy

Insurer

Berkshire Hathaway Speciality Insurance New Zealand

Cyber Liability

<i>Insured</i>	Waikato District Council and/or associated and/or subsidiary companies and/or Council Controlled Organisations for their respective rights and interests and/or as may be agreed	
<i>Period of Insurance</i>	From: 4:00pm 1 November 2018 To: 4:00pm 1 November 2019	
<i>Business</i>	Any activity now or hereafter carried on by the Insured, including but not limited to: <ul style="list-style-type: none"> • Territorial Local Authority • Council Controlled organisations and associated organisations 	
<i>Limit of Liability</i>	Annual aggregate limit Legal Liability – annual aggregate limit	\$1,000,000 \$500,000
<i>Deductible</i>	Each and Every claim, Actual or Suspected Breach or Extortion Threat	\$25,000
<i>Retroactive Date</i>	Unlimited	
<i>Territory/Jurisdiction</i>	Worldwide	
<i>Waiting Hours Period</i>		24 hours
<i>Insuring Clauses and Extensions</i>	Rectification Costs Extortion Costs Business Interruption Loss Regulatory Costs Fines and Penalties Third Party Liability Defence Costs Automatic Extending Reporting Period Emergency Response Costs	
<i>Exclusions</i>	Failure to supply exclusion Unencrypted portable media exclusion Prior claims exclusion	
<i>Endorsement</i>	Business Interruption and Period of Recovery Amendment	
<i>Policy Wording</i>	Berkshire Hathaway NZ Cyber Policy	
<i>Insurer</i>	Berkshire Hathaway Specialty Insurance New Zealand	

Motor Vehicle

Coverage	Unforeseen and unintended damage to own vehicles Third Party Liability	
Insured	Waikato District Council and/or associated and/or subsidiary companies and/or Council Controlled Organisations for their respective rights and interests and/or as may be agreed	
Period of Insurance	From: 4:00pm To: 4:00pm	1 November 2018 1 November 2019
Business	Any activity now or hereafter carried on by the Insured, including but not limited to: Territorial Local Authority Council Controlled organisations and associated organisations	
Covering	Including, but not limited to: Section I All motor vehicles, mobile plant and auxiliary equipment of every description, existing or subsequently acquired, owned, used, rented, leased, loaned, borrowed, hired or used by or on behalf of the Insured, or are in the lawful custody or control of the Insured, or under the Insured's care. Section II Any liabilities causing damage, bodily injury or financial loss to third parties arising from or in connection with the Insured's use of any vehicle.	
Limits of Liability	Section I – Own Damage Market Value of the Insured Vehicle or any Agreed Value as specified in the Schedule of Motor Vehicles Section II Third Party Liability Property Damage \$20,000,000 Third Party Liability Bodily Injury \$20,000,000 Aggregate Limit \$20,000,000	
Fleet Values	Waikato District Council	\$3,501,683
Sub-limits of Liability	In respect of the following extensions to section 1 the liability of the insurer shall be limited for any one claim to the amount stated hereunder.	
	Additional vehicles	\$400,000
	Claims preparation costs	\$20,000
	Crisis cover	\$10,000
	Death by accident	\$10,000
	Disability modification	\$5,000
	Employee Personal Property	\$2,000
	Expediting costs	\$5,000
	Family Expenses on hospitalisation	\$5,000
	First Aid	\$2,500
	Funeral Expenses	\$5,000
	Goods in Transit	\$5,000
	Hire Costs following theft of vehicles – per day	\$250

Locks and Keys – per vehicle	\$5,000
- Per event	\$15,000
Medical and related expenses	\$5,000
Removal of debris	\$10,000
Rewards	\$10,000
Signwriting	\$5,000
Uninsured Third-Party Protection	\$5,000
Forest and Rural Fires	\$500,000
Psychological Counselling	\$5,000
Airside Liability	\$2,000,000
Weight Damage	\$500,000
Exemplary Damages	\$500,000

Deductibles

Section I	1% of vehicle value
Each and every claim	Minimum \$500
Except additional excesses as noted below:	
Drivers aged under 21 years of age	\$1,000
Drivers aged 21-25 years	\$500
Drivers aged 25+ and licensed less than 2 years	\$500
Claims arising from Fire	Nil
Claims arising from theft or conversion of the Insured Vehicle or attempt there at	Nil
In respect of Windscreen claims	Nil
Section II	
Each and every claim	Nil

Extensions to Coverage

As per agreed Aon Policy Wording and including, but not limited to:	
Additions and Deletions Clause	\$400,000
Airside Liability	\$2,000,000
Claim Preparation Costs – limit	\$20,000
Crisis Coverage	\$10,000
Death by Accident	\$10,000
Disability Modification	\$5,000
Employee Personal Property	\$2,000
Exemplary Damages	\$500,000
Expediting Expenses	\$5,000
Family Expenses on Hospitalisation	\$5,000
First Aid Kits	\$2,500
Forest and Rural Fires	\$500,000
Funeral Expenses	\$5,000
Goods in Transit	\$5,000
Hire Costs following theft of vehicle - per day	\$250
Keys and Locks - per vehicle &	\$5,000
- per event	\$15,000
Medical & Related Expenses	\$5,000
Psychological Counselling	\$5,000
Removal of Debris	\$10,000
Rewards	\$10,000
Signwriting	\$5,000

Uninsured Third-Party Protection	\$5,000
Weight Damage	\$500,000

Policy Wording

Aon Vertex Commercial Motor Vehicle Policy

Insurer

NZI Lumley

Forestry

Coverage	Forests as declared against loss to trees including harvested trees awaiting transportation from harvest area caused by Fire, Hail Strike, Malicious Damage and Impact.	
Insured	Waikato District Council and/or associated and/or subsidiary companies and/or Council Controlled Organisations for their respective rights and interests and/or as may be agreed	
Period of Insurance	From: 4:00pm	1 November 2018
	To: 4:00pm	1 November 2019
Forest Name	Wainui Reserve	
Situation and Limits of Liability	Fire Fighting Costs	\$275,000
	Hail Strike	\$20,000
	Fire & Define Events	\$252, 500
	Removal of Debris & Replanting	\$25,000
Deductibles	Fire	\$5,000
	Each and Every Event	\$5,000
Endorsements	Defined Events Covered: Fire Lightning Impact Malicious Damage Hail Strike	
Main Policy Exclusions	Disease, viruses, bacteria or fungus Seepage or pollution Flood or inundation Consequential Loss Liability for Third Party loss Intentional or dishonesty act by you War Terrorism Radioactive contamination	
GST	The Limit of Liability and Sub-Limits are exclusive of GST	
Policy Wording	Insurance Facilitators Standing Timber Insurance Policy	
Insured	Insurance Facilitators	

Personal Accident

Covering	Covering Insured persons for benefits in respect of injury as a result of an accident as detailed below.	
Insured	Waikato District Council and/or associated and/or subsidiary companies and/or Council Controlled Organisations for their respective rights and interests and/or as may be agreed	
Period of Insurance	From: 4:00pm	1 November 2018
	To: 4:00pm	1 November 2019
Business	Any activity now or hereafter carried on by the Insured, including but not limited to: <ul style="list-style-type: none"> • Territorial Local Authority • Council Controlled organisations and associated organisations 	
Insured Persons	14 elected representatives – 24 hours worldwide	\$100,000
	4 managers – 24 hours worldwide	\$100,000
Aggregate Limit of Liability	All Claims during any one period of insurance	\$1,000,000
	Claims during any one period of insurance for accidents occurring during 'non-scheduled' air travel	\$500,000
Schedule of Benefits	BENEFITS	LIMITS
	1. Accidental Death	100%
	2. Permanent total disablement	100%
	3. Permanent Paraplegia or Quadriplegia	100%
	4. Permanent loss of sight in one or both eyes	100%
	5. Permanent loss of use of one or both limbs	100%
	6. Permanent and incurable insanity	100%
	7. Permanent loss of the lens of	(a) Both eyes 100% (b) One eye 60%
	8. Permanent total loss of hearing in	(a) both ears 80% (b) one ear 30%
	9. Burns:	
	(a) Third degree burns and /or resulting disfigurement which covers more than 20% of the body	50%
	(b) Second degree burns and/or resulting disfigurement which covers more than 20% of the body	25%
	10. Permanent loss of use of 4 fingers and thumb of either hand	80%
	11. Permanent loss of use of 4 fingers of either hand	50%
	12. Permanent total loss of use of one thumb of either hand	(a) both joints 40% (b) one joint 20%
	13. Permanent total loss of use of fingers of either hand:	(a) three joints 15% (b) two joints 10% (c) one joint 5%
	14. Permanent total loss of use of toes of either foot:	(a) all – one foot 15% (b) great – both joints 5%

	(c) great – one joint	3%
	(d) other than great – each toe	1%
15.	Fractured leg or patella with established non-union	10%
16.	Loss of at least 50% of all teeth Maximum of \$10,000 total	1%
17.	Shortening of leg by at least 5cm	7.5%
18.	Permanent partial disability not otherwise provided for under the above (maximum of \$50,000)	At discretion
19.	Broken or fractured bones	\$5,000
20.	Injury resulting in surgery	\$5,000
21.	Sickness resulting in surgery	\$5,000

OTHER COVERAGES

	Injury resulting in premature birth/miscarriage	\$5,000
	Loss of enjoyment of life	\$25,000
	Coma Benefit (maximum of 26 weeks)	\$500/week
	Bed confinement (daily cash benefit, maximum 30 days)	\$200/day
	Modification Benefit	\$5,000
	Rehabilitation expenses (monthly benefit, max 6 months)	\$500
	Trauma benefit	\$5,000
	Accidental HIV infection benefit	\$30,000
	Terrorism benefit	\$5,000
	Visitors Benefit	\$10,000
	Workplace Assault Benefit	\$5,000
	Accommodation and transport expenses	\$10,000
	Childcare benefit	\$5,000
	Corporate Image Protection	\$10,000
	Dependent Child Supplement per dependent child up to a maximum of \$30,000	\$10,000
	Domestic Help Benefit (maximum of 26 weeks)	\$500/week
	Education Fund Benefit	\$5,000
	Funeral Expenses Benefit	\$5,000
	Orphan benefit (per dependent child up to a maximum of \$30,000)	\$10,000
	Out of Pocket Expenses Benefit	\$5,000
	Replacement Staff/Recruitment Costs	\$10,000
	Spouse or Partner Employment Training Benefit	\$10,000
	Unexpired Membership Benefit	\$3,000

Territorial Limits / Locations Worldwide

Main Policy Extensions

- Age limit 80 years (unless declared and agreed)
- With respect to insured persons being between 65 and 80 years of age, Permanent Disablement is deleted and replaced by Paraplegia/Quadriplegia. The Death Benefit is reduced to \$10,000 where there are no dependents
- War, invasion or civil war
- Venereal disease, HIV, AIDS, ARC

Pregnancy and childbirth, miscarriage
Flying other than as a passenger in an aircraft licensed to carry passengers
Training for professional sports
Motor vehicle racing or racing preparation
Intentional self-injury, or attempt, suicide, illegal or criminal act.

Policy Wording

Berkshire Hathaway Group Personal Accident Policy

Insurer

Berkshire Hathaway Specialty Insurance New Zealand

Marine Hull

Insured	Waikato District Council and/or associated and/or subsidiary companies and/or Council Controlled Organisations for their respective rights and interests and/or as may be agreed												
Period of Insurance	From: 4:00pm 1 November 2018 To: 4:00pm 1 November 2019												
Business	Any activity now or hereafter carried on by the Insured, including but not limited to: <ul style="list-style-type: none"> • Territorial Local Authority • Council Controlled organisations and associated organisations 												
Limit of Liability	Total sum Insured \$45,280												
Deductible	Each and Every claim \$250												
Navigational Limits	As permitted under the vessels Safe Ship Management (SSM) Certificate or Safe Operating Plan (SOP) within the New Zealand Exclusive Economic Zone												
Insuring Clauses and Warranties	Alcohol and Drugs Exclusion Clause Compliance and Seaworthiness Clause Mooring Condition Named Master Condition Institute Time Clauses Hulls Ports Risks Including Limited Navigation 20/7/87 Institute Protection & Indemnity War & Strikes Clauses Hull – Times 20/7/87 Institute Time Clauses Hulls – Leased Equipment Clause 1/11/95 Institute War & Strikes Clauses Hulls – Time 1/10/83 Institute Time Clauses Hulls – Parts Removed Clause 1/11/95 Institute Radioactive Contamination, Biological, Bio-chemical & Electromagnetic Weapons Exclusion Clause 10/11/03												
Third Party Liability	Limit of Liability \$2,000,000 Excess \$250												
Policy Notes	Covering: <table> <tr> <td>10 aluminium dinghy and outboard motor</td> <td>\$4,000</td> </tr> <tr> <td>Stabicraft 570 and outboard motor (Huntly Rescue Boat)</td> <td>\$33,500</td> </tr> <tr> <td>GT Engineering Punt 15ft, aluminium (no engine)</td> <td>\$4,500</td> </tr> <tr> <td>Trailer</td> <td>\$1,500</td> </tr> <tr> <td>Accessories</td> <td>\$1,780</td> </tr> <tr> <td>Total Sum Insured</td> <td>\$45,280</td> </tr> </table>	10 aluminium dinghy and outboard motor	\$4,000	Stabicraft 570 and outboard motor (Huntly Rescue Boat)	\$33,500	GT Engineering Punt 15ft, aluminium (no engine)	\$4,500	Trailer	\$1,500	Accessories	\$1,780	Total Sum Insured	\$45,280
10 aluminium dinghy and outboard motor	\$4,000												
Stabicraft 570 and outboard motor (Huntly Rescue Boat)	\$33,500												
GT Engineering Punt 15ft, aluminium (no engine)	\$4,500												
Trailer	\$1,500												
Accessories	\$1,780												
Total Sum Insured	\$45,280												
Policy Wording	Vero Marine Commercial Hull Policy												
Insurer	Vero Insurance New Zealand Ltd												

Aviation Hull (UAV)

<i>Insured</i>	Waikato District Council and/or associated and/or subsidiary companies and/or Council Controlled Organisations for their respective rights and interests and/or as may be agreed	
<i>Period of Insurance</i>	From: 4:00pm 1 November 2018 To: 4:00pm 1 November 2019	
<i>Business</i>	Any activity now or hereafter carried on by the Insured, including but not limited to: <ul style="list-style-type: none"> • Territorial Local Authority • Council Controlled organisations and associated organisations 	
<i>Limit of Liability</i>	Third Party Liability CSL	\$1,000,000
<i>Hull Insured</i>	Make: DJI Model: Mavic Pro Uses Insured: Aerial Surveying and Photography Pilots: Phil Trimmer Sum Insured	\$1,900
<i>Deductible</i>	Section 1: 5% of sum insured, minimum each and every loss Section 2:	\$250 Nil
<i>Geographical Limit</i>	New Zealand and 200kms from New Zealand main land mass	
<i>Endorsements</i>	As per RPA Operators Hull Policy Wording amended as below: <ul style="list-style-type: none"> - RPA transit extension endorsement - RPA spares and equipment extension endorsement as per wording In respect of camera equipment, coverage excludes scratching and fogging of lenses and mechanical derangement unless arising out of an Accident to the RPA to which it is fitted Nuclear Risks Exclusions Clause AVN38B (RPA amended) Additions and Deletions Clause AVN19A (RPA amended) War, Hi-jacking and other Perils Exclusion Clause AVN48B Noise, Pollution and other Perils Exclusion Clause Asbestos Exclusion Clause Contracts (rights of third parties) Act 1999 Exclusion Clause Remote Pilot Indemnity Clause AVN74 Unauthorised use Clause (theft only) AVN77 Date Recognition Limited Coverage Clause AVN2001A Date Recognition Limited Coverage clause AVN2002A Sanctions and Embargo Clause AVN111	
<i>Third Party Liability</i>	Limit of Liability	\$2,000,000
<i>Policy Wording</i>	RPA Operators Hull Policy	
<i>Insurer</i>	One Underwriting Pty Limited	

Boiler Explosion

<i>Insured</i>	Waikato District Council and/or associated and/or subsidiary companies and/or Council Controlled Organisations for their respective rights and interests and/or as may be agreed	
<i>Period of Insurance</i>	From: 4:00pm	1 November 2018
	To: 4:00pm	1 November 2019
<i>Business</i>	Any activity now or hereafter carried on by the Insured, including but not limited to: <ul style="list-style-type: none"> • Territorial Local Authority • Council Controlled organisations and associated organisations 	
<i>Covering</i>	Boac Boiler and Gas 3 Riello Burner	\$16,500
	Huntly Pool Water Heating System, Boiler, Mountings, Controls & flue Assembly	\$43,450
	Heat Exchanger	\$7,480
	Filter	\$34,320
	Pipework	\$55,000
	TOTAL SUM INSURED	\$156,750
<i>Deductible</i>	Each and Every claim,	\$500
<i>Basis of Settlement</i>	Repair, rebuild or replacement of insured plant	
<i>Policy Extensions</i>	Acquired Plant Additional Repair Costs (Expediting Expenses) Insulating Oil Refrigerant Costs	
<i>Main Exclusions</i>	Consequential Loss Conversion to Non-Chlorofluorocarbon Refrigerant Deliberate or Dishonest Acts Electronic Data Perils covered under Material Damage policy Excluded Plant (refer to Policy wording for list) Expendable or Consumable Parts Fair Wear and Tear Known Faults or Defects Radioactive Contamination Removing or Reinstating Pump Units in Bores Testing or Intentional Overloading War or Terrorism	
<i>Policy Wording</i>	Zurich Engineering Plant Insurance	
<i>Insurer</i>	Zurich New Zealand Limited	

Trustees Liability

<i>Covering</i>	Gordonton Woodlands Trust	
<i>Insured</i>	Waikato District Council	
<i>Period of Insurance</i>	From: 4:00pm 1 November 2018 To: 4:00pm 1 November 2019	
<i>Limit of Liability</i>	Any one claim and in the aggregate any one policy period	\$1,000,000
	Defence costs	\$1,000,000
<i>Deductible</i>	Each and every claim	\$2,000
<i>Retroactive Date</i>	Unlimited	
<i>Covering</i>	<p>Losses borne by the Trust Indemnify the Trustee against loss borne by the Trust which arises from claims first made against the Insured and reported to the Insurer during the Policy Period by reason of any wrongful act but only to the extent that, solely by reason of the operation of an indemnity clause in the Trust Deed such loss does not fall to be borne by the Insured.</p> <p>Losses borne by the Trustees personally Indemnify each of the Trustees against each and every loss which arises from claims made against the Trustees and reported to the insured during the Policy period by reason of any wrongful act to the extent that such loss falls to be borne personally by the Trustee.</p>	
<i>Territorial & Jurisdiction Limits</i>	New Zealand	
<i>Policy Wording</i>	QBE Trustee Liability Policy	
<i>Insurer</i>	QBE Insurance (Australia) Limited	

Classes of Insurance Available

This is a list of some of the more common classes of insurances offered to businesses in New Zealand. We suggest that you review the list from time to time in the light of changing needs and circumstances and discuss any uninsured risks for which insurance may be available, with your Aon Broker. The list is not exhaustive, and if you know of any other uninsured risks, please contact us and we will advise you whether insurance is available.

Classes of insurance you have elected to take are indicated:

(Edition List: Oct 2017)

PROPERTY & BUSINESS INTERRUPTION

Business Interruption	<input checked="" type="checkbox"/>	Covers loss of income and increased costs resulting from damage to assets; sometimes referred to as "Loss of Profits" or "Consequential Loss" insurance. Can include several optional extensions, including Gross Rentals, Book Debts, & Severance or Redundancy payments.
Computer	<input type="checkbox"/>	Covers computers and computer media against a wider variety of risks than those covered under a Material Damage policy
Computer Consequential Loss	<input type="checkbox"/>	Covers financial losses and extra costs, including data reconstruction, following damage covered under a computer policy
Contract Works and Advanced Loss of Profits	<input type="checkbox"/>	Covers physical loss or damage and, as an option, to cover public liability arising in connection with a contract works. Cover can include loss of future income where completion of a construction project is delayed by damage.
Fidelity/ Crime	<input checked="" type="checkbox"/>	Covers theft by employees; this risk is commonly excluded from cover under Material Damage insurance. Computer Crime policies can extend a traditional Fidelity policy to include Fraudulent activity from a number of sources and systems.
Machinery Breakdown including Boiler Explosion	<input checked="" type="checkbox"/>	Covers breakdown risks, boilers and other pressure vessels against risk of explosion (such risks are commonly excluded from cover under Material Damage insurance)
Machinery Business Interruption	<input type="checkbox"/>	Covers loss of income and increased costs resulting from damage by a peril insured under a Machinery policy. Works as a partner to the Machinery Breakdown policy.
Material Damage	<input checked="" type="checkbox"/>	A general form of policy to cover loss of buildings, plant and stock
Money	<input type="checkbox"/>	Covers cash and other forms of money against loss or damage whilst it is at your premises or in transit. Small limits can often be included under a Material Damage policy.
Natural Disaster Excess Buydown	<input type="checkbox"/>	Provides an opportunity to reduce the Natural Disaster Excess applicable under a Material Damage and/or Business Interruption policy
Stock Deterioration	<input type="checkbox"/>	Provides cover following accidental stoppage of refrigeration equipment for chilled or frozen goods; usually only available in conjunction with Machinery Breakdown insurance, or sometimes under a Marine Cargo policy
Terrorism	<input type="checkbox"/>	This risk is commonly excluded from cover under Material Damage insurance.

TRANSPORT

Aviation Hull	<input checked="" type="checkbox"/>	Covers aircraft against physical loss or damage
Aviation Liabilities	<input type="checkbox"/>	Covers Public Liability arising out of the use of aircraft (Public Liability insurance does not normally cover liability arising out of the use of aircraft)
Carriers Liability	<input type="checkbox"/>	Covers liability under the Carriage of Goods Act
Charterers Liability (Aviation/Marine Hull)	<input type="checkbox"/>	Protection tailored to meet the conditions of a Marine or Aviation charter agreement for hull and/or liabilities
Marine Cargo	<input type="checkbox"/>	Covers shipments of goods by land, sea or air
Marine Hulls	<input checked="" type="checkbox"/>	Covers watercraft against physical loss or damage
Marine Liabilities	<input type="checkbox"/>	Covers Public Liability arising out of the use of watercraft
Motor Vehicle	<input checked="" type="checkbox"/>	Covers direct loss or damage to vehicles & Public Liability (third party liability) in connection to the vehicles

AGRICULTURAL & BLOODSTOCK

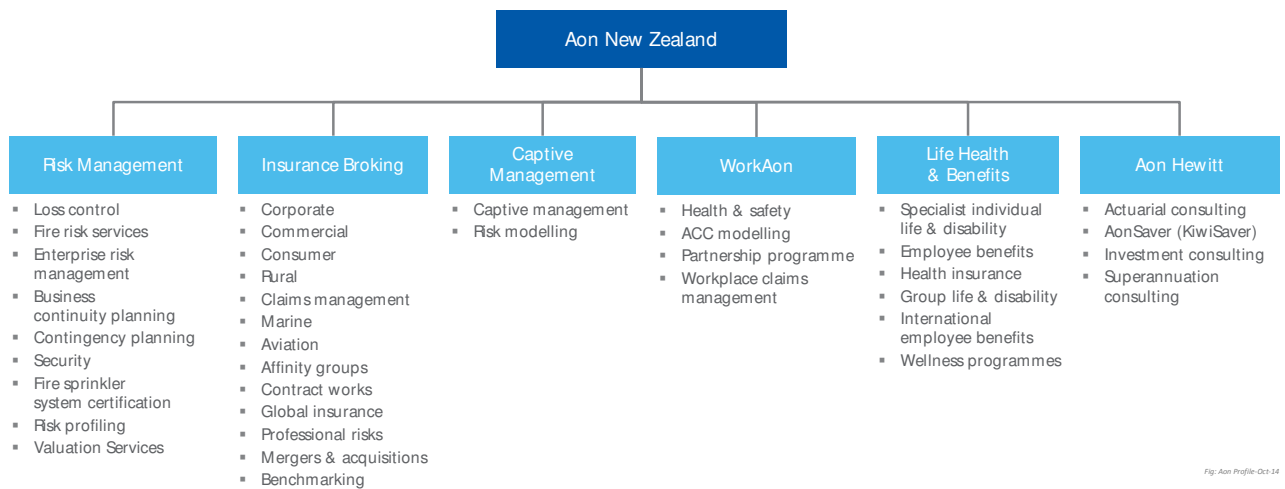
Bloodstock	<input type="checkbox"/>	Covers horses for the risks of accident, sickness or disease
Farm	<input type="checkbox"/>	Covers can be included for your Farm Assets Farm Business Interruption, Liabilities and Farm Vehicles
Forestry	<input type="checkbox"/>	Covers forests against specified perils; including but not limited to Fire and Lightning. Optional extensions are available.
Growing Crops	<input type="checkbox"/>	Insurance against failure or diminution of a crop resulting from certain specified events, for example flood or adverse weather
Livestock	<input type="checkbox"/>	Covers livestock for the risks of accidents, sickness or disease

LIABILITY

Bailees Liability	<input type="checkbox"/>	Covers liability for damage to property held under bailment, or in your custody and/or control
Directors & Officers Liability	<input type="checkbox"/>	Covers Directors & Officers against liability they might incur in carrying out the duties of a company director or officer. The insurance will also reimburse the company where it has already indemnified its directors for any such liability; cover includes associated defence costs.
Employers Liability	<input checked="" type="checkbox"/>	Covers the employer company's liability for injury to employees that falls outside the scope of ACC; cover includes associated defence costs

LIABILITY <i>(continued)</i>	
Employment Disputes Liability	<input type="checkbox"/> Covers damages and costs arising out of certain employment related disputes such as wrongful termination, harassment and discrimination; cover includes associated defence costs
Environmental Impairment	<input type="checkbox"/> A special form of pollution liability insurance
Exemplary Damages (Also called Punitive Damages)	<input type="checkbox"/> Covers damages arising out of bodily injury in New Zealand where the law otherwise prevents legal action for compensatory damages
Extra Territorial Workers Compensation	<input type="checkbox"/> Covers liabilities where employees are injured outside their normal country or state of employment and are not covered by the relevant statutory policy
Forest & Rural Fires Act	<input type="checkbox"/> For costs imposed by statutory authorities under legislation
Legal Expenses	<input type="checkbox"/> Covers legal expenses incurred in civil action
Liability Consequential Loss	<input type="checkbox"/> To partially cover loss of gross profit and increased costs arising from an event that also gives rise to a valid claim on a liability policy; this limited form of cover is only available where the liability insurance is provided by the same insurer
Libel & Slander/Defamation	<input type="checkbox"/> Covers legal liability arising out of defamatory remarks made in either written or oral form; cover includes associated defence costs
Private Legal Aid	<input type="checkbox"/> Covers private persons and their families for private legal aid costs for defending a variety of criminal, traffic & civil actions
Product Guarantee	<input type="checkbox"/> Covers liability for correcting defects in products or for replacing defective products
Product Liability	<input type="checkbox"/> Covers liability arising for damage arising out of products supplied; cover includes associated defence costs
Product Recall	<input type="checkbox"/> Covers liability for the cost of recalling products which are defective or suspected of being defective
Professional Indemnity &/or Errors & Omissions	<input checked="" type="checkbox"/> Covers legal liability incurred by giving negligent advice or through a breach of professional duty; cover includes associated defence costs
Prospectus Liability	<input type="checkbox"/> Covers the Company, its directors and senior executives for liabilities arising from the issue of a prospectus, information memorandum or other sale/purchase documents. This liability is generally excluded from Directors & Officers Liability policies unless they are specifically extended to cover it. Cover includes associated defence costs.
Public Liability (General Liability or Broadform Liability)	<input checked="" type="checkbox"/> Covers general liability for damage or injury happening in connection with the business; cover includes associated defence costs
Statutory Liability	<input checked="" type="checkbox"/> Covers fines or penalties imposed for unintentional breaches of certain statutes; cover includes associated costs
Trustees Indemnity	<input checked="" type="checkbox"/> Covers Trustees for personal liability arising from a breach of their fiduciary duties and to reimburse the trust when it has provided an indemnity to the trustees; cover includes associated defence costs
Warranties & Representations Liability	<input type="checkbox"/> Covers liability arising from specific representations or warranties made in an agreement between parties; particularly relevant in the sale and purchase of businesses
HUMAN RESOURCE	
Employee Benefits	<input type="checkbox"/> Includes a variety of special forms of insurance including life insurance, long term disability, salary continuance, medical expenses and superannuation
Key Person	<input type="checkbox"/> To provide cash benefits to the company in the event of death or disablement of key personnel
Personal Accident	<input checked="" type="checkbox"/> To provide cash benefits in the event of death or disablement following accident to insured person
TECHNOLOGY	
Cyber Risk	<input checked="" type="checkbox"/> Covers Liability and expenses incurred as a result of unauthorised use or access to an organisation's computer systems and software. Can also include cover for liability costs and expenses arising from network outages, transmission of viruses, computer theft and extortion.
Intellectual Property Pursuit	<input type="checkbox"/> Covers legal expenses to enforce intellectual property rights that are infringed by a Third Party
Media Liability/Internet Liability	<input type="checkbox"/> Covers advertising injury, defamation, breach of third party intellectual property through operating on the internet or via email; includes liability to third parties from inadvertent transmission of viruses
MISCELLANEOUS	
Accidental & Malicious Product Damage/Tamper	<input type="checkbox"/> Crisis Management providing cover for Product Recall, Restoration Costs, Loss of Income and Incident Response Costs (following product tamper)
Bonds	<input type="checkbox"/> Financial devices (rather than insurance policies) designed to avoid the need to provide a bond in cash
Credit Insurance & Trade Debtors	<input type="checkbox"/> Covers risk of trade debtors failing to pay debts due to their insolvency or protracted default
Extortion	<input type="checkbox"/> Includes kidnap, ransom and product tampering insurance
Political Risk	<input type="checkbox"/> Covers confiscation, expropriation or nationalisation of overseas assets and contracts; can also include cover against frustration or repudiation of a contract
Travel	<input type="checkbox"/> Covers baggage, medical costs and other travel related risks

Other Aon Services



Aon Sprinkler Certification

Whenever a construction or alteration involving sprinklers is made, these require Certification. We are ISO accredited to undertake this work. We can also assist by giving advice to Building Consent Authorities in regard to sprinkler systems as part of the BCA process.

Aon Sprinkler Inspection

Aon's sprinkler inspection specialists conduct on-going biennial sprinkler inspection surveys as required by the building standards and New Zealand's Building Act.

Aviation

Aon has the leading specialist Aviation Division that provides a comprehensive range of Risk and Insurance solutions to our NZ General Aviation clients. Our relationships and synergy with Aon's Aviation Divisions in Australia, London and the USA ensures unparalleled access to all available Global markets.

Business Risk Management

Aon have engineers/analysts who provide advice to clients in the design and implementation of risk management programmes, business continuity, emergency response planning, security audits and legislative compliance.

Construction Specialists

Aon have a specialist Construction Division which becomes involved in construction related issues and those contracts requiring specialist input, contract vetting or principal controlled construction projects.

Credit

Aon has a specialist credit insurance division experienced in domestic and export arrangements.

KiwiSaver Management

The Aon KiwiSaver Scheme is a registered KiwiSaver scheme that enables employers to simplify their obligations while offering members a wide choice of retirement investment saving options from leading fund managers. You can select the Aon KiwiSaver Scheme as your preferred KiwiSaver scheme for employees that do not make their own choice.

Life & Benefits

Aon Life provides a wide range of life insurance and associated products for both individuals and companies. Products include income protection, trauma, health and life insurance.

Loss Control Services

Aon provides loss control inspections services to assist by providing recommendations on how to safeguard businesses and also in providing quality Underwriting information to assist in marketing risks to insurers.

Management of Workplace Injuries

WorkAon is a specialist Aon division with over 50 staff represented in 15 offices. This division works with clients to reduce their ACC costs resulting from workplace accidents. WorkAon manages the entire ACC process for 50 of the top 120 New Zealand companies participating in the ACC Partnership Programme. Aon's average total workplace accident claim involving weekly compensation is \$2,550 compared to the ACC average claim cost of \$15,190.

Professional Risks

Aon have a designated team of specialists to provide support to our clients on any professional risk issue.

Roadside Assistance

Aon has a full-service Roadside Assistance for all Commercial Motor fleets providing complete mechanical breakdown protection 24 hours/7 days a week.

Staff Value Added Products

Aon has a separate division, specialising in the arrangement of consumer insurances for the staff of our clients.

Superannuation Funds Administration

Aon Hewitt has a successful superannuation funds management administration division that provides flexible superannuation options to employers and individuals.

Valuation Services

Aon has in-house qualified valuation experts providing building, land, plant, machinery and infrastructure valuations across New Zealand. We are the only broker in New Zealand with this capacity.

Insurer Ratings

Insurance (Prudential Supervision) Act 2010

In accordance with the Insurance (Prudential Supervision) Act 2010, Insurers' Financial Strength ratings are as follows.

COMPANY	RATING	RATING AGENCY
AIG Insurance New Zealand Limited	A	<i>Standard & Poor's</i>
Allianz Australia Insurance Limited (including GT Insurance, Club Marine, Euler Hermes Trade Credit, CPF)	AA-	<i>Standard & Poor's</i>
Atradius Insurance NV	A	<i>AM Best</i>
Berkshire Hathaway Speciality Insurance	AA+	<i>Standard & Poor's</i>
Chubb Insurance New Zealand Limited	AA-	<i>Standard & Poor's</i>
Dual New Zealand Limited (Certain Underwriters at Lloyds of London)	A+	<i>Standard & Poor's</i>
Lloyds	A+	<i>Standard & Poor's</i>
Lumley – a Business Division of IAG NZ Limited	AA-	<i>Standard & Poor's</i>
Mitsui Sumitomo Insurance Co	A+	<i>Standard & Poor's</i>
NZI – a Business Division of IAG NZ Limited (including NZI Marine, National Auto Club, Swann, CPF)	AA-	<i>Standard & Poor's</i>
QBE Insurance (Australia) Limited	A+	<i>Standard & Poor's</i>
Sunderland Marine	A	<i>Standard & Poor's</i>
Tokio Marine & Nichido Fire Insurance Co	A+	<i>Standard & Poor's</i>
Vero Insurance New Zealand Limited (including Vero Liability, Vero Specialist Risks, Vero Marine, CPF)	A+	<i>Standard & Poor's</i>
Zurich Australian Insurance Limited	A+	<i>Standard & Poor's</i>
CPF (Client Placement Facility) NZI 51%, Vero 39%, Allianz 10%		

Special Notes

1. In respect of Allianz Australia Insurance Limited

An overseas policyholder preference applies. Under Australian law, if Allianz Australia Insurance Limited is wound up, its assets in Australia must be applied to its Australian liabilities before they can be applied to overseas liabilities. To this extent, New Zealand policyholders may not be able to rely on Allianz Australia Insurance Limited's Australian assets to satisfy New Zealand liabilities.

2. In respect of QBE Insurance (Australia) Limited

QBE Insurance (Australia) Limited ("QBE") has a policy of holding actual capital in excess of regulatory capital requirements. In the event that QBE is wound up, the claims of New Zealand policyholders will be paid out of the assets of QBE New Zealand, and possibly other countries, except for Australia. Australian Law requires that on a winding up of QBE the assets of the company in Australia are to be used to pay its liabilities in Australia before liabilities outside of Australia.

3. In respect of Zurich Australian Insurance Limited (ZAIL)

An overseas policyholder preference applies. Under Australian law, if ZAIL is wound up, its assets in Australia must be applied to its Australian liabilities before they can be applied to overseas liabilities. To this extent, New Zealand policyholders may not be able to rely on ZAIL's Australian assets to satisfy New Zealand liabilities.

STANDARD & POOR'S		AM BEST		FITCH	
AAA	Extremely Strong	A++ & A+	Superior	AAA	Exceptionally Strong
AA	Very Strong				
A	Strong	A & A-	Excellent	All AA Class	Very strong
BBB	Good				
BB	Marginal	B++ & B+	Good	All A Class	Strong
B	Weak				
CCC	Very Weak	B & B-	Adequate	All BBB Class	Good
CC	Extremely Weak				
SD	Selective Default	C++ & C+	Fair	All BB Class	Moderately Weak
D	Default				
R	Regulatory Supervision	C & C-	Marginal	All B Class	Weak
NR	Not Rated	D	Very Vulnerable	All C Class	Very Weak
		E	Under Supervision	All D Class	Distressed
Note S&P Ratings	Ratings AA-CCC with (+) or (-) show relative standing within the major rating categories.	F	In Receivership	NR	<i>Fitch does not rate the issuer or issue in question</i>

Aon New Zealand cannot guarantee the solvency of an insurer, but if you require any further information on these companies or their financial statements, please do not hesitate to ask.

Appendix 1. Local Authority Public Liability and Professional Indemnity Market Commentary

The 2018/19 Professional Indemnity and Public Liability renewal has proved challenging for a number of reasons and resulted in significant increases in premium required to continue to provide protection and sustainability for councils increased Liability exposures.

The 01 November renewal has required a change of Insurer Panel.

The previous panel of AIG- 60%/Zurich – 20% /Berkshire Hathaway – 20% has been replaced as follows.

Berkshire Hathaway – 60% and Lead Insurer

QBE – 40% co-insurer.

The deteriorating claims history over the last 10 years in the local government space has meant that the lead insurer has now changed 3 times during this period and has necessitated a premium adjustment to build some sustainability into the local government Liability sector.

Claims have included building defects claims arising out of weather tightness issues, weather events, (flooding), consenting issues, imported building materials from China such as plumbing, wiring, steel and concrete to name but a few.

As a backdrop the premium pool for the 53 Aon councils for the preceding 12 months was circa \$3.3 M. With claims notified and paid in excess of \$20m for the last 4 years the current level of premium collected is uneconomic for any insurer to continue with.

You would have recently received a notice from Riskpool advising of at least 2 calls will be made on Councils for approx. \$14m of premium due to adverse claims. JLT were the administer and responsible for the setting of Riskpool premium for the life of Riskpool. The level of calls gives further weight to the underfunding of premiums for the local government sector. It is of note that not one Riskpool fund year has been closed and we have concerns that the levels of calls may in fact increase past this figure already advised. It is important to note that there is no call option by insurers through any liability policy arranged by Aon.

In terms of coverage differences between the JLT product and the policy provided by Berkshire Hathaway through Aon, the most important aspect is the interpretation around building defects coverage. Under the JLT policy any building defect arising out of a weather tightness issue is currently excluded. Whereas the Aon arranged policy covers the building defects element. This is a very important coverage consideration as a number of claims are being notified around these circumstances and currently JLT is declining coverage on this basis.

In addition to this important difference, the way the JLT facility works is that the JLT claims manager is the sole determinant of whether a claim is accepted or not and any claim that is declined by JLT, council would have to argue the legality of such declination with the insurer direct who is based in London. At all times Aon is your advocate in all your claims matters and does not have a vested interest in determining indemnity under the policy.

In terms of levels of premiums payable and benchmarking premiums against a medium risk private/public company of an annual turnover less than \$30M and having that entity purchase \$50M Public Liability and \$50M Professional Indemnity cover, this would typically attract a premium of \$1,000 per/million of cover required giving a combined premium of \$100,000. Sadly, with joint and several law and council consistently being “last man standing” in claims scenarios, the risk profile of councils is seen as risky by markets.

Against the backdrop of the above it is clear that Councils have had very good premiums rates for a long period of time. Whilst premium increases of this nature are never easy to deliver we feel it is vitally important to build sustainability with insurers and a history with your chosen insurer to continue to deliver protection to council now and into the future. Please rest assured Aon are continuing to work tirelessly to procure the most cost competitive and professional claims handling available in the market for all our councils. We are happy to present to your Audit and Risk or similar committees should you feel appropriate.

Open Meeting

To	Audit & Risk Committee
From	Clive Morgan General Manager Community Growth
Date	15 February 2019
Prepared by	Melissa Russo Acting Corporate Planning Team Leader
Chief Executive Approved	Y
Reference #	GOV1318 / 2177226
Report Title	2018-19 Annual Report

I. EXECUTIVE SUMMARY

The purpose of this report is to provide the Audit & Risk Committee with an update from staff on the project scope for the 2018-19 Annual Report and Summary including key deliverables and milestones.

2. RECOMMENDATION

THAT the report from the General Manager Community Growth be received.

3. BACKGROUND

Section 98 of the Local Government Act 2002 requires Council to prepare and adopt in respect of each financial year, an Annual Report. The purposes of an Annual Report are:

- To compare the intended level of performance with the actual level of performance during the relevant financial year, as set out in the Long Term Plan; and
- To promote the local authority's accountability to the community for the decisions made throughout the year.

The annual report must be completed and adopted, within four months after the end of the financial year to which it relates. The financial year runs from 1 July to 30 June, therefore the report must be adopted by 31 October each year.

4. OBJECTIVE AND DELIVERABLES

Produce an Annual Report and Summary for the 2018/19 financial year that:

1. Complies with legislative and Audit New Zealand requirements.
2. Addresses matters raised in the Management Report received from Audit New Zealand in respect of the audit of Waikato District Council for the year ended June 2018.
3. Outlines the activities, levels of service delivered and the cost of providing those services.
4. Assesses our efficiency, effectiveness and the cost-effectiveness of our activities.
5. Makes sense and is relevant to all our stakeholders i.e. residents, ratepayers, Councillors and staff.

5. MILESTONES

Description	Date
First interim audit	1-5 April
Second interim audit	15 – 18 April
Final audit	26 August – 13 September
Audit New Zealand verbal clearance	TBC
Audit & Risk Committee – review of Annual Report from a risk perspective	18 September
Strategy & Finance approve Annual Report and Summary to Council for adoption	25 September
Council adopt Annual Report and Summary	7 October

The dates of the two interim audits and the final audit are indicative from Audit New Zealand and are yet to be finalised.

We are yet to receive the list of special interest items Audit New Zealand will be focussing on at the requirement of the Office of the Attorney General. This will be circulated to the Audit & Risk Committee when received.

6. CONCLUSION

Council is required to adopt an Annual Report and Summary by 31 October each year. The Annual Report and Summary will be audited by our auditors, Audit New Zealand prior to adoption.

7. CONCLUSION

NIL

Open Meeting

To	Audit & Risk Committee
From	Clive Morgan General Manager Community Growth
Date	18 February 2018
Prepared by	Melissa Russo Acting Corporate Planning Team Leader
Chief Executive Approved	Y
Reference #	GOV1318 / 2178236
Report Title	Update on Progress against Audit issues – March 2019

I. EXECUTIVE SUMMARY

The purpose of this report is to provide an update on progress against issues raised through the audits. The audits included are:

- Annual Report
- Cyber security systems
- Risk management
- Project management
- Procurement and contract management

Staff have undertaken a review of audit issues contained in the Audit Issues register.

A further 2 issues have been resolved and progress made in others. The green highlighted items in the attachment have been completed since the last report in November 2018.

Unresolved issues have now reduced to 8 from a total of 157.

2. RECOMMENDATION

THAT the report from the General Manager Community Growth be received.

3. SUMMARY OF PROGRESS

The tables below outline the areas and status of issues – either completed, in progress or pending since the last report in November 2019.

Areas of audit issues – March 2019

	Pending	Work in progress	Complete	Total
Audit New Zealand	0	3	30	33
Cyber security	1	2	30 + 1 ongoing	34
Internal audit	0	0	5	5
Procurement and contract management	0	2	13	15
Risk management	0	0	36 + 1 ongoing	37
Project management	0	0	33	33
Total	1	7	149	157

Areas of audit issues – November 2018

	Pending	Work in progress	Complete	Total
Audit New Zealand	0	4	29	33
Cyber security	1	2	30 + 1 ongoing	34
Internal audit	0	0	5	5
Procurement and contract management	0	2	13	15
Risk management	1	0	35 + 1 ongoing	37
Project management	0	0	33	33
Total	2	8	147	157

The “ongoing” issues identified are those including training and process improvement. Staff consider we will always be undertaking ongoing business improvement, hence the introduction of a new status.

Pending issues are those classified as ‘yet to be determined if the recommendation will be actioned’ as the issue may be addressed through other controls. The pending actions have not been the immediate priority, however are now getting some focus.

Of the ‘work in progress’ issues, many of these are scheduled to be completed soon (as per the dates in the schedule) and hence further progress will be made by the next Audit & Risk Committee meeting.

Information Management

Work continues on testing the new Firewall set up, ensuring rules are peer reviewed and complete. This work also includes replacing the web filtering software, and ensuring separation between the existing and new Firewalls. Testing will continue in March with a

small set of users. The new Firewall will be transferred over as required by the Watercare and staff mobility projects to provide Virtual Private Network (VPN) access.

Penetration testing of the new set up will be completed by 1 July.

4. CONCLUSION

There is a total of 157 issues that have been raised by various audits across the organisation, 149 of which are complete, an improvement of 2 in the quarter.

5. ATTACHMENTS

Combined Audit Recommendations

Audit Area	Domain	Recommendation/ Action Required	Date first raised	Proposed Action/Plan - March A&R Committee comment	Who	By When	Status
AuditNZ	Contract management	Develop and implement a contract management system	Jul-16	A project proposal has been viewed by the Executive Leadership Team at WDC, and the next stages are now due to be detailed for this project.	Procurement	Dec-19	Work in progress
AuditNZ	IM practices	Dashboard reporting on key Information Management initiatives should also include reporting on availability and capacity of IT infrastructure and systems	Oct-18	This is now in the work programme and will be completed by 30 June 2019	IM	Jun-19	Work in progress
AuditNZ	Bus Own and Direction for IT	IT governance and project management frameworks should be established to prioritise and monitor IT and IM projects and programmes.	Oct-18	This governance is provided within the Portfolio Governance Group.	IM	Apr-19	Complete
AuditNZ	Employee and contractor practices	Adequate one-up approval should be obtained for sensitive expenditure, and evidence of such approval should be recorded.	Oct-18	Finance staff review sensitive expenditure to detect policy non-compliance. A process review is underway to address preventative measures.	Finance	Jun-19	Work in progress
Cyber Security	Bus Own and Direction for IT	Rec02: Business owners (from Rec01) formalise information security requirements for the assets owned	Dec-15	Master Data project is now in progress.	IM	Dec-19	Work in progress
Cyber Security	Employee and contractor practices	Rec03: Undertake targeted training for employees who handle sensitive information and/or for instances of poor practices.	Dec-15	Recordkeeping responsibility sessions continue with various council teams.	IM	Jun-19	Work in progress
Cyber Security	IM practices	Rec09: Review and improve monitoring for security incidents, incident response plan, patch management, change control and release management processes	Dec-15	This is now in the work programme and will be completed by 30 June 2019	IM	Jun-19	Pending
KPMG review of Procurement and Contract Management	Contract management	Implement a supplier performance measurement framework and strengthen supplier performance monitoring. 1) Develop and implement a performance management framework for measuring and monitoring contractor performance against agreed KPIs. This should form part of the Contract Management Policy.	Dec-16	A new Contracts and Partnering Manager has started at WDC, and they will be focusing on developing a Contract Management Policy for WDC.	Procurement	Sep-19	Work in progress

Audit Area	Domain	Recommendation/ Action Required	Date first raised	Proposed Action/Plan - March A&R Committee comment	Who	By When	Status
KPMG review of Procurement and Contract Management	Procurement	Develop a procurement strategy and ensure consistency and clarity of procurement guidelines. 1) WDC should consider developing a procurement strategy. The strategy should set out: <ul style="list-style-type: none"> • procurement aims and objectives for the next 3 to 5 years • procurement vision • demonstrates the support by senior management • maps out the major initiatives to be addressed in the forthcoming 3 to 5 years • WDC's public commitment to maintain and improve the day-to-day procurement work within WDC and emphasises a determination to make continual improvements in that work • framework upon which WDC's procurement policy and procedures are based • objectives against which progress can be measured and reported 2) Review procurement guidelines to ensure there is consistency between procurement policy, the manual and ProMapp process descriptions.	Dec-16	Focus has been on adopting the regional WCLASS Procurement Framework. This has been completed. Work can now begin on updating and aligning the WDC Procurement Policy, Procurement Manual and associated Promapp processes. Development of a Procurement Strategy for WDC will follow this in conjunction with appropriate stakeholders across Council.	Procurement	Jun-19	Work in progress
Risk Management	Risk Strategy & Appetite	Ensure that the RAS is reviewed at least annually or updated for any significant change.			Risk Coordinator	Complete	Complete

Open Meeting

To	Audit & Risk Committee
From	Gavin Ion Chief Executive
Date	4 March 2019
Prepared by	Lynette Wainwright Committee Secretary
Chief Executive Approved	Y
Reference #	GOV1301
Report Title	Exclusion of the Public

I. EXECUTIVE SUMMARY

To exclude the public from the whole or part of the proceedings of the meeting to enable the Audit & Risk Committee to deliberate and make decisions in private on public excluded items.

2. RECOMMENDATION

THAT the report of the Chief Executive be received;

AND THAT the public be excluded from the meeting to enable the Audit & Risk Committee to deliberate and make decisions on the following items of business:

Confirmation of Minutes dated Wednesday 12 December 2019

REPORTS

a. Contract Spend Review

The general subject of the matter to be considered while the public is excluded, the reason, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 are as follows:

Reason for passing this resolution to withhold exists under:	Ground(s) under section 48(1) for the passing of this resolution is:
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Section 7(2)(b)(ii) & (i)

Section 48(1)(3)(d)

b. Procurement Manager Report

The general subject of the matter to be considered while the public is excluded, the reason, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 are as follows:

Reason for passing this resolution to withhold exists under: Ground(s) under section 48(1) for the passing of this resolution is:

Section 7(2)(b)(ii) & (i)

Section 48(1)(3)(d)

c. Risk Assessment of Council Controlled Organisations' draft Statements of Intent

The general subject of the matter to be considered while the public is excluded, the reason, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 are as follows:

Reason for passing this resolution to withhold exists under: Ground(s) under section 48(1) for the passing of this resolution is:

Section 7(2)(b)(ii) & (i)

Section 48(1)(3)(d)

d. Register of Members' Interests Elected Members and Senior Staff

The general subject of the matter to be considered while the public is excluded, the reason, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 are as follows:

Reason for passing this resolution to withhold exists under: Ground(s) under section 48(1) for the passing of this resolution is:

Section 7(2)(f),(i),(h),(i),(j)

Section 48(1)(3)(a)(d)

e. Fraud Declaration

The general subject of the matter to be considered while the public is excluded, the reason, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 are as follows:

Reason for passing this resolution to withhold exists under: Ground(s) under section 48(1) for the passing of this resolution is:

Section 7(2)(a)

Section 48(1)(a)(d)

f. Committee Time with Audit New Zealand

The general subject of the matter to be considered while the public is excluded, the reason, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 are as follows:

Reason for passing this resolution to withhold exists under: Ground(s) under section 48(1) for the passing of this resolution is:

Section 7(2)(f)(g)(h)(i)(j)

Section 48(1)(a)(d)

AND FURTHER THAT Ms Devlin (Chair), Mr Pieterse and Ms Procter (Audit New Zealand) remain in the meeting after the public has been excluded to chair/facilitate the discussion on items in PEX 6 [*Exclusion of the Public*] in the public excluded section of the meeting.