

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, 10 MARCH 2021** commencing at **9.30am**.

- 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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7. REPORTS FOR INFORMATION

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GJ Ion
CHIEF EXECUTIVE

TERMS OF REFERENCE AND DELEGATION

Reports to:	The Council
Chairperson:	External appointee – Margaret Devlin
Membership:	Deputy Chairperson – Cr Janet Gibb Mayor Allan Sanson (<i>ex officio</i>) Cr Aksel Bech Cr Jacqui Church Cr Jan Sedgwick
Meeting frequency:	As required – no less than four times each year.
Quorum:	Four members

Purpose:

The Audit and Risk Committee is responsible for:

1. Providing objective advice and recommendations to the Council on the adequacy and functioning of the Council's risk management, control and governance frameworks and processes.
2. Ensuring Council fulfils its legal responsibilities;
3. Monitoring the Council's external and internal audit process;
4. Ensuring the independence and effectiveness of Council's Internal Audit processes;
5. Monitoring existing corporate policies and recommending new or amended policies to prevent and prohibit unethical, questionable or illegal activities;
6. Providing a communication link between management, internal auditors/external auditors and Council; and
7. Supporting measures to improve management performance and internal controls.

Terms of Reference:

Risk Management

To review:

1. the Council's risk management framework to ensure it is current and comprehensive, and associated procedures for effective identification and management of financial and business risks, including fraud;
2. whether a sound and effective approach has been followed in developing strategic risk management plans for major projects or undertakings;
3. the effect of the risk management framework on its control environment and insurance arrangements;
4. whether a sound and effective approach has been followed in establishing the Council's business continuity planning arrangements, including whether disaster recovery plans have been tested periodically; and
5. the fraud policy and satisfy itself that the Council has appropriate processes and systems in place to capture and effectively investigate fraud-related issues.

Control Framework

To:

6. review whether management's approach to maintaining an effective internal control framework, including over external parties such as contractors and advisers, is sound and effective;
7. review whether management has in place relevant policies, processes and procedures, and that these are periodically reviewed and updated;
8. determine whether the appropriate processes are in place to assess, at least once a year, whether policies and procedures are complied with;
9. review whether appropriate policies and procedures are in place for the management and exercise of delegations;
10. consider how management identifies any required changes to the design or implementation of internal controls; and
11. review whether management has taken steps to embed a culture, which is committed to ethical and lawful behaviour.

External Accountability

To:

12. review the financial statements, provide advice (including whether appropriate action has been taken in response to audit recommendations and adjustments), and recommend their signing by the Council;
13. satisfy itself that the financial statements are supported by appropriate management sign-off on the statements and on the adequacy of the systems of internal controls;
14. review the processes in place designed to ensure that financial information included in the annual report is consistent with the signed financial statements;
15. satisfy itself that the Council has appropriate mechanisms in place to review and implement, where appropriate, relevant external audit reports and recommendations; and
16. satisfy itself that the Council has a performance management framework that is linked to organisational objectives and outcomes and has appropriate monitoring in place.

Legislative Compliance

To:

17. determine whether management has appropriately considered legal and compliance risks as part of the Council's risk assessment and management arrangements; and
18. review the effectiveness of the system for monitoring compliance with relevant laws, regulations, and associated government policies.

External Audit

To:

19. act as a forum for communication between the Chief Executive, senior management, and internal and external auditors;
20. provide input and feedback on the financial statements and the audit coverage proposed by the external auditor, and provide feedback on the audit services provided;
21. review all external plans and reports for planned or completed audits and monitor management's implementation of audit recommendations;

22. oversee the co-ordination of audit programmes conducted by the internal and external auditors and other review functions: and
23. provide advice to the Council on action taken on significant issues raised in relevant external audit reports and good practice guides.

Internal Audit

To:

24. act as a forum for communication between the Chief Executive, senior management, and internal and external auditors;
25. review the internal audit coverage and annual work plan, ensure that the plan is based on the risk management plan, and recommend approval of the plan by the Council;
26. oversee the co-ordination of audit programmes conducted by the internal and external auditors and other review functions;
27. review all audit reports and provide advice to the Council on significant issues identified in audit reports and action taken on issues raised, including identification and dissemination of good practice;
28. monitor management's implementation of the internal auditor's recommendations;
29. review the internal audit charter to ensure that appropriate organisational structures, authority, access, and reporting arrangements are in place;
30. recommend to Council the appointment of the internal auditor;
31. periodically review the performance and effectiveness of the internal auditor; and
32. be satisfied that any dismissal of the Chief Financial Officer is based on proper and appropriate reasons, to safeguard the independence of the audit function.

Zero Harm

33. To review:

- a. The Council's Zero Harm safety framework to ensure if it is current, comprehensive and adaptive to new and emerging risks.
- b. Whether a sound and effective approach has been followed in assessing the safety critical risks and developing related bowties to manage the risks.
- c. The reporting framework to ensure that the organisation is monitoring what matters.

The Committee is delegated the following recommendatory powers:

34. The committee has no decision-making powers.
35. The committee may make recommendations to the Council and/or the Chief Executive, as appropriate.
36. The committee may conduct and monitor special investigations in accordance with Council policy and approved budget, including engaging expert assistance, on matters within its terms of reference.

Administrative arrangements

Meetings

The committee will meet at least four times each year. An extraordinary meeting may be called to review the annual report. The chairperson is required to call a meeting if requested to do so by the Council, or the Chief Executive.

A meeting plan, including dates and agenda items, will be agreed by the committee each year. The meeting plan will cover all of the committee's responsibilities as detailed in these Terms of Reference.

For clarity, the Council's Standing Orders and Code of Conduct will apply to committee meetings and members.

Membership

In fulfilling their role on the committee, members shall be impartial and independent at all times.

Members are appointed for an initial term of no more than three years that aligns with the triennial elections, after which they may be eligible for extension or reappointment.

The Council appoints external members of the committee; the terms of the appointment to be recorded in a contract.

Attendance at meetings

Meetings can be held in person, by telephone, or by video conference in accordance with Standing Orders.

The Chief Executive, Executive Leadership Team members, and external audit representatives will be invited to attend each meeting, unless requested not to do so by the chairperson of the committee. The committee may also ask other Council employees, or other suitably qualified persons with interest or expertise in special topics, to attend committee meetings or participate for certain agenda items.

The committee will meet separately with both the internal and external auditors at least once a year.

Reporting

The committee will regularly, but at least once a year, report to the Council on its operation and activities during the year.

The report should include:

- a summary of the work the committee performed to fully discharge its responsibilities during the preceding year; and
- a summary of the Waikato District Council's progress in addressing the findings and recommendations made in internal and external audit reports, and the Auditor-General's reports (if applicable).

The committee may, at any time, report to the Chief Executive or the Council on any other matter it deems of sufficient importance to do so. In addition, at any time an individual committee member may request a meeting with the Chief Executive or the Council.

Assessment arrangements

The chairperson of the committee will initiate a review of the performance of the committee at least once every two years and present it to the Council.

Review of Terms of Reference

The committee will review its Terms of Reference at least once a year. This review will include consultation with the Council.

Any substantive changes to the Terms of Reference will be recommended for approval by the committee to the Council.

Open Meeting

To	Audit & Risk Committee
From	Gavin Ion Chief Executive
Date	24 December 2020
Prepared by	Brendan Stringer
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, 9 December 2020.

2. RECOMMENDATION

THAT the minutes of the Audit & Risk Committee held on Wednesday, 9 December 2020 be confirmed as a true and correct record of that meeting.

3. ATTACHMENTS

A&R Open Minutes – 9 December 2020

MINUTES of a meeting of the Audit & Risk Committee of the Waikato District Council held in the Committee Rooms 1 and 2, District Office, 15 Galileo Street, Ngaruawahia held on **WEDNESDAY, 9 DECEMBER 2020** commencing at **9.30am**.

Present:

Ms M Devlin (Chairperson)
His Worship the Mayor Mr AM Sanson [*until 11.10am and then from 11.28am until 12.45pm*]
Cr AD Bech
Cr JA Church
Cr JM Gibb
Cr JD Sedgwick

Attending:

Mr C Susan (Director, Audit NZ)
Ms G Wyborn (KPMG) via Audio-Visual – *Item 7.9: KPMG Resource Consents Revenue Process Review*

Mr GJ Ion (Chief Executive)
Mr TG Whittaker (Chief Operating Officer)
Mrs S O’Gorman (General Manager Customer Delivery)
Mr R MacCulloch (General Manager Service Delivery)
Ms A Diaz (Chief Financial Officer)
Mr C Morgan (General Manager Community Growth)
Mr K Abbott (Projects & Innovation Manager)
Mr G King (Chief Information Officer)
Ms V Jenkins (People & Capability Manager)
Ms K Jenkins (Risk Advisor)
Mr C Bailey (Finance Manager)
Ms K Wellington (Project Management Office Manager)
Ms C Pidduck (Legal Counsel)
Ms L Shirley (Zero Harm Manager)
Ms S Quinn (Procurement Manager)
Ms S Solomon (Corporate Planner)
Mr B Stringer (Democracy Manager)

APOLOGIES AND LEAVE OF ABSENCE

All members were present.

CONFIRMATION OF STATUS OF AGENDA ITEMS

Resolved: (Crs Bech/Gibb)

THAT the agenda for a meeting of the **Audit & Risk Committee** held on **Wednesday, 9 December 2020** be confirmed and all items therein be considered in open meeting with the exception of those items detailed at agenda item 8 which shall be discussed with the public excluded;

AND THAT all reports be received;

AND FURTHER THAT in accordance with **Standing Order 9.4** the order of business be changed with agenda item **7.9 (KPMG Resource Consents Revenue Process Review Report)** being considered after agenda item **5 (Actions Register)**

CARRIED

A&R2012/01

DISCLOSURES OF INTEREST

The Chair, Ms Devlin, advised members of the Committee that there were references to Watercare in reports in the agenda. She declared an interest as a Director of Watercare. It was also noted that there were no decisions required in respect of Watercare.

Cr Church advised members that there were references to the Wellbeing Trust in the Annual Report (Item 6.1), for which she was a member.

CONFIRMATION OF MINUTES

Resolved: (Mayor Sanson/Cr Sedgwick)

THAT the minutes of a meeting of the **Audit & Risk Committee** held on **Wednesday, 23 September 2020** be confirmed as a true and correct record of that meeting.

CARRIED

A&R2012/02

ACTIONS REGISTER

The report was received [ref A&R2012/01] and the Chief Operating Officer noted that there were a number of items which would be considered at the December workshops. The following matters were discussed:

- Action 2 - Strategic Risk Register: Communications & Engagement Strategy best considered as an update in the Risk Register rather than the Actions Register.
- Action 7 - Risk Appetite Review: No feedback received as yet on the updated Appetite Statement which was circulated.

REPORTS

Item 7.9 was then considered by the Committee.

KPMG Resource Consents Revenue Process Review Agenda Item 7.9

The report was received [ref A&R2012/01].

Ms Wyborn, KPMG summarised the report and its findings, and highlighted the following points:

- Control environment was effective.
- Follow-up process for late payment of invoices – some occasions where time period stipulated had not been met.
- Time recording/charging and on-charging of consultant costs were areas for improvement.
- Benchmarking of resource consent charging.

The Chief Operating Officer noted that management was supportive of the report and the recommendations. In response to questions, the following matters were noted:

- Staff would assess the process and resources available to give effect to the recommendation in relation to invoicing.
- Unable to test closed applications report – this was performed on a live basis so sample testing on an historic basis was not possible. It would be useful to be able to review past information.

ACTION: The recommendations from the KPMG report to be included in the Actions Register.

2019/20 Annual Report Agenda Item 6.1

The report was received [ref A&R2012/01]. The Finance Manager summarised the report and highlighted the following:

- The Committee was requested to review the Annual Report from a risk perspective.

In response to questions, the following matters were discussed.

- Revaluation of bridges and roading and impact on ongoing forecasting. The Chief Financial Officer provided the background to, and rationale for, the revaluation stated in the report and noted the benefit of more accurate financials and depreciation calculations.

- Audit NZ's proposed qualification to the audit
 - The Chair noted her interest as a director of Watercare.
 - Mr Susan, Audit NZ, addressed the Committee to provide the background of how Audit NZ approached its review of the information sought and obtained from Council staff.
 - i. There was insufficient information on the response times for callouts for wastewater issues.
 - ii. Audit NZ gave serious consideration before contemplating a qualified audit, and continued to work with Council management on the matter.
 - iii. Change in how Audit NZ looked at information provided this financial year following training, compared to previous financial years. Acknowledgment from Audit NZ that Council had not approached the issue differently for 2019/20 compared to the prior financial year.
 - iv. The matter was highlighted to Council staff two months ago.
 - The Chief Financial Officer summarised how Watercare would manually manage the response time process until an improved process was in place; which was part of the transition.
 - Timing of issue being identified to Council to be able to address and respond to Audit NZ.
 - Concern expressed by Committee members as to materiality of the issue that led to the proposed qualification.
 - The Chief Financial Officer referred to the learnings for Council going forward, in particular to having controls in place to be able to verify data collated is complete. Issue addressed by the Waters Governance Board at its recent meeting.
 - There would be a meeting with the Office of the Auditor-General after the Committee meeting to discuss the matter and Council's concerns.
- Covid-19 – staff had been requested to itemise more detail on what Council did or did not do, including reference to wage subsidy uptake.

Resolved: (Crs Gibb/Sedgwick)

THAT subject to receiving final clearance from Audit New Zealand, the Audit & Risk Committee recommends to Council the adoption of the Annual Report 2019/20 (as attached to the staff report) from a risk perspective;

AND THAT the Committee notes that there would be further discussion with the Office of the Auditor-General on the proposed audit qualification;

AND FURTHER THAT improvements to the Annual Report process be captured, and progress on actions be reported to the 10 March 2021 Committee meeting.

CARRIED

A&R2012/03

Strategic Risk Register and Emerging Risks – December 2020
Agenda Item 7.1

The report was received [ref A&R2012/01]. In speaking to the report the Risk Advisor highlighted the following points:

- December workshops – include discussions on changes to the Risk Appetite and identified risks.
- Where there were gaps between residual risk rating and appetite (p26 of the Agenda) – identified programme of works to address the gaps; which were not expected to show results every quarter.

In response to questions the following matters were discussed:

- Cyber security and risk of physical loss of Council devices
 - safety controls, including the ability to remote wipe devices, and encryption were in place on all Council devices;
 - staff culture in place to take responsibility for Council devices and respond appropriately should there be a loss.
- Covid-19 and resilience.

ACTION: Staff to check whether reference to the 2015-45 Infrastructure Strategy on p39 in the Agenda (Asset Management) is correct, or should be 2018-48.

- Impact of forecasting and how Council could deliver services and correlation with population statistics. Population projections to be considered at the Council meeting on Monday, 14 December 2020.

The Risk Advisor summarised the Emerging Risks report and the following matters were discussed:

- Staff were documenting how Council would manage Covid-19 going forward.

- Climate Resilience Action Plan to be presented to the December Council meeting for approval, and reflected in the Infrastructure Strategy and Asset Management Plans going forward. This should include impact, for example of the approach to solid waste.
- Mr Susan suggested that that climate change should be reflected in the Strategic Risk Register, rather than emerging risks.

ACTION: Staff to investigate and capture the evolving national issues and requirements in relation to climate change, and Council's response (e.g. recent climate emergency declaration).

- Staff were confident that there were sufficient partners and resources in place to assist Council in relation to upcoming issues.
- Covid-19 and dealing with community interests and cross-boundary issues.
 - Acknowledged there were some issues outside the Council's control.
 - Reports compiled for Waikato District Council and from a regional perspective, as well as discussions held by the Chief Executive and Mayor with relevant Ministers.

ACTION: Staff to circulate report(s) previously prepared in relation to cross-boundary issues arising from dealing with Covid-19 and provide a summary on future steps to be taken.

At the request of the Zero Harm Manager, the Committee considered Item 7.3 prior to Item 7.2.

Zero Harm Update Agenda Item 7.3

The report was received [ref A&R2012/01]. In speaking to the report, the Zero Harm Manager highlighted the following points:

- How the team had addressed completing activities in the current financial year.
- Zero Harm successes:
 - Building contractors' capability and training for contractors and Council's contract managers.
 - Dealing with critical risks (e.g. asbestos)
 - Dangerous animals' bowtie – 60 controls were now in place and gap analysis completed. How staff had been, and would be, engaged in the processes and controls discussed.
- Work Safe Home Safe event for 2021

In response to questions, the following matters were discussed:

- Dangerous animal bowtie and ensuring this reflected our different customer bases and needs, including education, engagement and enforcement.

- Stress at work
 - Zero Harm had started to address through a number of bowties (e.g. workplace violence, dangerous animals) and was considering whether stress/fatigue deserved its own bowtie.
 - Sleep and stress would be topics at the 2021 Work Safe Home Safe week.
 - Safety engagement conversations with managers discussed mental health and wellbeing issues.
 - Vitae service available to staff – offline and office visits, with an anonymised report presented to management each month identifying trends/general issues.
 - Surveys were undertaken during Covid-19 to track how staff were feeling, so that the organisation could respond with support as required.

ACTION: Zero Harm Manager to provide context to training as detailed in the staff report to better understand whether level of training completed was in line with expectations.

Waikato District Council Zero Harm Safety Management System Review Agenda Item 7.2

The report was received [ref A&R2012/01]. The Zero Harm Manager summarised the report, outlined the objective of the management system review, and highlighted the following:

- Documented systems were evolving.
- Overlapping PCBUs and how the risk was allocated between them (e.g. Raglan Wharf) – management of risks to ensure safety of users in conjunction with other PCBUs.
- Flexible working – how to deal with health & safety risk for staff working at home.
- Completed 75% of actions from KPMG audit. Work underway to address remaining actions.

In response to questions the following matters were discussed:

- Additional resource for the Zero Harm team canvassed in a business case to be considered as part of the LTP.
- Collaboration with Waikato LASS and across other councils, particularly in respect of legislative compliance.
- Utilisation of other agencies' models when developing a safety management system, tailored to ensure it was sustainable for Council's needs.
- Challenge to resource internal auditing capability; trialling in the New Year.

Risk Conversations – Project Management Office

Agenda Item 7.4

The report was received [ref A&R2012/01]. The Chief Operating Officer introduced the Project Management Office Manager and noted that the report focussed on the PMO team and processes, rather than project management across the organisation.

The following matters were discussed:

- Summary of the five risks identified (page 84 of the Agenda)
 - Cultural matters of working with the Executive Leadership Team to better engage and connect with staff and identify what good looks like.
 - Focus where priorities should be to achieve low risk.
- Early discussions on a project prioritisation tool and building into CAMMS.

Mayor Sanson withdrew from the meeting at 11.10am during discussion on the above item.

Strategic Risk Deep Dive – People & Capability

Agenda Item 7.5

The report was received [ref A&R2012/01]. In speaking to the report, the Risk Advisor provided the context for the report, and the People & Capability Manager highlighted the following points:

- Retaining talent and promotion within the organisation.
- Low staff turnover (5% currently compared to average 14-16% per annum).
- Flexibility and business continuity; decrease in sick leave taken.
- Increase in annual leave entitlement – monitored to ensure staff were taking adequate breaks.

In response to questions, the following matters were discussed:

- Inherent Risk Score and associated work that was underway:
 - Staff survey between the period of Covid-19 and when the report was written.
 - Additional work and intense monitoring to be undertaken over the next 12-18 months.
- Reputational risk should elected members not be able to fulfil their representative function due to insufficient staff resource to deal with constituent queries.
 - Resourcing dealt with via the LTP in relation to delivery of services.
 - Team BCPs in place to identify process should resources not be available.

- Reputational risk was dealt with through other work programmes and information available via the Council website.
- Engagement and 'employer of choice' aspirational goal:
 - example of teams each discussing their flexible working arrangements and to build into team plans in the New Year.
 - Zero Harm programmes, Vitae, Wellbeing Collective, tracksuit inc. – available to all staff and well-publicised.

Mayor Sanson returned to the meeting at 11.28am during discussion on the above item.

CAPEX Project Delivery Capability – Update Agenda Item 7.6

The report was received [ref A&R2012/01] and the Chair provided context to the capital delivery programme. The General Manager Service Delivery summarised the reports on activities recently undertaken and noted that the status report attached to the staff report was a manual collation of information.

ACTION: Staff to provide waters' projects capital expenditure financials for the 2020/21 year to Committee members.

In response to questions, the following matters were discussed:

- Issues that could derail the capital delivery programme included contractors not delivering on time, inadequate supply of services, and discovery of unknown issues as a result of more detailed planning. The importance of having regular conversations with stakeholders was noted.
- Cost impact of delays to delivering capital works.

ACTION: An update would be provided to the Committee at the March 2021 meeting.

Insurance Renewal 2020 Agenda Item 7.7

The report was received [ref A&R2012/01] and the Chief Financial Officer highlighted the following points:

- Staff were working with Aon on how best to address significant increases, particularly liability-type cover.
- Material damage cover – situations where excess is approximately the same as the cost to replace/restore damage.

In response to questions, the following matters were discussed:

- Relatively low premium for commercial motor cover due to WLASS involvement.

- Staff were comfortable that the level of cover stated was sufficient and nothing material was missing. It was noted that for some cover, Council relied on disclosure of information by other parties (e.g. Te Kauwhata Waters Association).

ACTION: A report to be provided to the Committee at the March 2021 meeting on the level of risk associated with other party disclosures.

Chief Financial Officer Report
Agenda Item 7.8

The report was received [ref A&R2012/01]. In speaking to the report, the Chief Financial Officer highlighted the following points:

- Infrastructure cost to service growth – developers had borne a substantial part of the cost for private plan changes to date; staff expected that planning and servicing costs for infrastructure would increase for Council in the future (including to acquire land), which would be considered as part of the Long Term Plan.
- Expected increase in costs to service three waters (including reforms).
- Using rates system to impose levies for Kainga Ora development.
- MBIE proposing that the Central Government Procurement Rules become mandatory for local authorities, not just best practice.

In response to questions, the following matters were discussed:

- Level of rates paid compared to property capital value.
 - Work undertaken by the Productivity Commission on where costs should lie.
 - Insufficient scale of properties to make large infrastructure development/upgrades affordable (e.g. half of properties not connected to water supply). Challenge in the way local government was funded.
 - Funding tools available to local government were not always helpful in relation to affordability of services.
- Conversations required with Central Government in relation to tension between the provision of infrastructure/services by local government and costs/affordability, to resolve how these were to be funded going forward.

ACTION: To use opportunities, including the LTP, for Council to tell a strong story on assumptions made for funding decisions required and conversations undertaken with Central Government in relation to funding of infrastructure/services.

- Significant forecast assumptions need to be supported by evidence that can be audited.

Quality & Governance Assurance

Agenda Item 7.10

The report was received [ref A&R2012/01] and taken as read.

Updated Future Work Plan

Agenda Item 7.11

The report was received [ref A&R2012/01] and taken as read.

Register of Interests – Elected and Appointed Members

Agenda Item 7.12

The report was received [ref A&R2012/01] and taken as read.

EXCLUSION OF THE PUBLIC

Agenda Item 8

Resolved: (Crs Gibb/Sedgwick)

THAT the public be excluded from the following parts of the proceedings of this meeting.

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

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
Item number 1.1 – Confirmation of Minutes	Good reason to withhold exists under Section 7 Local Government Official Information and Meetings Act 1987	Section 48(1)(a)
Item number 2.1 – Fraud Declaration		
Item number 2.2 – Fraud and Corruption Risk Management Update		
Item number 2.3 – Cyber Security (Updated)		

Item 2.4 - Member conflicts of interest – Officer of Auditor General response and steps taken by Council		
Item 2.5 - Register of Members' Interests – Senior Staff		

This resolution is made in reliance on section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or Section 7 of that Act which would be prejudiced by the holding of the whole or relevant part of the proceedings of the meeting in public, as follows:

Item No.	Section	Interest
Item 1.1 Confirmation of Minutes		Refer to the previous Public Excluded reason in the agenda for this meeting.
Item number 2.1 – Fraud Declaration	7(2)(a)	To protect the privacy of natural persons, including that of deceased natural persons.
	7(2)(c)(ii)	To protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely otherwise to damage the public interest.
Item number 2.2 – Fraud and Corruption Risk Management Update	7(2)(a)	To protect the privacy of natural persons, including that of deceased natural persons.
	7(2)(c)(ii)	To protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely otherwise to damage the public interest.
Item number 2.3 – Cyber Security (Updated)	7(2)(b)(i)	To protect information where the making available of the information would disclose a trade secret.
	7(2)(b)(ii)	To protect information where the making available of the information would be likely unreasonably to

Open Meeting

To	Audit & Risk Committee
From	Tony Whittaker Chief Operating Officer
Date	12 January 2021
Prepared by	Sharlene Jenkins Executive Assistant
Chief Executive Approved	Y
Reference #	GOV1318
Report Title	Actions Register

1. EXECUTIVE SUMMARY

The purpose of this report is to present an updated Audit & Risk Committee Action Register for the Committee's information.

2. RECOMMENDATION

THAT the report from the Chief Operating Officer be received.

3. ATTACHMENTS

Updated Audit & Risk Committee Action Register

Audit & Risk Committee: Action Register – March 2021

#	Action	Owner	Date Assigned	Date Due	Status
1	<p><u>Member Training and Development</u> JUNE 2020: Staff would explore, with the Chair, options for training of Committee members, including reviewing information available from the Office of the Auditor-General.</p>	Mayor	December 2018	March 2020	Complete. KPMG (David Sutton) facilitated a training session for Committee Members, Councillors and ELT on 11 December 2020. Health and Safety training was delivered on 01 September for Councillors.
2	<p><u>Strategic Risk Register Review September 2020</u> Partnership and stakeholder risk to be considered in training to take place in December 2020.</p>	Risk Advisor	September 2020	December 2020	Complete. A risk workshop, chaired by Margaret Devlin and facilitated by KPMG (David Sutton), was held on 16 December 2020. Discussion on the Partnership and Stakeholder risk were included. The strategic risk register has been updated accordingly and circulated to all elected members and ELT.
3	<p><u>Risk Appetite Review September 2020</u> Risk Appetite Statement to be clear in terms of organisation's tolerance for risks (e.g. fraud).</p>	Risk Advisor	September 2020	December 2020	Complete. A risk workshop, chaired by Margaret Devlin and facilitated by KPMG (David Sutton), was held on 16 December 2020. Updates to the risk appetite statements were agreed. The statement has been updated accordingly and circulated to all elected members and ELT.
4	<p><u>Strategic Risk Register and Emerging Risks September 2020</u> Executive Leadership Team to consider Risks 00230 and 00188 in terms of alignment with Risk Appetite.</p>	Risk Advisor	September 2020	December 2020	Complete. A risk workshop, chaired by Margaret Devlin and facilitated by KPMG (David Sutton), was held on 16 December 2020. All strategic risks and risk appetite were reviewed and updated accordingly. Risks which remain outside of appetite will be monitored by ELT for appropriate action and progress will be reported quarterly to the Audit & Risk Committee.

#	Action	Owner	Date Assigned	Date Due	Status
5	<u>KPMG Resource Consents Revenue Process Review</u> The recommendations from the KPMG report to be included in the Actions Register.	Chief Operating Officer	December 2020	March 2021	Complete. Captured below.
6	<u>2019/20 Annual Report</u> Improvements to the Annual Report process be captured, and progress on actions be reported to the 10 March 2021 Committee meeting.	Chief Financial Officer	December 2020	March 2021	Complete. This is included in the <i>Improvements to the Annual Plan Process</i> report.
7	<u>Strategic Risk Register and Emerging Risks – December 2020</u> Staff to check whether reference to the 2015-45 Infrastructure Strategy on p39 in the Agenda (Asset Management) is correct, or should be 2018-48.	Risk Advisor	December 2020	March 2021	Complete. The risk and treatment have been reviewed and updated. Further updates are expected once the Long Term Plan / Infrastructure Strategy has been approved (mid 2021).
8	<u>Strategic Risk Register and Emerging Risks – December 2020</u> Staff to investigate and capture the evolving national issues and requirements in relation to climate change, and Council's response (e.g. recent climate emergency declaration).	Risk Advisor	December 2020	March 2021	Complete. A risk workshop, chaired by Margaret Devlin and facilitated by KPMG (David Sutton), was held on 16 December 2020. A climate resilience risk was added to the strategic risk register. This risk is examined in the March 2021 Deep Dive Report and appropriate mitigations will be implemented. The risk will now be reported as per standard procedure to the Audit & Risk Committee as part of quarterly reporting cycle.
9	<u>Strategic Risk Register and Emerging Risks – December 2020</u> Staff to circulate to Committee members the report(s) previously prepared in relation to cross-boundary issues arising from dealing with Covid-19 and provide a summary on future steps to be taken.	Risk Advisor	December 2020	March 2021	Complete. A paper with updated learnings and details of COVID-19 ongoing response including boundary management is included in the March 2021 meeting (Public Excluded). Copies of all the previous "Learnings from COVID" reports and latest status reports have been circulated to the committee.

#	Action	Owner	Date Assigned	Date Due	Status
10	<u>Zero Harm Update</u> Zero Harm Manager to provide context to training as detailed in the staff report to better understand whether level of training completed was in line with expectations.	Zero Harm Manager	December 2020	March 2021	Complete. To be included in all <i>Zero Harm Update</i> reports going forward.
11	<u>CAPEX Project Delivery Capability – Update</u> Staff to provide waters' projects capital expenditure financials for the 2020/21 year to Committee members.	General Manager Service Delivery	December 2020	March 2021	Complete. This is included in the <i>CAPEX Project Delivery Capability – Update</i> report.
12	<u>CAPEX Project Delivery Capability – Update</u> An update would be provided to the Committee at the March 2021 meeting.	General Manager Service Delivery	December 2020	March 2021	Complete. This is included in the <i>CAPEX Project Delivery Capability – Update</i> report.
13	<u>Insurance Renewal 2020</u> A report to be provided to the Committee at the March 2021 meeting on the level of risk associated with other party disclosures.	Chief Financial Officer	December 2020	March 2021	Refer to <i>Chief Financial Officer Report</i> for this month. This will be addressed through development of the Insurance Risk Strategy
14	<u>Chief Financial Officer Report</u> To use opportunities, including the LTP, for Council to tell a strong story on assumptions made for funding decisions required and conversations undertaken with central government in relation to funding of infrastructure/services.	Chief Financial Officer	December 2020	March 2021	Noted.

KPMG Resource Consents Revenue Process Review

#	Agreed Management Action	Responsible	Date Assigned	Date Due	Status
1	<p><u>Follow-up of late payments by the Consents and Legal Teams</u></p> <p>Review the existing processes for late payments to confirm if they are industry best practice</p>	Consent Manager, Consent Administration Team Leader	27 November 2020	30 June 2021	Work is underway to establish industry best practice for the follow-up of late payment of bills. A number of Councils are currently being contacted to establish other Council practices for follow-up of late payments.
2	<p><u>Follow-up of late payments by the Consents and Legal Teams</u></p> <p>Develop reports to enable staff and management to see and track volume, patterns, trends, and impacts regarding existing late payment activities.</p>	Consent Manager, Consent Administration Team Leader	27 November 2020	30 June 2021	Discussions have commenced to confirm content of existing reports, the gaps identified via the audit, and explore possible amendments to them or creation of new ones, to enable improved tracking of late-payment follow-ups. Possible options for amended or new reports being drafted by BA staff.
3	<p><u>Follow-up of late payments by the Consents and Legal Teams</u></p> <p>Utilise findings from the above to inform any changes needed to processes and/or allocation of resources to this activity.</p>	Consent Manager, Consent Administration Team Leader	27 November 2020	30 June 2021	The details of this action (changes to processes or resource allocation) are pending completion of Actions 1 and 2.

#	Opportunity for improvement	Responsible	Date Assigned	Date Due	Status
1	<p><u>Time recording – Number of hours spent on a resource consent</u></p> <p>Consider formalising Management's desire to incorporate the review of the 'Charges Sheet' into the Consents Team Leader's review. Where there is non-chargeable time within the 'Charges Sheet', ensure that an explanation is documented</p>	Consent Manager, Consent Administration Team Leader	27 November 2020	30 June 2021	Discussions with Consent Team Leaders on this item scheduled week 1-5 March 2021.

#	Opportunity for improvement	Responsible	Date Assigned	Date Due	Status
2	<p><u>Time recording – Number of hours spent on a resource consent</u></p> <p>Consider developing a report that is reviewed on a periodic basis which identifies any unusually high or low charges for follow up/investigation by Management.</p>	Consent Manager, Consent Administration Team Leader	27 November 2020	30 June 2021	Discussions with Consent Team Leaders and BA on this item scheduled week 1-5 March 2021.
3	<p><u>Missed costs – External consultants</u></p> <p>Consider developing a report which is reviewed on a periodic basis to identify and investigate the root causes of late and not charged consultant costs. This should be an indicator of whether the current preventative controls in place are working effectively.</p>	Consent Manager, Consent Administration Team Leader	27 November 2020	30 June 2021	Discussions have commenced to confirm details of existing processes which record/flag where external consultants have been used, identify gaps and explore solutions. Options for improvements to be discussed with Consent Team Leaders scheduled week 1-5 March 2021.

Open Meeting

To	Audit & Risk Committee
From	Alison Diaz Chief Financial Officer
Date	15 February 2021
Prepared by	Colin Bailey Finance Manager
Chief Executive Approved	Y
Reference #	GOV1318 / 3007673
Report Title	KPMG Rates Processes Review

1. EXECUTIVE SUMMARY

The purpose of this report is to present the KPMG Rates Processes Review report and provide additional information regarding the report findings.

2. RECOMMENDATION

THAT the report from the **Chief Financial Officer** be received.

3. REPORT FINDINGS

- a. Timely follow up of debtors.** Credit control activities undertaken by the Rates team are in line with their standard procedures and processes. While the service level expected of the team is being met, the audit work highlights areas that should be re-visited so they are suitably 'pro-active'.

All accounts on which rates instalments or water-by-meter payment dates are missed are sent letters advising of the penalties applied and requesting settlement of the outstanding amount. When accounts go into arrears (previous year's rates are unpaid), the mortgagee is requested to settle the unpaid amount if there is a mortgage on the property or the property owner is sent a final demand. Owners who do not respond to the final demand letters are passed onto a debt collection agency for collection.

- b. Write-off policy/guidelines and approvals.** All staff understand they do not have delegation to write off debt without approval. The write-offs amounting to \$86,000 referred to in the report are statute barred debts, i.e., debts that are six or more years old and Council is barred from collecting these debts. Given this is a legislated process there has been no requirement to seek approval to write these amounts off. In future, for better transparency, the statute barred amounts will be advised to the Strategy & Finance Committee.
- c. Penalty remission application methods and approvals.** It should be noted the sum of \$307,000 quoted in the report in respect of remissions granted, includes system generated Excellent Payment History (EPH) remission where a penalty is remitted on an account which has been maintained up to date during the preceding two years.
- d. Annual rates calculation process.** There is a project underway to fully document Rates processes, and this is on track. The Property and Rating database holds all property and rates data, and rates charges are calculated by this system. Checking the accuracy of the input into the system is with a combination of manual processes and system generated reports.

The subdivision process in the system automatically attributes the rates charge characteristics of the parent property to the child properties. The manual process occurs when checking the rates strike charges on more than 34,000 rateable properties. This is mostly done on an exception basis, where rates amounts that decrease or increase more than the expected level are investigated and corrective action is taken. The source data is then re-checked to ensure the anomalies have been dealt with.

- e. Rates adjustments and remissions.** Immediate improvements have been implemented regarding documentation of rate adjustments and remissions and are now filed in the content management system. Ad-hoc rate adjustments are made in respect of contiguous properties, Maori Land applications and late advice of the discontinuation of services.

Management Reporting. KPI reporting for the Rates team is available and will be run monthly from March 2021. The Rates team has had access to and regularly reviews the data that generates the reports.

4. ATTACHMENTS

KPMG Rates Processes Review



Rates processes review

Waikato District Council

21 December 2020

kpmg.com/nz

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Disclaimers

Inherent limitations

This report has been prepared in accordance with our Terms of Reference dated August 2019. The services provided under our Terms of Reference ("Services") have not been undertaken in accordance with any auditing, review or assurance standards. The term "Audit/Review" used in this report does not relate to an Audit/Review as defined under professional assurance standards.

The information presented in this report is based on that made available to us in the course of our work, publicly available information and information provided by Waikato District Council. We have indicated within this report the sources of the information provided. Unless otherwise stated in this report, we have relied upon the truth, accuracy and completeness of any information provided or made available to us in connection with the Services without independently verifying it.

No warranty of completeness, accuracy or reliability is given in relation to the statements and representations made by, and the information and documentation provided by, Waikato District Council Management, personnel and stakeholders consulted as part of the process.

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This report is solely for the purpose set out in Appendix 1 of this report and for Waikato District Council's information and is not to be used for any other purpose or copied, distributed or quoted whether in whole or in part to any other party without KPMG's prior written consent.

Other than our responsibility to Waikato District Council, neither KPMG nor any member or employee of KPMG assumes any responsibility, or liability of any kind, to any third party in connection with the provision of this report. Accordingly, any third party choosing to rely on this report does so at their own risk.

Internal controls

Due to the inherent limitations of any internal control structure, it is possible that errors or irregularities may occur and not be detected. Our procedures were not designed to detect all weaknesses in control procedures as they are not performed continuously throughout the period and the tests performed are on a sample basis. As such, except to the extent of sample testing performed, it is not possible to express an opinion on the effectiveness of the internal control structure.



1. Executive summary

Introduction

Waikato District Council (“WDC”) has requested that KPMG perform a review of rates processes. Rates provide the most significant contribution to WDC’s revenue. As a result, accurate, complete and timely rates invoicing and reconciliation processes are critical to WDC’s financial stability.

Objectives

The objective of this review was to assess the adequacy and effectiveness of the processes performed by the Finance Team relating to the invoicing and collection of revenue associated with rates. The specific objectives, scope and approach of this review are detailed in Appendix 1.

Overall rating

Based on the results of the review, we have rated the control environment relating to rates processes as:

Overall Rating	Effective
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Refer to Appendix 2 for the classification of the overall ratings. Provided in Section 2 is a summary of the controls tested as part of this review.

Key strengths

We observed the following key strengths at WDC which we consider to be valuable and important to be continued:

- There is good leadership of the Rates Administration team, transparent communication among the team members and good support provided by the Finance Team Leader – Revenue to all stakeholders involved in the rates processes.
- There are several staff in the Rates Administration team that have been with WDC for many years and are very familiar with the processes. They are also familiar with many of the debtors and their individual circumstances.

- The refund of overpayments identified by ratepayers is an efficient process. WDC prioritises these requests, acting in the best interest of the customer and making timely refunds where appropriate.

Key findings/observations

Summarised below are the number of findings identified by the risk ratings.

	High	Medium	Low
Total internal audit findings	-	1	5

The risk ratings are based on a combination of residual risks arising from the issues, the urgency required to resolve/mitigate the risks, and opportunities to make the processes more effective and efficient. Although we have identified some control weaknesses which are highlighted in our findings, the tested controls are on balance considered effective.

The “Medium” finding relates to outstanding debtors. We identified that the Rates Administration team is currently behind with proactive and timely follow up of outstanding debtors. There has also been a lack of evidence to demonstrate further follow up with debtors in a timely manner after the initial contact. Untimely follow up with ratepayers has the potential to impact WDC’s ability to recover revenues and restrict cashflow.

















Additional detail on this finding and those rated as “Low” are included in Section 3 of this report along with our recommendations.

Management action plans

The findings and recommendations were discussed with Management. Management action plans have been included in the report.



2. Summary of controls

	Control	Status
 <p>Risk of rate calculations inaccurately applied to determine rates invoices.</p>	High level review of all properties to ensure rate charges are accurate and complete.	 Control component not fully operating effectively Finding: 4
	Exceptions identified from the high-level review are investigated and updated as appropriate.	 Control component not fully operating effectively Finding: 4
	Rate schedule is reviewed against the Long-Term Plan by an independent staff member.	 Control operating effectively
	Sample invoices are reviewed for accuracy prior to mailing to ratepayers.	 Control operating effectively
 <p>Risk of rate adjustments inappropriately applied.</p> <p>Risk of overpayments not managed nor accurately repaid in a timely manner.</p>	Rate adjustments relating to incorrect charges to ratepayers are approved.	 Control not operating effectively Finding: 5
	Remission of rates are approved.	 Control not operating effectively Finding: 5
	Overpayment refunds are appropriately approved.	 Control operating effectively
	Regular review of credit balances is performed to identify potential overpayment refunds.	 Control operating effectively
 <p>Risk of debtors not managed appropriately to recover rates on time, in full, and write-offs inappropriately applied.</p>	SMS text messages are sent to debtors within 10 days of the due date for each instalment.	 Control operating effectively
	Credit Control review the outstanding debtors on a regular basis and follow up appropriately in a timely manner.	 Control not operating effectively Finding: 1
	Penalties are applied in a timely manner.	 Control operating effectively
	Penalty remissions are approved, applied appropriately in line with policy.	 Control component not fully operating effectively Finding: 3
	Write-offs are appropriate and approved.	 Control component not fully operating effectively Finding: 2

3. Detailed findings and recommendations

1. Timely follow up of debtors

Rating of finding: Medium

Finding

The Rates Administration team is currently behind with proactive and timely follow up of outstanding debtors. There has also been a lack of evidence to demonstrate further follow up with debtors in a timely manner after the initial contact.

The process for following up with outstanding debtors is manual, driven by the Rates Administration team. At the end of each instalment period and strike year following the application of penalties, the Rates Administration team will generate a report outlining all outstanding debtors. The team then performs the following:

- Contacts the ratepayer regarding their outstanding amounts and understands their circumstances;
- Agrees a payment arrangement plan with the ratepayer to pay off their outstanding debt, particularly where the debt relates to previous years (arrears);
- Issues a notice to the ratepayer reminding them of the debt, communicating that WDC may demand payment from the mortgagee if payment has not been received in full within 90 days or established an agreed payment plan;
- Issues a notice to the mortgagee where the ratepayer has not responded, demanding the outstanding amount within 14 days; and
- Seeks other avenues of collecting the outstanding rates, e.g. through estate, debt collection agency, etc., where applicable.

Our sample review of outstanding debtors in arrears (rates relating to prior years) showed six out of 10 debtors were unable to demonstrate any evidence on file of:

- Recent follow up with the debtors e.g. phone call, or letters;
- Agreed payment arrangements in place; and/or
- Referral to debt collection agencies.

We understand for some of these debtors WDC may have exhausted the avenues in the past and without success. Four out of the six debtors had been issued with letters communicating the ongoing penalties applied to their outstanding amounts, serving as a form of reminder on the outstanding amounts.

Recommendations

- Investigate all outstanding debtors on a regular and timely basis, proactively follow up with the ratepayers and set internal timeline reminders to check in on the progress of reducing the outstanding debt.
- Consider escalating outstanding debt beyond a specified timeframe to a debt collection agency where appropriate, or write-off the debt.



We understand the reason for a lack of proactive management of debtors is primarily due to staff changes in the team, lack of staff available to perform at full team capacity, and the COVID-19 restrictions during the year. We acknowledge that the Credit Control team consists of three FTE staff, which can make it difficult to perform personal follow up on over 46,000 individual accounts.

The Rates Administration team have indicated plans over the next six months and prior to the next strike year to bring the debt collection function in-house to ensure WDC is optimising the different channels to recover the rates owing to them.

Impact

- Untimely follow up with ratepayers due to a lack of debtor management practices may impact WDC's ability to recover revenues and limit cash flow available to pay creditors.

Agreed Management actions

There is an ongoing project to automate written follow ups with all account holders with overdue and arrears balances.

Responsibility	Finance Team Leader – Revenue	Target date	30 June 2021
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2. Write-off policy/guidelines and approvals

Rating of finding: Low

Finding**Policy or guidelines**

There does not appear to be any internal policy or guidelines outlining the factors and timeline deemed appropriate for writing off bad debt. Current practice is that outstanding debt relating to property rates is written off after six years, at which point WDC accepts the debt as unrecoverable. We understand there is a preference to attempt to exhaust all avenues for debt collection prior to write off over the years e.g. through the mortgagee, estate, successor of the property, debt collection agency, etc.

The outstanding amount relating to arrears up to the 30 June 2020 instalment period totals \$3.9 million. This debt relates to rates billed over the past five years.

Write-off approval

We were unable to verify whether there was approval over the property rates write-off for \$86,000 in the 2020 financial year. We understand the \$86,000 was comprised of small amounts of debt which individually were below \$5,000 each, all above six years old, and considered statute barred debt.

The debt write-off process document states that write-offs require approval by the Chief Executive Officer and Strategy & Support GM for amounts below \$5,000 and approval by the Council for amounts above \$5,000.

Impact

- Inappropriate write-offs or outstanding debt after a long period of time due to a lack of clear policy and guidelines may lead to inaccurate receivables being reported and inaccurate forecasting of cash flows.
- Inappropriate write-offs due to lack of approval obtained may lead to inaccurate receivables being reported and inaccurate forecasting of cash flows.

Recommendations

- Introduce a debt write-off policy or guidelines outlining the factors and timeline deemed appropriate for writing off outstanding debt.
- Re-assess the appropriateness of writing debt off after six years.
- Ensure write-offs including financial year-end write-offs relating to property rates are supported by appropriate approvals in line with the debt write-off process document.

Agreed Management actions

- We do not anticipate putting in place a debt write off policy and will continue to chase debts until they become statute barred.
 - Statute barred debts are advised to senior management at the time the entries are processed, i.e. 30 June each year. We will add this to the report to the Strategy and Finance committee at the end of each financial year.
-

Responsibility	Finance Manager	Target date	30 June 2021
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3. Penalty remission application methods and approvals

Rating of finding: Low

Finding**Policy**

The penalty remission policy currently outlines that penalty remissions must be made in writing. Although in practice, applications can be received over the phone or through other channels, the policy does not reflect these alternative application methods.

The policy requirement for having applications in writing may make it difficult for some ratepayers to access penalty remissions. For example, some ratepayers may be unable to articulate their position well in a written form and may either decide not to continue or end up failing the assessment.

Approval

The delegation register outlines that penalty remissions must be approved by the Finance Team Leader – Revenue and can be approved by credit controllers up to a value of \$500. During our review, we came across one sample where we were unable to verify whether approvals were obtained for penalty remissions above \$500. We understand that the penalty remissions granted were in line with the criteria outlined in the penalty remission policy e.g. the ratepayer had adhered to their payment arrangement plans and were treated consistently with other penalty remission applications.

The penalty remissions applied during our 12 month scope period amounted to \$307,000 over 3,497 properties.

Impact

- Limitations in application methods for may result in vulnerable customers being hindered from applying for penalty remissions.
- Inappropriate penalty remissions applied due to a lack of approval over penalty remission applications may result in lost revenue for WDC.

Recommendations

- Consider updating the penalty remission policy to include the alternative methods available for applying for penalty remissions.
- Reinforce to staff that penalty remissions above \$500 must be supported the appropriate approvals, in line with the delegations register. Ensure the evidence of approval is saved in the system.

Agreed Management actions

The penalty remission policy is appropriate for the current circumstances. Requesting formal application identifies the applicant and clearly evidences the reasons for the application, on which a decision can be made. The policy will be reinforced to staff.

Responsibility	Finance Team Leader – Revenue	Target date	31 January 2021
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4. Annual rates calculation process

Rating of finding: Low

Finding**Documentation of process**

There is a lack of standard operating procedures and/or process maps to capture the annual rates calculation process including identification of anomalies for investigation and correction; and accuracy and completeness checks.

The annual rates calculation process primarily sits within the role of the Finance Team Leader – Revenue and appears to be a lengthy exercise. Due to the COVID-19 restrictions, the previous Finance Team Leader – Revenue (now, the Finance Manager) who had been performing this exercise for several years, continued to do this for the current rate strike year. As the knowledge is retained with the previous Finance Team Leader – Revenue, there is a key person risk in the process.

Documenting the entire end to end process may assist with training and knowledge sharing, particularly in the absence of key staff.

Manual process

The annual rates calculation process is largely manual in nature. There is a process to ensure all newly developed and subdivided properties have been considered; and that the correct targeted charges have been applied. The process of identifying anomalies and undertaking investigation can take up to three weeks prior to issuing the new rate strike notices for the year. We understand this exercise may have taken extra time this year due to a new Watercare contract which required data transfer. There may be an opportunity to automate the anomaly identification process (in full or in part), and the accuracy and completeness checking processes to reduce manual work, save time, and achieve a more detailed check.

Accuracy and completeness checks

To ensure the accuracy and completeness of the rates calculation for all properties, a high level check is performed to identify anomalies for investigation as mentioned above, using Excel spreadsheets. There is no tracking of whether the anomaly identified has been investigated, if updates are required to be made or what the conclusions of the anomalies were. Updates are directly processed into the Property & Rating system ("P&R system") where required, following investigation. The lack of tracking and documentation

Recommendations

- Document the rates calculation process in a standard operating procedure. Include in the process for identifying anomalies for investigation and correction; and accuracy and completeness checks for ensuring all properties have been captured correctly.
- Explore the option of automating the annual rates calculation process to reduce manual work, save time and achieve a more detailed check.
- Track the progress of anomalies identified for investigation including:
 - Whether the anomalies have been investigated;
 - Whether the anomalies have been updated in the system where required; and
 - Conclusions of the investigation.
- Consider an independent check or regular sample check over properties set up in the system. Check that the properties have been correctly valued and allocated the correct types of charges based on their catchment area.

means that there is a risk an exception initially identified could be missed from being investigated or updated in the system.

Following the issue of the annual rates notices this year, there were 604 properties with supplementary notices issued as they were missed from initial billing. We understand some missed billings were outside WDC's control e.g. the titles and/or property values had not been provided to WDC in a timely manner prior to billing.

System set up

Properties are constantly set up in the P&R system on an adhoc basis during the year as new properties are developed and existing properties are subdivided. Simultaneously, old properties are being updated to 'past' properties where they no longer exist or adjusted to reflect land improvements.

Any changes to properties involve updates to their values and applicable types of rates in the P&R system by the Rates Administration team. Staff are responsible for allocating the respective types of targeted charges, e.g. community halls, swimming boards, community boards, etc., depending on the catchment area. They are also responsible for loading the land value, improvement value and capital value, determined by QV (external valuers). There is reliance placed on the Rates Administration team to accurately set up the properties in the P&R system in the first instance. There is no independent check or sample check of properties to ensure they have been accurately loaded in the system.

During our 12 month scope period, the Rates Administration team processed 272 adhoc rate adjustments which related to properties incorrectly charged.

Impact

- Inability to perform the annual rates calculation process in the absence of key staff due to lack of documented standard operating procedure leading to inaccurate rates charged to ratepayers and/or leakage of revenue for WDC.
- Lack of detailed oversight and lost time for staff due to the manual rates calculation process leading to inefficiencies and inaccuracies.
- Inaccurate and/or incomplete billing due to exceptions being missed from investigated or updated in the system leading to leakage of revenue for WDC.
- Inaccurate and/or incomplete rates charged due to inaccurate set up and changes of properties in the P&R system leading to a loss of revenue for WDC and/or increased administrative costs for processing adjustments.



Agreed Management actions

- Promapps for all Rates Strike processes are currently being reviewed and updated.
- New property values are regularly reconciled to Valor, the external and independent database that holds the District Valuation Roll. QV uploads values into Valor and these values are then uploaded into our database. Errors and anomalies are corrected when found.
- The value of adjustments for incorrect charges in the 2019/20 rates strike was less than 0.2%. This is not considered to be a material issue.
- There are approximately 34,000 rateable units and check each and every one cannot be achieved within the statutory timeframe for sending out annual rates assessments. The current method of checking by exception is considered adequate although it is recognised that there may be tools available to automate the process. We will investigate what is available.

Responsibility	Finance Team Leader – Revenue	Target date	30 June 2021
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5. Rate adjustments and remissions

Rating of finding: Low

Finding

Adhoc rate adjustments can occur when ratepayers have been incorrectly charged rates on their property. Reasons for this include but are not limited to: properties still being under development, properties no longer eligible to be billed or properties which have had revised values.

Remissions can be granted to ratepayers where they meet one of the criteria on the remission policy. Consideration may be given to ratepayers where it relates to Maori land, subdivision, community use, etc.

Approval

Both adhoc rate adjustments and remission applications must be approved by the Finance Team Leader – Revenue. Our sample testing showed four instances of general remissions and four instances of rate adjustments that could not be verified against supporting approval. The Rates Administration team understand that the rates adjustments were appropriate based on the nature of the adjustment where the ratepayer was incorrectly billed and the remissions were appropriate, in line with the remissions policy.

Adhoc rate adjustments (excluding supplementary rate adjustments) applied during our scope period amounted to \$143,000. General remissions applied during our scope period (excluding penalty remissions) were \$17,000.

Impact

- Inappropriate rate adjustments and remissions applied due to unauthorised changes may result in loss of revenue for WDC.

Recommendations

- Reinforce to the Rates Administration team that adhoc rate adjustments and remissions require approval by the Finance Team Leader – Revenue. Ensure the evidence of approval is saved in the system.

Agreed Management actions

We have reinforced to the Rates Administration team that ad-hoc rate adjustments and remissions require approval by the Finance Team Leader – Revenue.

Responsibility

Finance Team Leader - Revenue

Target date

Completed



6. Management reporting

Rating of finding: Low

Finding

There is currently a lack of formal operational reporting of key information, key performance indicators and metrics to Management/Leadership Team on the rates administration and credit control functions. We understand there is transparent communication between the Rates Administration team and Finance Team Leader – Revenue on a day to day basis, and communication with the Finance Manager on an as required basis. There is a significant amount of data available to support regular reporting to the Leadership Team such as:

- Aging analysis of debtors relating to the current rate strike year and previous years
- Categories which debtors fall in e.g. payment arrangements agreed, legal issues, referred to debt collection, etc.
- Volume and amount of penalties applied
- Volume and amount of penalty remissions and general remissions applied
- Volume and amount of rate adjustments applied due to missed billing and incorrect charges
- Volume and amount of overpayment refunds made.

Impact

- Management/Leadership Team may not be fully aware of operational issues in the rates and credit control functions due to lack of formal communication and reporting, compromising decision making.

Recommendations

- Introduce formal reporting to Management/Leadership Team on a regular basis, e.g. quarterly reporting. Agree the key information to be reported and the format in which reporting is to be presented.

Agreed Management actions

Management reporting of Long Term Plan KPIs will be put in place for the Finance Team. The development of the KPIs will be done within the Long Term Plan schedule in early 2021 and will include operational measures.

Responsibility

Finance Manager

Target date

31 March 2021





Appendices

Appendix 1: Scope

Objectives and scope

The objective of this review was to assess the adequacy and effectiveness of the processes performed by the Finance Team relating to the invoicing and collection of revenue associated with rates.

The scope of the review was to assess the adequacy and effectiveness of WDC's controls in regards to ensuring:

- The rates calculation is correctly applied to determine rates invoices
- Rates adjustments are appropriately applied
- Overpayments are managed and accurately repaid in a timely manner
- Debtors are managed to recover rates on time, in full, and any write offs applied are appropriate.

This review excluded the underlying rates calculation/model.

Approach

Planning

- Obtained and reviewed relevant information relating to the rates invoicing process including strategies, policies, procedures and process documents.
- Identified key individuals for interviews and agreed timings for the interviews.

Fieldwork

- Performed walkthroughs to gain an understanding of the rates invoicing process.
- Documented key risks and controls, and used the risk and control assessment to target fieldwork to areas of significant risk.
- Performed testing of key controls identified within the process to assess the effectiveness of such controls. Detailed testing was performed in line with KPMG's internal Audit methodology as required to support our conclusions.

- Identified potential opportunities to improve the effectiveness and efficiency of the process.

Reporting

- Developed a draft report detailing the internal audit findings and opportunities for improvement/recommendations and provided this to Management for documentation of their intended action plan.
- Issued a final report including Management action plans to address recommendations.



Appendix 2: Ratings and classifications

Overall rating

The overall ratings are defined as follows:

Rating	Definition
GOOD	The controls are fit for purpose and are being performed in a manner which effectively mitigates the identified risks.
EFFECTIVE	Despite the fact that some control weaknesses were identified, existing controls within the audited process are considered to be generally adequate, appropriate and effective. They ensure that the audited business processes will achieve their control objectives.
DEVELOPING	Control weaknesses were identified which, if not appropriately addressed, could in the future result in the audited business processes not achieving their control objectives.
NOT EFFECTIVE	Existing controls are considered to be inadequate and ineffective to ensure that the audited business processes will achieve their control objectives. Significant improvements are required to improve the adequacy and effectiveness of the control environment.

Risk rating

The risk rating assigned to the findings is determined based on an assessment of the impact of the business and the likelihood of the risk occurring, defined as follows:

Rating	Definition
LOW	Matters which are unlikely to have a significant impact on the system of internal control, but should be addressed as part of continuous improvement.
MEDIUM	Matters which are important to the system of internal control and should be addressed as soon as possible.
HIGH	Matters which are fundamental to the system of internal control. The matters observed can seriously compromise the system of internal control and data integrity and should be addressed as a matter of urgency.

Contact us

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Open Meeting

To	Audit & Risk Committee
From	Tony Whittaker Chief Operating Officer
Date	26 February 2021
Prepared by	Katja Jenkins Risk Advisor
Chief Executive Approved	Y
Reference #	GOV1318
Report Title	Strategic Risk Register and Emerging Risks March 2021

1. EXECUTIVE SUMMARY

This report details:

- Strategic Risk update (gap analysis);
- Emerging Risks.

2. RECOMMENDATION

THAT the report from the Chief Operating Officer be received.

3. STRATEGIC RISK GAP ANALYSIS

During December 2020 Elected Members, in consultation with the Executive Leadership Team, reviewed and updated Waikato District Council's strategic risk register. The updates are:

- Three new risks were added to the register:
 - Climate Resilience
 - Affordability
 - Community Expectations.
- Four risk were archived:
 - Projects and Initiatives
 - Council Partnerships

- Stakeholder Engagement
- Compliance Management.

Waikato District Council is now managing eleven Strategic Risks. Tables 1, 2 and 3 below detail these risks and their alignment with Councils Risk Appetite.

Establishing existing treatments for the new risks is underway and identification of new treatments is scheduled during March 2021 with the respective risk owners. Completion of this work will allow residual risk assessment to be completed.

Of the other eight strategic risks that have residual risk assessment, four are currently assessed to be outside of Councils Risk Appetite. Gap analysis drills into the difference between the residual risk assessment and risk appetite to provide assurance that priority is being given to work that addresses the identified gaps.

Table I. The Strategic Risks documented below **do not** align with Councils current Risk Appetite. Details of work being undertaken to align the residual risk is outlined in the comments column.

Key	Title	Inherent Rating	Residual Rating	Risk Appetite	Comment
R00184	Zero Harm Significant harm is caused to workers, or others, due to poor or inactive health and safety systems, non-compliance with legislative requirements, or inadequate governance/ management of shared health and safety responsibilities with other PCBUs.	Extreme (25)	Extreme (20)	Low	The Zero Harm work programme is progressing mitigations identified in the Zero Harm critical risk register. Significant focus is placed on the programme, however it is acknowledged that a lot of work remains to be done to achieve the desired results to bring this risk into alignment with appetite. In the last quarter the following actions have been completed: <ul style="list-style-type: none"> • Work is underway (Zero Harm Strategic Improvement Plan for FY20/21) to update Council's Health and Safety Management System to align with ISO AS/NZS 45001. • Work Safe Home Safe 2021 week was successfully implemented • ELT increased review frequency of the critical risks (3 bowties have been prepared).
R00185	Asset Management Council fails to provide sustained delivery of core services as the result of critical assets failing or becoming unfit for purpose.	Extreme (20)	High (16)	Low	Asset and activity planning are on track. Asset Management Plans are now complete pending endorsement. Growth Statements, which allow Council to forecast infrastructure and provide a provisional landing point for the proposed LTP / AMP budgets are in place and a draft copy of the AMPS has been provided for auditors to review.
R00128	Cyber Security Council is exposed to significant business disruption caused by unauthorized access or damage to privileged information and or reduced data integrity resulting from cyber-attack or employee behaviour (externally or internally initiated).	Extreme (20)	High (12)	Moderate	An ongoing maturity programme across people, process, & technology controls is currently in place e.g. Win10, Sophos, Firewalls, Intune, Audit NZ actions, etc. and includes migrating the business to Exchange Online & Advanced Threat Management solution during 2021. Additionally, an LTP business case has been submitted for a 3 Year Cyber Security Maturity Improvement programme (proposal commences 2022).
R00189	Regional & National Strategic Planning & Legislative Reform Council experiences significant disruption to business function caused by structural and legislative changes by central government and or national / regional strategic planning exercises.	High (12)	Moderate (8)	Low	Council is strengthening links with Central Government through the increased visibility of Future Proof and through ministerial contacts (including regular contact with the Minister of Local Government). These relationships are helping to provide insights and access to key decision makers. Furthermore, an Environmental Scan (part of the LTP process), and the Planning Roadmap, are providing a basis for assessment of legislative and other external and internal business influences.

Table 2. The Strategic Risks documented below **do** align with current Risk Appetite.

Key	Title	Inherent Rating	Residual Rating	Risk Appetite
R00230	Growth Council experiences significant business, financial and community disruption as the result of inaccurate growth forecasts.	Extreme (20)	High (12)	High
R00190	People & Culture Business outcomes are significantly impacted due to an inability to attract and or retain suitable personnel.	High (16)	Moderate (9)	Moderate
R00053	Business Resilience Business function is significantly disrupted due to a lack of organisational resilience.	Extreme (20)	Moderate (9)	Moderate
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.	High (16)	Moderate (9)	Moderate

Table 3. The Strategic Risks documented below are new. Existing treatments are currently being established and identification of new treatments is scheduled.

Key	Title	Inherent Rating	Residual Rating	Risk Appetite
R00233	Community Expectations Waikato District Council fails to meet key community expectations associated with the capital works program (and other key plans) as the result of failed processes, systems or due to a lack of capability.	Extreme (20)	Requires Assessment	Low
R00234	Climate Resilience Waikato District Council is exposed to litigation or financial impact as the result of failing to meet legislative requirements associated with emissions reduction.	Extreme (20)	Requires Assessment	Low
R00235	Affordability Waikato District Council is unable to deliver key community infrastructure and services due to insufficient funding streams.	Extreme (20)	Requires Assessment	Moderate

A copy of the current strategic risk register is attached (Appendix I).

Strategic Risk Activities

During the last quarter, the following risk activities were conducted:

- Risk Management Training (Audit & Risk Committee and Elected Members)
- Strategic Risk Register and Risk Appetite Statement Workshop
- Business Continuity Plan updates (due for completion 26th March 2021).

Planned activities for the next quarter include:

- Mitigation planning for new risks
- Residual Risk Assessment workshop (new risks)
- Business Continuity Plan updates across all of business.

4. EMERGING RISKS

The following activities are identified as having potential business impact in the risk context.

I. Pandemic Response; Ongoing Planning

Impact: **Zero Harm:** *Significant harm is caused to workers, or others, due to poor or inactive health and safety systems, non-compliance with legislative requirements, or inadequate governance/management of shared health and safety responsibilities with other PCBUs*

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

The COVID-19 pandemic continues to bring uncertainty. Key areas of risk include potential impacts to supply chains enabling the delivery of the capital works programme; specifically in the Waters area, and, some minor impacts for Facilities and Open Spaces, where there is a reliance on specialist, imported products. Alternate products are generally available however some lead in times are growing. Roading supplies don't appear to be impacted at this stage.

Council is conscious that allowances need to be factored into programme planning to accommodate the risk and teams are including supply chain risk assessment as part of procurement and project planning activities.

Council is also aware that consideration needs to be given to its approach towards the Governments COVID-19 vaccination schedule and potential business impacts. The Ministry of Health ("MfH") website states that vaccines will be provided free of charge to the general public, that vaccinations for the general public are expected to begin in the second half of 2021 and that vaccination will not be made mandatory (Appendix 2). The District Health Board ("DHB") are yet to confirm vaccination sites however distribution is likely to be via workplaces and community locations. It is possible that Local Councils will be requested to support vaccination arrangements by providing public vaccination sites.

Council's Zero Harm commitment will also need to be considered. As with the COVID-19 response to date, Council will follow ministry guidelines relating to vaccination and advocate

for staff to be vaccinated for their own wellbeing. Thinking forward, it may be necessary to understand staff vaccination status as part of business continuity planning. Employment New Zealand has some recommendations and guidelines for working relationships and COVID-19 vaccination (Appendix 3).

2. Major Developments

Major developments most commonly align to the key strategic risk associated with “Growth”. Activities of this nature can be managed either operationally or using project management disciplines. The Executive Leadership Team has adopted a risk-based approach to major developments in response to concerns regarding Council’s operational capacity. A risk profiling exercise, which considers effects in the context of internal business impacts, is included as part of the overall assessment. This process aims to develop an understanding, at a high level, of the scale and complexity of developments to support decision making and determine appropriate management actions, in line with Council’s Risk Management Framework.

3. National Emergency Management Agency (“NEMA”) Rural Water Scheme

On 24 April 2020 a cabinet paper was released discussing funding mechanisms supporting New Zealand’s emergency response to the 2020 drought event. In November 2020, the Waikato Emergency Management Joint Committee communicated to Councils within the Waikato Region the further availability of the fund to the value of approximately \$8 million. NEMA have provided a drought claims template and guidance information describing eligibility criteria for funding. Local authority obligations associated with the claims process are:

- Local authorities must have incurred the cost of the work being claimed for.
- Local authorities must assess the work against the eligibility criteria prior to providing information to NEMA.

A peer council has recently published a public notice informing residents from their district of the fund and another has made public a statement relating to the fund and it’s potential for use. Waikato District Council residents and ratepayers will have access to this information. Several potential risks associated with the funding have been identified:

- Reputational risk associated with delays on funding availability pending clarification of criteria.
- Reputational risk associated with the actions or perception of peer councils.
- Financial risk if claims are received and processed prior to criteria eligibility being confirmed (failure to receive reimbursement).
- Reputational risk associated with a lack of transparency relating to available funds (a significant portion of the funds may already have been allocated to other regions that suffered more significant impacts of the 2020 drought event).

Clarification of the criteria has been sought from the fund manager at NEMA. Until further advice is received Council’s understanding is that the fund is only available to those in a declared drought area. This means the Waikato district is not eligible.

4. Three Waters Reform

Last year the Government announced a three-year programme of reform of local government water services delivery. The reform process is designed to address persistent systemic issues facing the three waters sector and will potentially result in a new waters entity within 12-18 months.

Watercare and Waikato District Council have in place an Agreement for Operation and Maintenance of Water, Wastewater and Stormwater Services Agreement (“Contract”). The Contract is overseen by the Waters Governance Board and is currently in a preliminary 21-month Transition Period.

Council acknowledges the reform presents a degree of risk in terms of the uncertainty of future Water Services operations and associated expectations. The Special Infrastructure Projects Team are maintaining visibility of developments along with the Waters Governance Board. Operationally Council and Watercare will continue to assess the direction of the waters industry reform whilst advancing existing waters services to minimise customer impacts.

The Chief Financial Officers report includes an overview of the specific financial considerations associated with the reform, and a report is planned to be delivered to the Audit & Risk Committee in June when more detail of the proposal is available.

5. CONCLUSION

Risk workshops undertaken during December 2020 provided the Executive Leadership Team and Elected Members opportunity to agree on risk appetite and update the strategic risk register. Work is now underway to determine risk treatments and assess residual risk for the newly identified strategic risks. Gaps between residual risk and risk appetite can then be assessed and work to reduce gaps prioritised and reported quarterly to the Audit & Risk Committee.

6. ATTACHMENTS

Appendix A Strategic Risk Register February 2021

Appendix B Vaccination roll-out scenarios

Appendix C Employment NZ COVID-19 - Vaccination and Employment

Filter: Portfolio(s): Strategic

RESIDUAL
20.0
EXTREME

INHERENT
25.0

R00184

PEOPLE, STRATEGIC, OFFICE OF CHIEF EXECUTIVE, ZERO HARM

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

People are harmed as a result of the Council failing to identify, implement, review and maintain appropriate health and safety policies, procedures, and processes or develop and sustain a culture of Zero Harm by eliminating or managing health, safety and wellbeing risks.

OWNER Gavin Ion

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

RISK LIKELIHOOD Almost Certain (5)
DESCRIPTORS

RISK CONSEQUENCE Catastrophic (5)
DESCRIPTORS

RESIDUAL RISK LIKELIHOOD Likely (4)
DESCRIPTORS

RESIDUAL RISK CONSEQUENCE Catastrophic (5)
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.

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.

SIGNOFF(S):

Lynn Shirley

DUE DATE:

01 Jun 2021

FREQUENCY:

1st day of every 6 months

SIGNOFF(S):

Kylie Anderson
Lynn Shirley

DUE DATE:

01 Jun 2021

FREQUENCY:

1st day of every 6 months

SIGNOFF(S):

Lynn Shirley

DUE DATE:

01 Feb 2022

FREQUENCY:

The first Day of every 12 months

57

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 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):

Gavin Ion

DUE DATE:

24 Jun 2021

FREQUENCY:

The last Thursday of every 6 months

SIGNOFF(S):

Kelly Newell

DUE DATE:

01 Aug 2021

FREQUENCY:

1st day of every 6 months

58

TREATMENT MC00521

The Waikato District Council Welfare Plan is to enable a coordinated approach to welfare services support for both people and animals in the Waikato DC area following an emergency event.

Welfare service response is a coordinated action undertaken by government and non-government agencies and organisations, of which some are voluntary, to ensure individuals/whaanau and communities affected by an emergency are supported to be able to cope with the event in the best possible way under adverse circumstances. It is important that in such times, those affected have timely access to welfare services support including shelter, food, clothing, financial assistance, psychosocial support, advice, shelter and accommodation.

The Civil Defence Emergency Management Act 2002 under Section 9 "Powers of Director" states "the provision of other services necessary to restore community services and provide for welfare of the public." Under Section 85(1) (d) "Emergency powers of Civil Defence Emergency Management Groups" states "provide for the relief of distress, including emergency food, clothing, and shelter."

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):

Kelly Newell
Donna Tracey
Angela Parquist
Kelly Newell
Mervyn Balloch
William Gauntlett
Kurt Abbot
Reece Turner
Kelly Newell

DUE DATE:

FREQUENCY:

Once

SIGNOFF(S):

Lynn Shirley
Kylie Anderson

DUE DATE:

31 Jul 2021

FREQUENCY:

The last Day of every 12 months

59

TREATMENT MC00574

The Incident Management Framework (Business Continuity) is designed to respond to incidents significantly affecting business with the potential to have an effect on the community. This may occur prior to escalation to CDEM response or simultaneously where different management teams are required to manage different impacts.

Consistency in our approach to incidents and emergencies as an organisation means we have the ability to manage an event of any size, undertaken as a matter of scalability. Should an incident escalate and require a significant CDEM response all we would be required to do is increase the response capability. The alignment of our business continuity with CDEM practices means the training we undertake, the language we use and how we respond to our community is done efficiently and effectively to reduce the overall impact.

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.

TREATMENT MC00606

Leadership and Commitment

A documented health and safety policy and related health and safety objectives are established and are compatible with the strategic direction of the organisation.

This treatment reduces the likelihood of the risk by providing clear and visible organisational health and safety commitments and expectations.

TREATMENT MC00607

Roles and Responsibilities

Health and safety responsibilities and authorities for relevant roles are assigned, documented and communicated at all levels within Council.

This treatment reduces the likelihood of the risk by ensuring clear and transparent responsibilities for organisational health and safety.

SIGNOFF(S):

Kelly Newell
Donna Tracey
Angela Parquist
Kelly Newell
Kurt Abbot
Reece Turner
Mervyn Balloch
William Gauntlett

DUE DATE:

FREQUENCY:

Once

SIGNOFF(S):

Lynn Shirley

DUE DATE:

02 Aug 2021

FREQUENCY:

The first Weekday of every 12 months

SIGNOFF(S):

Lynn Shirley

DUE DATE:

01 Aug 2021

FREQUENCY:

1st day of every 12 months

SIGNOFF(S):

Lynn Shirley

DUE DATE:

01 Aug 2021

FREQUENCY:

1st day of every 12 months

TREATMENT MC00608

Worker Engagement and Consultation
Documented processes are in place for the establishment, implementation and maintenance of a worker health and safety consultation and participation system.
This treatment reduces the likelihood of the risk by providing clear and transparent health and safety expectations to workers.

SIGNOFF(S):

Lynn Shirley

DUE DATE:

01 Aug 2021

FREQUENCY:

1st day of every 12 months

RESIDUAL

20.0

EXTREME

INHERENT

20.0

R00233

REPUTATION/ IMAGE, STRATEGIC, COMMUNITY PROJECTS, SERVICE DELIVERY

Community Expectations
Waikato District Council fails to meet key community expectations associated with the capital works program (and other key plans) as the result of failed processes, systems or due to a lack of capability.

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

OWNER Tony Whittaker

CREATED 1/14/2021 11:35:15 AM

RISK LIKELIHOOD DESCRIPTORS Likely (4)

RISK CONSEQUENCE DESCRIPTORS Catastrophic (5)

RESIDUAL RISK LIKELIHOOD DESCRIPTORS Likely (4)

RESIDUAL RISK CONSEQUENCE DESCRIPTORS Catastrophic (5)

TREATMENT MC00121

Council has in place an Engagement Strategy which provides guidance on its community engagement activities and practices.

SIGNOFF(S):

Jim Ebenhoh
William Gauntlett

DUE DATE:

01 Feb 2022

FREQUENCY:

1st day of every 12 months

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 or strategy (statutory) Special Consultative Procedure
- Policy or strategy (non-statutory) Section 82 and significance and engagement policy specification.

This treatment impacts the likelihood by providing Council employees a practical guide to how we engage and application of actions to deliver the strategy provide opportunities for people within the community to engage with Council in a variety of different mediums. The treatment impacts the likelihood of the risk .

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.

SIGNOFF(S):

Jim Ebenhoh
William Gauntlett

DUE DATE:

01 Feb 2022

FREQUENCY:

1st day of every 12 months

61

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.

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):

Ian Cathcart
Sue O'Gorman

DUE DATE:

01 Feb 2021

FREQUENCY:

1st day of every 12 months

SIGNOFF(S):

Kurt Abbot

DUE DATE:

01 Aug 2021

FREQUENCY:

1st day of every 6 months

NON-COMPLIANT

SIGNOFF(S):

Kurt Abbot

DUE DATE:

01 Feb 2021

FREQUENCY:

1st day of every 6 months

62

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.

TREATMENT MC00457

Implementation of appropriate strategies and policies to ensure community needs are captured and met. These include, but are not limited to:

- 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 and Engagement Team who are well connected into the business and who are guided by a 2020 Communications and Engagement Strategy.

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.

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.

SIGNOFF(S):

Kurt Abbot

DUE DATE:

01 Aug 2021

FREQUENCY:

1st day of every 12 months

SIGNOFF(S):

Jim Ebenhoh
William Gauntlett

DUE DATE:

01 Aug 2021

FREQUENCY:

1st day of every 6 months

SIGNOFF(S):

Jacob Quinn

DUE DATE:

01 May 2021

FREQUENCY:

1st day of every 3 months

SIGNOFF(S):

Gavin Ion

DUE DATE:

01 Aug 2021

FREQUENCY:

1st day of every 6 months

63

TREATMENT MC00460

Community Development roles and Operational Field Staff.

A number of roles including Youth Engagement Advisor, Iwi 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.

SIGNOFF(S):

Tony Whittaker

DUE DATE:

01 Apr 2021

FREQUENCY:

The first Day of every 12 months

TREATMENT MC00461

Engagement Virtual Team

It is anticipated that the establishment of an Engagement Virtual Team will be one of the actions of the 2020 Engagement Strategy. This team will pull together key people from across the business so they can collectively ensure the Strategy is implemented.

This treatment will impact the likelihood of the risk by providing a dedicated team whose function is to ensure cross organisational strategic alignment.

SIGNOFF(S):

Jacob Quinn

DUE DATE:

01 Feb 2022

FREQUENCY:

1st day of every 12 months

TREATMENT MC00499

Council has in place a process that defines how we plan 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.

SIGNOFF(S):

Jackie Bishop

DUE DATE:

01 Apr 2021

FREQUENCY:

The first Day of every 3 months

TREATMENT MC00610

Project Resources & PMO Structure

The organisation has a resource pool of trained project managers and project management office resources. Existing internal resources were trained over the course of 2018-2019 and skilled and experienced project managers were hired during the 2018 restructure.

This treatment reduces the likelihood of the risk by significantly increasing capability.

SIGNOFF(S):

Alan Kuyper

DUE DATE:

01 Aug 2021

FREQUENCY:

1st day of every 12 months

64

TREATMENT MC00611

Project Management System

The organisation has a dedicated, integrated project management system (CAMMs Project) which is consistently used for project planning, documentation and reporting.

This treatment impacts the likelihood and consequence of the risk by providing process, audit capability and project review.

TREATMENT MC00614

Council has in place a robust tender process that includes in-depth detail regarding contractual requirements and a comprehensive set of effective contract management processes. The Contracts & Partnering team work with the Procurement Manager to support employees in the application of the process by actively working with contract managers to improve contract management practice.

Long term public facing contracts and partnerships are effected through rigorous contractual agreements and continuous management and governance 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 providing employees with a consistent and best practice approach for contract management, 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.

TREATMENT MC00615

Council's Contracts & Partnering, Legal and Procurement teams have developed a joint contracting Road-Map

The road-map impacts the likelihood of the risk by progressively improving contracting capability and standards, moving the organisation towards better/best practice in regard to procurement, contract design and contract management.

SIGNOFF(S):

Alan Kuyper

DUE DATE:

01 Aug 2021

FREQUENCY:

1st day of every 12 months

SIGNOFF(S):

Jackie Bishop
Sarah Quinn

DUE DATE:

01 Sep 2021

FREQUENCY:

1st day of every 12 months

SIGNOFF(S):

Jackie Bishop

DUE DATE:

01 Sep 2021

FREQUENCY:

1st day of every 12 months

RESIDUAL
20.0
EXTREME

INHERENT
20.0

R00234

COMPLIANCE/ REGULATORY, STRATEGIC, OFFICE OF CHIEF EXECUTIVE

Climate Resilience

Waikato District Council is exposed to litigation or financial impact as the result of failing to meet legislative requirements associated with emissions reduction.

Council fails to implement key actions to align with national reduction targets resulting in either prosecution or a need to financially offset emissions

OWNER Gavin Ion

CREATED 1/14/2021 11:36:17 AM

RISK LIKELIHOOD Almost Certain (5)
DESCRIPTORS

RISK CONSEQUENCE Major (4)
DESCRIPTORS

RESIDUAL RISK LIKELIHOOD Almost Certain (5)
DESCRIPTORS

RESIDUAL RISK CONSEQUENCE Major (4)
DESCRIPTORS

65

TREATMENT MC00617

Climate Response and Resilience Policy
The Climate Response & Resilience Policy demonstrates consideration for the needs of future generations by adopting best practice behaviours through a proactive climate change and emissions reduction strategy, and it aligns with Central Government legislation and Waikato District Council's existing commitments.

This treatment impacts the likelihood of the risk by providing guidance on Council's responsibilities regarding climate change including how the organisation undertakes actions that minimise the effects of Climate Change through:

- the reduction of greenhouse gas emissions
 - the development of adaptation measures
- TREATMENT MC00618

Climate Response and Resilience Plan
The Climate Action Plan outlines the Council's response to climate change and provides actions that will help Council teams and the District to mitigate, build resilience and adapt to climate change.

The plan impacts the likelihood and the consequences of the risk by providing WDC actions which, when put into effect, meet audit and statutory obligations, and community expectations, to mitigate and adapt to climate change.

SIGNOFF(S):

Jim Ebenhoh

DUE DATE:

01 Feb 2022

FREQUENCY:

1st day of every 12 months

SIGNOFF(S):

Gavin Ion

DUE DATE:

01 Aug 2021

FREQUENCY:

1st day of every 6 months

RESIDUAL
20.0
EXTREME

INHERENT
20.0

R00235

FINANCIAL, STRATEGIC, FINANCE, OFFICE OF CHIEF EXECUTIVE

Affordability

Waikato District Council is unable to deliver key community infrastructure and services due to insufficient funding streams.

Council is unable to provide or maintain required infrastructure or services due to a lack of funds sourced through rates or via other funding sources.

OWNER Alison Diaz

CREATED 1/14/2021 11:37:33 AM

RISK LIKELIHOOD Likely (4)
DESCRIPTORS

RISK CONSEQUENCE Catastrophic (5)
DESCRIPTORS

RESIDUAL RISK LIKELIHOOD Likely (4)
DESCRIPTORS

RESIDUAL RISK CONSEQUENCE Catastrophic (5)
DESCRIPTORS

RESIDUAL
16.0
HIGH

INHERENT
20.0

R00185

STRATEGIC, TECHNICAL, COMMUNITY ASSETS, SERVICE DELIVERY

**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.

OWNER Roger MacCulloch

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

RISK LIKELIHOOD
DESCRIPTORS Likely (4)

RISK CONSEQUENCE
DESCRIPTORS Catastrophic (5)

RESIDUAL RISK LIKELIHOOD
DESCRIPTORS Likely (4)

RESIDUAL RISK
CONSEQUENCE
DESCRIPTORS Major (4)

66

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 2018-2048 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.

SIGNOFF(S):

Sue O'Gorman
Robert Ashley

DUE DATE:

01 Sep 2021

FREQUENCY:

The first Day of every 12 months

SIGNOFF(S):

Ross Bayer
Carole Nutt

DUE DATE:

01 Apr 2021

FREQUENCY:

The first Day of every 12 months

SIGNOFF(S):

Sue O'Gorman
Robert Ashley

DUE DATE:

01 Feb 2022

FREQUENCY:

1st day of every 12 months

67

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.

TREATMENT MC00527

Council has a dedicated asset management team. Key functions of the team include implementation of regular condition assessments (a requirement of both facilities maintenance and open spaces maintenance contracts) and monitoring asset related data to ensure it is maintained (current) and applied during the planning process.

This treatment impacts the likelihood of the risk by assisting Council to maintain asset data to enable appropriate decision making during planning. Furthermore, it impacts the consequence of the risk by alerting Council to asset condition which facilitates early intervention should it be required.

SIGNOFF(S):

Ross Bayer
Megan May

DUE DATE:

01 Apr 2021

FREQUENCY:

The first Day of every 12 months

SIGNOFF(S):

Ross Bayer
Megan May

DUE DATE:

01 Apr 2021

FREQUENCY:

The first Day of every 12 months

SIGNOFF(S):

Robert Ashley

DUE DATE:

01 Jun 2021

FREQUENCY:

The first Day of every 6 months

RESIDUAL
12.0
HIGH

INHERENT
20.0

R00128

STRATEGIC, TECHNICAL, INFORMATION MANAGEMENT, OPERATIONS

**Cyber Security;
Council is exposed to significant business disruption caused by unauthorized access or damage to privileged information and or reduced data integrity resulting from cyber attack or employee behaviour (externally or internally initiated).**

Council systems or the information contained within are compromised by cyber crime or a lack of compliance with process resulting in significant financial, reputational, and or business impact.

OWNER Geoff King

CREATED

RISK LIKELIHOOD
DESCRIPTORS Likely (4)

RISK CONSEQUENCE
DESCRIPTORS Catastrophic (5)

RESIDUAL RISK LIKELIHOOD
DESCRIPTORS Possibly (3)

RESIDUAL RISK
CONSEQUENCE
DESCRIPTORS Major (4)

68

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 an IM BCP including a disaster recovery plan to align the technical IT recovery procedures with the 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.

The suitability of the enterprise BCP is being reviewed in the 2020/21 year (see PR-1390 - led by the Projects & Innovation team)

SIGNOFF(S):

Alison Diaz

DUE DATE:

01 Dec 2021

FREQUENCY:

The first Day of every 12 months

SIGNOFF(S):

Geoff King

DUE DATE:

01 Feb 2022

FREQUENCY:

1st day of every 12 months

69

TREATMENT MC00433

Effective management & mitigation of cyber security risk is achieved through a balanced implementation of appropriate People, Process, & Technology controls.

Currently Cyber security is managed using security measures at various layers of connection.

- a) Firewalls
- b) Server
- c) PC
- d) User
- e) Physical
- f) Wireless access
- g) WDC website

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

The IM risk position is accessed through external audits & assessments (eg the 2015 SSS ICT Security Risk Assessment, 2017 Vo2 Cyber Security Protection assessment, & annual Audit NZ IS Controls audit) with plans put in place to address risks identified. The delivery of these actions are tracked through the Risk Register which is monitored through the Audit & Risk committee. Monitoring is also provided through the National Cyber Security Centre (NCSC) monitoring of our internet traffic.

The ALGIM Cyber Security maturity & benching marking assessment is currently underway, the outcome of which will inform our 3 year cyber security maturity improvement programme across people, process, & technology controls. The council is also adopting, where it is appropriate to do so, the AoG NZISM frameworks, with the adoption of the Cloud Risk Assessment framework currently underway.

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):

Geoff King

DUE DATE:

01 Feb 2022

FREQUENCY:

1st day of every 12 months

SIGNOFF(S):

Geoff King

DUE DATE:

01 Feb 2022

FREQUENCY:

1st day of every 12 months

TREATMENT MC00612

Digital Road-map

The IM digital road-map includes outputs which seek to improve the cyber risk position, facilitate greater working flexibility and increase employee technical capability. It is embedded within the Innovation Chapter of Our Plan whereby the prioritized initiatives for 2020/21 were agreed by ELT.

Whilst the Our Plan & the Innovation Chapter does not have a specific section covering Cyber Security, initiatives to improve the councils cyber security risk position are being delivered through a number of projects including:

- PR-1462: Windows 10, Office 365, & Teams – implementation of Bitlocker resulting in the encryption of hard drives, remediation of AV for remote workers, implementation of Intune for device management, etc [In Progress, complete by Dec]
- PR-1212: Network Improvements – securing of WiFi [In Progress, complete by Dec]
- PR-1425: Single Sign On – Implementation of two factor authentication [Planned]
- BAU: Citrix Upgrade (secure ICA) [In Progress, complete by Dec]
- BAU: FortiGate firewall [In Progress, complete by Dec]

This treatment reduces the likelihood of the risk by facilitating improved information and data security, reporting, and remote capabilities through cloud based technology.

Planned work, to commence after Win10 & O365 implementation is completed, is the migration to Exchange Online & the implementation of the Microsoft Advanced Threat Protection solution.

SIGNOFF(S):

Geoff King

DUE DATE:

01 Aug 2021

FREQUENCY:

1st day of every 12 months

TREATMENT MC00500

District Development (Growth) 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 Council has an integrated strategic framework for regulation and growth related decision making. This assists with better economies of scale and enables provision of affordable infrastructure. The strategy is subject to periodic review.

SIGNOFF(S):

Jim Ebenhoh
William Gauntlett

DUE DATE:

01 Feb 2022

FREQUENCY:

The first Day of every 12 months

RESIDUAL
12.0
HIGH

INHERENT
20.0

R00230

POLITICAL, STRATEGIC, COMMUNITY GROWTH, ECONOMIC & COMMUNITY DEVELOPMENT

**Growth;
Council experiences significant business, financial and community disruption as the result of inaccurate growth forecasts.**

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)

71

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.

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.

SIGNOFF(S): Vishal Ramduny
DUE DATE: 31 Aug 2021
FREQUENCY: The last Day of every 6 months

SIGNOFF(S): Jim Ebenhoh
William Gauntlett
DUE DATE: 31 Aug 2021
FREQUENCY: The last Day of every 6 months

SIGNOFF(S): Jim Ebenhoh
William Gauntlett
DUE DATE: 31 Aug 2021
FREQUENCY: The last Day of every 6 months

72

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.

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.

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:

28 Feb 2022

FREQUENCY:

The last Day of every 12 months

SIGNOFF(S):

Clive Morgan

DUE DATE:

01 Feb 2022

FREQUENCY:

The first Day of every 12 months

SIGNOFF(S):

Mark Davey
Vishal Ramduny
Jim Ebenhoh

DUE DATE:

28 Feb 2021

FREQUENCY:

The last Day of every 6 months

RESIDUAL
9.0
MODERATE

INHERENT
16.0

R00190

PEOPLE, STRATEGIC, OFFICE OF CHIEF EXECUTIVE, PEOPLE & CAPABILITY

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 DESCRIPTORS Likely (4)

RISK CONSEQUENCE DESCRIPTORS Major (4)

RESIDUAL RISK LIKELIHOOD DESCRIPTORS Possibly (3)

RESIDUAL RISK CONSEQUENCE DESCRIPTORS Moderate (3)

73

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.

TREATMENT MC00600

Council has used new recruitment strategies with new media channels and new messaging which have increased the quality and quantity of applicants.

SIGNOFF(S): Vanessa Jenkins
DUE DATE: 01 Mar 2021
FREQUENCY: The first Day of every 6 months

SIGNOFF(S): Roger MacCulloch
Sue O'Gorman
Tony Whittaker
DUE DATE: 01 Apr 2021
FREQUENCY: The first Day of every 6 months

SIGNOFF(S): Gavin Ion
DUE DATE: 01 May 2021
FREQUENCY: The first Day of every 3 months

SIGNOFF(S): Jacob Quinn
DUE DATE:
FREQUENCY: Once

RESIDUAL
9.0
MODERATE

INHERENT
20.0

R00053

BUSINESS CONTINUITY, STRATEGIC, OPERATIONS, PROJECTS & INNOVATION

**Business Resilience;
Business function is significantly disrupted due to a lack of organisational resilience.**

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

OWNER Kurt Abbot

CREATED

RISK LIKELIHOOD DESCRIPTORS Likely (4)

RISK CONSEQUENCE DESCRIPTORS Catastrophic (5)

RESIDUAL RISK LIKELIHOOD DESCRIPTORS Possibly (3)

RESIDUAL RISK CONSEQUENCE DESCRIPTORS Moderate (3)

74

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.

A complete review and re-launch is underway during 2020 (PR-1390). As part of this programme, Council is developing a robust Business Continuity Framework. The purpose of the Framework is to provide the organisation the appropriate tools, templates and resources to create pragmatic plans that can be applied in the event of a significant incident to minimize disruption by managing and maintaining the delivery of critical services to our communities.

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.

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 2021

FREQUENCY:

1st day of every 12 months

SIGNOFF(S):

Kelly Newell

DUE DATE:

01 Aug 2021

FREQUENCY:

1st day of every 6 months

75

TREATMENT MC00574

The Incident Management Framework (Business Continuity) is designed to respond the incidents significantly affecting business with the potential to have an effect on the community. This may occur prior to escalation to CDEM response or simultaneously where different management teams are required to manage different impacts.

Consistency in our approach to incidents and emergencies as an organisation means we have the ability to manage an event of any size, undertaken as a matter of scalability. Should an incident escalate and require a significant CDEM response all we would be required to do is increase the response capability. The alignment of our business continuity with CDEM practices means the training we undertake, the language we use and how we respond to our community is done efficiently and effectively to reduce the overall impact.

TREATMENT MC00601

Risk Management Framework:
Councils Risk Management Framework includes policy, processes, support, tools, templates and user guides. The Framework details organisational expectations and best practice risk management behaviours across all levels of the business.

This treatment impacts the likelihood of the risk by ensuring that Council employees are equipped to effectively identify and manage risks and the associated consequences. It assists employees to appropriately plan and implement contingency plans.

SIGNOFF(S):

Kelly Newell
Donna Tracey
Angela Parquist
Kelly Newell
Kurt Abbot
Reece Turner
Mervyn Balloch
William Gauntlett

DUE DATE:

FREQUENCY:

Once

SIGNOFF(S):

Katja Jenkins

DUE DATE:

01 Jun 2021

FREQUENCY:

1st day of every 12 months

76

TREATMENT MC00603

In-House Resilience Resources

Through the 2018 restructure a number of key resources were assigned to work in the business resilience space. These include;

- Risk Advisor; developed from part-time to a full time role with accountability for the Risk and Business Continuity portfolios
- Community Resilience Coordinator; a new role implemented through the restructure aiming to build strong relationships specific to community preparedness and resilience.
- Emergency Management Advisor; migrated from Civil Defence to a Council owned role through the restructure to deliver on the strategic direction for building resilience for the organisation and the community.

These resources operate independently and as a virtual team to provide internal and external risk and hazard identification, response and coordination, as well as liaising across regional and national stakeholder groups to enable continuous improvement and partnership opportunities.

This treatment impacts the likelihood of the risk by facilitating cross organisational oversight of resilience functions and enabling delivery of resilience related programmes (both internally and externally) through appropriate resourcing. It addresses the consequence through facilitation of appropriate response and contingency planning.

TREATMENT MC00604

Annual Resilience Work Programme (Appendix 2)

The programme is developed to address priority activities outlined through the CDEM capability assessment, the organisational change requirement and continuous improvement initiatives. It includes key pieces of work such as;

- Community Response & Resilience Planning
- Strategic Planning for Recovery
- Business continuity planning
- Public Education

This treatment impacts the consequence of disruptive events by increasing community preparedness, incorporating risk mitigation and response into community planning activities and through the contingency planning process.

SIGNOFF(S):

Kurt Abbot

DUE DATE:

01 Dec 2021

FREQUENCY:

The first Day of every 12 months

SIGNOFF(S):

Kelly Newell

DUE DATE:

01 Dec 2021

FREQUENCY:

The first Day of every 12 months

TREATMENT MC00605

Risk Culture Program:

The program 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. It focuses on educating teams on risk purpose, organisational risk appetite and application of risk practices.

This treatment impacts the likelihood by providing employees a greater level of understanding of appropriate risk practice and promoting the benefits of proactive risk management and continuity planning. It also addresses the consequences of the risk through developing organisational processes associated with contingency planning.

TREATMENT MC00612

Digital Road-map

The IM digital road-map includes outputs which seek to improve the cyber risk position, facilitate greater working flexibility and increase employee technical capability. It is embedded within the Innovation Chapter of Our Plan whereby the prioritized initiatives for 2020/21 were agreed by ELT.

Whilst the Our Plan & the Innovation Chapter does not have a specific section covering Cyber Security, initiatives to improve the councils cyber security risk position are being delivered through a number of projects including:

- PR-1462: Windows 10, Office 365, & Teams – implementation of Bitlocker resulting in the encryption of hard drives, remediation of AV for remote workers, implementation of Intune for device management, etc [In Progress, complete by Dec]
- PR-1212: Network Improvements – securing of WiFi [In Progress, complete by Dec]
- PR-1425: Single Sign On – Implementation of two factor authentication [Planned]
- BAU: Citrix Upgrade (secure ICA) [In Progress, complete by Dec]
- BAU: FortiGate firewall [In Progress, complete by Dec]

This treatment reduces the likelihood of the risk by facilitating improved information and data security, reporting, and remote capabilities through cloud based technology.

Planned work, to commence after Win10 & O365 implementation is completed, is the migration to Exchange Online & the implementation of the Microsoft Advanced Threat Protection solution.

SIGNOFF(S):

Kurt Abbot

DUE DATE:

01 Jun 2021

FREQUENCY:

The first Day of every 6 months

SIGNOFF(S):

Geoff King

DUE DATE:

01 Aug 2021

FREQUENCY:

1st day of every 12 months

RESIDUAL
9.0
MODERATE

INHERENT
16.0

R00188

POLITICAL, STRATEGIC, COMMUNITY GROWTH, ECONOMIC & COMMUNITY DEVELOPMENT

**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 Major (4)

RESIDUAL RISK LIKELIHOOD DESCRIPTORS Possibly (3)

RESIDUAL RISK CONSEQUENCE DESCRIPTORS Moderate (3)

78

TREATMENT MC00163

The WDC 2018-2048 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):

Ross Bayer
Carole Nutt

DUE DATE:

01 Apr 2021

FREQUENCY:

The first Day of every 12 months

SIGNOFF(S):

Clive Morgan

DUE DATE:

01 Aug 2021

FREQUENCY:

The first Day of every 6 months

SIGNOFF(S):

Julie Dolan

DUE DATE:

01 Aug 2021

FREQUENCY:

The first Day of every 6 months

79

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 (Growth) 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 Council has an integrated strategic framework for regulation and growth related decision making. This assists with better economies of scale and enables provision of affordable infrastructure. The strategy is subject to periodic review.

TREATMENT MC00613

Mana Whenua Forum

Initial relationship building for the Forum is underway. Terms of Council engagement, representation and conflict resolution will be established along with set up, cost and levels of authority.

The implementation of the forum will impact the likelihood and consequence of this risk by providing an agreed regular engagement medium to broaden transparency, relationships and engagement opportunity.

SIGNOFF(S):

Vishal Ramduny

DUE DATE:

01 Feb 2022

FREQUENCY:

The first Day of every 12 months

SIGNOFF(S):

Jim Ebenhoh
William Gauntlett

DUE DATE:

01 Feb 2022

FREQUENCY:

The first Day of every 12 months

SIGNOFF(S):

Jacob Quinn

DUE DATE:

01 May 2021

FREQUENCY:

1st day of every 3 months

RESIDUAL
8.0
MODERATE

INHERENT
12.0

R00189

POLITICAL, STRATEGIC, COMMUNITY GROWTH, PLANNING & POLICY

**Regional & National Strategic Planning & Legislative Reform;
Council experiences significant disruption to business function caused by structural and legislative changes by central government and or national / regional strategic planning exercises.**

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 Likely (4)

RISK CONSEQUENCE DESCRIPTORS Moderate (3)

RESIDUAL RISK LIKELIHOOD DESCRIPTORS Likely (4)

RESIDUAL RISK CONSEQUENCE DESCRIPTORS Minor (2)

80

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 2021

FREQUENCY:

1st day of every 3 months

SIGNOFF(S):

Jim Ebenhoh
William Gauntlett

DUE DATE:

01 Apr 2021

FREQUENCY:

1st day of every 3 months

SIGNOFF(S):

Christine Pidduck

DUE DATE:

01 May 2021

FREQUENCY:

1st day of every 3 months

SIGNOFF(S):

Gavin Ion

DUE DATE:

01 May 2021

FREQUENCY:

1st day of every 3 months

81

TREATMENT MC00500

District Development (Growth) 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 Council has an integrated strategic framework for regulation and growth related decision making. This assists with better economies of scale and enables provision of affordable infrastructure. The strategy is subject to periodic review.

TREATMENT MC00598

Alignment of Council's "People and Capability" function to current and potential future needs of the organisation in terms of participating in, and responding to, national and regional strategic planning and legislative reforms.

This treatment impacts the likelihood of the risk by ensuring adequate numbers of staff, with diverse, flexible skills, including negotiation and persuasion, and the ability to provide value in a variety of planning and governance frameworks.

SIGNOFF(S):

Jim Ebenhoh
William Gauntlett

DUE DATE:

01 Feb 2022

FREQUENCY:

The first Day of every 12 months

SIGNOFF(S):

Jim Ebenhoh
Vanessa Jenkins

DUE DATE:

05 Apr 2021

FREQUENCY:

The first Monday of every 12 months

APPENDIX B

Information extracted from the Ministry of Health (“MfH”) website: <https://www.health.govt.nz/our-work/diseases-and-conditions/covid-19-novel-coronavirus/covid-19-vaccines/covid-19-getting-vaccine>

Vaccination roll-out scenarios

The MfH are preparing for three different scenarios for rolling out the vaccine based on transmission status.

	Scenario one: Low/no community transmission	Scenario two: Clusters and controlled outbreaks	Scenario three: Widespread community transmission
Aim	<i>To protect those with the highest risk of exposure to COVID-19 and potentially prevent transmission</i>	<i>To protect people at the higher risk of infection, at outbreak localities and to potentially reduce transmission.</i>	<i>To protect those who are most at risk of serious health outcomes and to potentially reduce transmission.</i>
Group one First group of people to receive the vaccine in each scenario	<ul style="list-style-type: none"> • Border and managed isolation & quarantine workforce • Health workforce at highest risk of exposure to COVID-19 • Household contacts of these two groups 	<ul style="list-style-type: none"> • Border and managed isolation & quarantine workforce • Health workforce at highest risk of exposure to COVID-19 • Household contacts of these two groups • Population affected by the outbreak 	<ul style="list-style-type: none"> • Older people (aged over 65 years) • People under 65 with underlying conditions and disabilities • People living in long-term residential care settings
Group two Second group of people to receive the vaccine in each scenario	<ul style="list-style-type: none"> • High risk frontline health workforce, including aged residential care workers and residents • High risk frontline public sector and emergency services 	<ul style="list-style-type: none"> • High risk frontline health workforce • High risk frontline public sector and emergency services 	<ul style="list-style-type: none"> • High risk frontline health workforce • High risk frontline public sector and emergency services • Remaining frontline health workforce
Group three Third group of people to receive the vaccine in each scenario	<ul style="list-style-type: none"> • People in the community, including older people and those with underlying conditions and disabilities • At risk health and social services workforce 	<ul style="list-style-type: none"> • People in the community, including older people, those with underlying conditions and disabilities and people living in long-term residential care settings • At risk health and social services workforce 	<ul style="list-style-type: none"> • Remaining health and public sector workforce • Other population groups

Appendix C

Information extracted from the Employment NZ website: <https://www.employment.govt.nz/leave-and-holidays/other-types-of-leave/coronavirus-workplace/covid-19-vaccination-and-employment/>

Workplaces are a crucial part of making access to vaccines as easy as possible.

Information for all working relationships

The following information applies to all working relationships, including those between a firm and an independent contractor.

- To help New Zealand's COVID-19 Immunisation Programme succeed, we recommend employers encourage and support workers to get vaccinated. This could include:
 - facilitating on-site vaccinations
 - allowing workers to get vaccinated during work hours without loss of pay, and
 - providing workers with relevant and timely information from the Ministry of Health about vaccination and its benefits.
- Employers should engage early and constructively with workers and unions when considering vaccination issues at their workplace.
- Workers do not have to tell their employer if they have been vaccinated or why they are unable or choose not to be vaccinated. If workers have consented, the Ministry of Health can inform employers whether Group 1 and Group 2 workers have been vaccinated. Employers can ask workers if they have been vaccinated. If workers do not tell employers what their vaccination status is, employers may assume workers are unvaccinated, but should first inform workers of this assumption. Employers must protect personal information about vaccination status and cannot share it (including with other workers) without a worker's consent.
- Employers cannot require an individual to be vaccinated. However, employers can require a specific role be performed by a vaccinated person. Employers must have first done a health and safety risk assessment to support such a requirement, and must do this assessment in collaboration with workers, unions and other representatives.
- Employers and workers can access support from MBIE's Early Resolution Service to resolve employment problems early and informally.

Information for employment relationships

The following information is specifically for employment relationships.

- All discussions between employers, workers and unions about COVID-19 vaccination must be done in good faith.
- We encourage employers to offer paid work time for employees to be vaccinated.

- Following a health and safety risk assessment, if a particular role requires vaccination:
 - Employers can make changes to an employee's duties for health and safety reasons, if an employee is not vaccinated. Any such process must be fair and reasonable, and carried out in good faith. Employers must avoid unfair disadvantage. Employers, in consultation with employees, must consider options, such as changing work arrangements, alternative duties or leave. If leave is used, this must be agreed, and we encourage this be paid. Employers and employees may agree to a negotiated end of employment, but individual dismissals are unlikely to be justifiable in almost all cases, based on current circumstances.
 - Employers and employees can negotiate variations to existing conditions of employment to require vaccination. Employers can also require vaccination as a condition for new employees, but this must be reasonable for the role. Employers must follow good faith processes under existing employment agreements (individual or collective) and contracts to make any changes to them.

Open Meeting

To	Audit & Risk Committee
From	Gavin Ion Chief Executive
Date	17 February 2021
Prepared by	Sam Toka Iwi & Community Partnerships Manager
Chief Executive Approved	Y
Reference #	GOV1318
Report Title	Risk Conversations – Iwi and Community Partnerships

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. 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 Iwi & Community Partnerships Manager and his team will attend the March Audit & Risk meeting for this purpose.

Attached is the business risks register for the Iwi and Community Partnerships team. The register includes key operational risks and controls affecting this area of the business.

2. RECOMMENDATION

THAT the report from the Chief Executive be received.

3. ATTACHMENTS

Iwi and Community Partnerships - Risk Register

To	Audit & Risk Committee
From	Tony Whittaker Chief Operating Officer
Date	27 February 2021
Prepared by	Katja Jenkins Risk Advisor
Chief Executive Approved	Y
Reference #	GOV1318
Report Title	Deep Dive Report – Climate Resilience; Emissions Reduction Targets Strategic Risk

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 potential impacts
- Examination of associated treatments
- Residual risk assessment
- Forecast
- Recommendations.

This report relates to the strategic risk: **Climate Resilience; Emissions Reduction Targets (R00235)**: *Waikato District Council is exposed to litigation or financial impact as the result of failing to meet legislative requirements associated with emissions reduction.*

2. RECOMMENDATION

THAT the report from the Chief Operating Officer be received.

3. BACKGROUND

3.1 SITUATION

During 2020 Waikato District Council undertook significant work to understand the potential impact of climate change on the organisation and the communities it serves. In response several initiatives were implemented including:

- Commissioning a district and a corporate emissions inventory
- Implementing an internal Climate Response and Resilience Policy
- Developing an internal and external Climate Action Plan

In December 2020 Elected Members, in consultation with the Executive Leadership Team, added a “Climate Resilience” risk, associated with the potential impact of emissions reduction expectations, to Waikato District Council’s strategic risk register. The purpose of the risk is to formalise, and give transparency to, Council’s progress in managing the risk in line with national emissions reductions targets requirements.

This report seeks to inform the Audit & Risk Committee (“the Committee”) of the existing and evolving national issues and requirements relating to climate change and emissions reduction and Council’s potential response requirements to them in the context of the following national directions:

1. Climate Change Response (Zero Carbon) Amendment Act

The Climate Change Response (Zero Carbon) Amendment Act 2019 provides a framework by which New Zealand can develop and implement clear and stable climate change policies that:

- contribute to the global effort under the Paris Agreement to limit the global average temperature increase to 1.5° Celsius above pre-industrial level
- allow New Zealand to prepare for, and adapt to, the effects of climate change.

Key points of the Zero Carbon Act included:

- Setting greenhouse gas emissions targets for New Zealand
- Establishing emissions budgets to reach the target
- Developing and implement policies for climate change adaptation and mitigation, and
- Establishing a new, independent Climate Change Commission.

2. Climate Change Commission Report (Draft)

The Climate Change Commission (“CCC”) is an independent Crown Entity whose purpose is to provide independent, evidence-based advice to the National Government to assist New Zealand to transition to a low-emissions and climate-resilient economy. The CCC will also monitor and review progress towards New Zealand’s emission reduction and adaptation goals. A summary of the report recommendations which relate to local government is included in section 4.2 of this report.

3. Resource Management Act 1991 (“RMA”)

The RMA stipulates that Council must consider climate change effects on its communities and incorporate climate change into existing frameworks, plans, projects and standard decision-making procedures.

4. First National Climate Change Risk Assessment for New Zealand

This first national climate change risk assessment identifies priority actions by:

- Providing insight into the nationwide risks New Zealand faces from climate change
- Identifying 43 priority risks and the 10 most significant risks requiring urgent action
- Grouping the risks into five value categories: natural environment, human, economy, built environment, and governance
- Laying a foundation for a national adaptation plan.

3.2 DEFINITIONS

The following definitions are extracted from Council’s Climate Policy.

Climate Adaptation	A response to climate change that seeks to moderate or avoid harm or exploit beneficial opportunities.
Climate Action Plan	A plan detailing steps (including specific projects, policies or planning processes) the organisation will develop and implement to achieve the climate action Strategy.
Climate Action Strategy	The overarching document outlining why and how best to achieve business objectives responding to climate change.
Climate Change	Climate change refers to a significant and extended change to the global climate, becoming increasingly severe over time and resulting in problems for life on earth. It includes global warming, changes to weather patterns, sea level rise, pollution, and extreme weather events.
Carbon Sequestration	The long-term storage of carbon dioxide or other forms of carbon to either mitigate or defer climate change.
Emissions	The production and discharge of substances that cause or exacerbate climate change, for example greenhouse gases like carbon dioxide, methane, or nitrous oxide.
Climate Hazard	A physical process or event that can harm human health, livelihoods, or natural resources including (but not limited to); tropical cyclones, thunderstorms, tornadoes, drought, rain, hail, snow, lightning, fog, wind, temperature extremes, air pollution, and climatic change.

Climate Mitigation	Efforts to reduce or prevent emission of greenhouse gases e.g. using new technologies and renewable energies, making older equipment more energy efficient, or changing management practices or consumer behaviour.
Resilience NB: in terms of Waikato District Council climate change policy	<p>An ability by the climate, community, built and natural environments to recover from setbacks; an ability which is enhanced by actions and strategies that change processes, practices and structures to prevent, reduce, and/or mitigate climate change severity and effects; and that increase preparedness for any unavoidable impacts.</p> <p>Examples of activities that show resilience include actions to reduce per capita greenhouse gas emissions, planning and preparing for reducing the impacts of climate change, action and advocacy to reduce waste and pollution and creating globally sustainable resource use, supporting business and land use activities that reduce impacts on climate change, as well as implementing processes and advocating to meet climate change mitigation requirements NZ has agreed to such as the Kyoto Protocol, Paris Agreement and the United Nations Framework Convention on Climate Change (“UNFCCC”).</p>

4. DISCUSSION AND ANALYSIS

4.1 RISK DESCRIPTION

Climate Resilience; Emissions Reduction Targets (R00235): *Waikato District Council is exposed to litigation or financial impact as the result of failing to meet legislative requirements associated with emissions reduction.*

The risk can be categorised into two main sections:

1. Council is exposed to litigation due to failing to meet legislated emissions reduction targets
Litigation exposure associated with emissions reduction targets for local government is yet to be established. It is anticipated that developments in this space will become apparent within the next 24 months.

Note: In private business fines of up to \$50,000 are in place for failure to collect, tampering with, and or, incorrectly reporting of emissions data. Improving emissions data capture and accuracy should be a key area of focus for Council.

2. Council is exposed to financial impact due to failing to meet legislated emissions reduction targets

The New Zealand Emissions Trading Scheme (“NZ ETS”) aims to encourage the reduction of greenhouse gas emissions. Currently Councils are not involved in the NZ ETS however, as Central Government develops and implements policies associated with the Climate Change Commission’s report, the NZ ETS may become relevant to local authorities, specifically in relation to forestry interests or landfill operations. Indirectly, it will likely also impact local government through increases in fuel and energy expenditure.

Waikato District Council will potentially need to consider budgeting for financial offset of emissions within the next 24-36 months.

4.2 NATIONAL REQUIREMENTS

New Zealand Emissions Reduction Targets

International targets (ratified as part of the Paris Agreement under the United Nations Framework Convention for Climate Change (“UNFCCC”):

- 5 per cent reduction below 1990 gross emissions for the period 2013-2020. This target, set in 2013, was unconditional, and is currently on track. This year it will be replaced by the 2030 target below.
- 30 per cent reduction below 2005 (or 11 per cent below 1990) gross emissions for the period 2021-2030.

Domestic targets (as outline in the Climate Change Response (Zero Carbon) Amendment Act:

- net zero emissions of all greenhouse gases other than biogenic methane by 2050
- 24 to 47 per cent reduction below 2017 biogenic methane emissions by 2050, including 10 per cent reduction below 2017 biogenic methane emissions by 2030.

Additionally, the climate emergency declaration, announced late 2020, will be backed with ambitious plans to reduce emissions including:

- Agreement on the first three emissions budgets required for the Zero Carbon Act
- Publication of an emissions reduction plan to meet these budgets
- Consideration on updating New Zealand’s target under the Paris Agreement, and
- Adoption of a plan to meet our international obligations for the period 2021-2030.

These actions are due to come into effect during 2021.

Climate Change Response (Zero Carbon) Amendment Act

The Zero Carbon Act gives the CCC powers allowing them to request information from local Councils related to mitigation and adaptation measures in their jurisdictions. This expectation may be costly as complex and technical information is likely to be required.

LGNZ has in place a project which seeks to develop a reporting methodology and framework for Councils that will meet the foreseeable needs of the CCC. Though this work will provide some support for local Councils, Waikato District Council, in preparation for potential information requests, would likely benefit from improving data collection and capture associated with their corporate and district emissions.

Climate Change Commission Report

The Minister for Climate Change tasked the CCC with developing advice on New Zealand's emissions reduction commitments, and the draft report has now been released for consultation. The final report is due mid-year (2021) and, although timeframes on the proposed actions are yet to be established, the CCC has outlined that now is the time to prepare to align actions to meet targets to reduce emissions.

The following points summarise the key actions from the draft report at the National Government level in the context of local government impact:

- Climate related policies should give effect to the Treaty Partnership and acknowledge iwi/Māori rights to exercise rangatiratanga and kaitiakitanga in a joint plan to reduce emissions that includes:
 - good stewardship and enabling iwi/Māori to exercise their role as kaitiaki
 - working in partnership with iwi/Māori and including aspirations for intergenerational wellbeing
 - supporting Māori communities during the transition to a low emissions Aotearoa
 - enhancing relationships within whānau and communities and with the whenua (land) or taiao (environment).
- Align policy with legislation to enable effective decisions for climate change mitigation and adaptation
- Implement funding and financing mechanisms to enable the emissions reduction plans to be implemented effectively
- Develop new and effective mechanisms to incorporate the views of our communities to determine and prioritise climate actions and policies
- Provide more and better transport options to increase access to public transport (integrated transport systems through urban planning)
- Engage in transition planning to tailor climate change policies to local circumstances to address the needs and aspirations of different groups within the community
- Potential new legislation (reform) that considers climate change e.g. the proposed Natural and Built Environments Act, the Strategic Planning Act and the Managed Retreat and Adaptation Act
- Incorporate climate change goals into cost-benefit or cost-effectiveness analysis
- Incorporate climate change projections into infrastructure and investments to ensure plans are future proof
- Develop a consistent approach to the emissions impacts of urban development decisions
- Incorporate emissions consequences into decision making on land use, transport, and infrastructure investments
- Transition to an electric vehicle fleet by 2035
- Support and implement energy efficiency and behaviour changes that reduce energy demand
- Support initiatives that include planting permanent, native, and biodiverse forests.

National Climate Risk Assessment for New Zealand

The National Climate Risk Assessment for New Zealand (Appendix A) supports the development of a National Adaptation Plan, to be published in August 2022. The plan will be developed in consultation with iwi/Māori, local government, and other stakeholders. It is expected that periodic progress reporting will take place every two years.

Until the plan is released the specific role of local government and specific emissions reduction requirements remain unknown, but familiarising Council with the identified priority risks will likely provide some insight into areas of the business that may be impacted. The ten priority risks are (in order of urgency):

1. Risk to potable water supplies (availability and quality) due to changes in rainfall, temperature, drought, extreme weather events and ongoing sea-level rise.
2. Risks to buildings due to extreme weather events, drought, increased fire weather and ongoing sea-level rise.
3. Risks to governments from economic costs associated with lost productivity, disaster relief expenditure and unfunded contingent liabilities due to extreme events and ongoing, gradual changes.
4. Risks to social cohesion and community wellbeing from displacement of individuals, families and communities due to climate change impacts.
5. Risks of exacerbating existing inequities and creating new and additional inequities due to differential distribution of climate change impacts.
6. Risk of maladaptation across all domains due to practices, processes and tools that do not account for uncertainty and change over long timeframes.
7. Risks to the financial system from instability due to extreme weather events and ongoing, gradual changes.
8. Risk that climate change impacts across all domains will be exacerbated because current institutional arrangements are not fit for adaptation. Institutional arrangements include legislative and decision-making frameworks, coordination within and across levels of government, and funding mechanisms.
9. Risks to coastal ecosystems, including the intertidal zone, estuaries, dunes, coastal lakes and wetlands, due to ongoing sea-level rise and extreme weather events.
10. Risks to indigenous ecosystems and species from the enhanced spread, survival and establishment of invasive species due to climate change.

Other Relevant Reports

In 2017 the New Zealand Productivity Commission produced a Low Emissions Economy report (2018). The overall finding was that transitioning to a low emissions economy was achievable but that it would be challenging. The final report provided 77 recommendations.

Several of the recommendations involved impacts to local government. They are summarised below:

- Recommendation 13.3; be more explicit about how the benefits of renewable electricity generation should be recognised and given effect in regional and territorial authority planning instruments
- Recommendation 15.3; provide local government more support to develop effective bylaws and consenting requirements for waste disposal with potential for a national environmental standard regarding waste
- Recommendation 15.6; wastewater treatment plants (“WWTPs”) should be incentivised to reduce emissions (inclusion of WWTPs into emissions pricing schemes should occur after relevant recommendations from the Department of Internal Affairs’ three waters review have been enacted)
- Recommendation 16.5; Councils should review and if justified remove, barriers to higher density development, particularly in inner suburbs and in areas close to public transport routes. Councils should also ensure that infrastructure charges reflect the full costs of dispersed development.

The government action towards a low-emissions economy infographic (Appendix B) sets out government action on transitioning to a low-emissions economy as part of the response to the Productivity Commission’s Low Emissions Economy report. It highlights key sector policies that will drive the transition and action on aligning the system settings to support it. Council may benefit from considering how we can prepare for change which aligns with the documented timeframes.

INTERNAL/EXTERNAL THREATS & IMPACT

The following information describes the identified risk components and their impact within scope of the risk.

RISK PORTFOLIO	RISK DESCRIPTION	RISK TRIGGERS	THREAT IMPACT
Technical	Council is unable to accurately capture emissions data due to poor record keeping	Legislative reform associated with emissions data capture	Financial e.g. fines
Compliance & Regulatory	Council is unprepared for legislative reform associated with emissions reduction targets and is unable to adapt and change within required timeframes	Legislative reform associated with emissions reduction	Financial impacts e.g. fines Resourcing deficit Litigation
Reputation / Image	The Waikato District Council experiences significant community backlash as the result of the community being unaware of the impacts of legislative reform	Legislative reform associated with emissions reduction	Loss of community trust
Political	The Waikato District community is unaware of the impacts of pending legislative reform resulting in political pressure associated with Climate Response and Resilience change requirements e.g. financial impact	Legislative reform associated with emissions reduction	Loss of community trust Financial e.g. funding deficit
Business Continuity	Council does not future proof community plans because they fail to consider potential legislative reforms associated with emissions outputs and reduction during key planning operations (foresight).	Legislative reform associated with emissions reduction	Loss of community trust Financial e.g. funding deficit
Compliance & Regulatory	Council and the community (residential, commercial and industrial) is unable to meet compliance requirements associated with legislative reform relating to emissions outputs.	Legislative reform associated with emissions reduction	Loss of community trust Financial e.g. funding deficit

Associated strategic risks that may have an impact or be impacted by the risk have been considered as part of the assessment process:

RISK DESCRIPTION	ASSOCIATION – RISK IMPACT / OPPORTUNITY
Regional and National Strategic Planning and Legislative Reform	Council is unprepared for legislative reform associated with emissions reduction targets and is unable to adapt and change within required timeframes
Affordability	Council is unable to provide or maintain key community infrastructure and services due to costs associated with the impacts of emissions reduction targets.
Asset Management	Council is unable to provide or maintain key community assets due to costs associated with the impacts of emissions reduction targets or due to unacceptable emissions outputs from existing assets.

RISK DESCRIPTION	ASSOCIATION – RISK IMPACT / OPPORTUNITY
Business Resilience.	Council is unable to provide or maintain key community infrastructure and services due to costs associated with the impacts of emissions reduction targets or emissions outputs.
Economic & Social Development	Council is unable to support appropriate economic and social development due to a lack of foresight associated with corporate or community emissions and emissions reduction requirements.
Community Expectations	Council fails to set appropriate community expectations through the LTP (associated with the capital works program) due to a lack of foresight associated with corporate or community emissions and emissions reduction requirements.
Growth	Council is unable to deliver on growth projections due to a lack of foresight associated with corporate or community emissions and emissions reduction requirements.

Note: all identified risks will be managed in accordance with Council’s risk management policy and associated processes.

4.3 INHERENT RISK SCORE

With consideration to identified internal and external impacts and associated risks (documented in this report) the inherent risk is assessed to be:

- Likelihood: **Almost Certain (5)**
 - Expected; almost certain occurrence in the foreseeable future
- Consequence:
 - Financial: **Major (4)**
Financial exposure ≥ \$500k but <\$1.5M in any 12-month period
 - Compliance and Regulatory: **Major (4)**
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.
 - Reputation / Image: **Major (4)**
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.
 - Political and Strategic: **Major (4)**
Significant but short-term political attention with major impact to timing or deliverables associated with LTP objectives within one given year.

The inherent risk factor is therefore considered to be **Extreme**.

* Refer to Appendix C for full Likelihood and Consequence Guide

Note: though this risk has an associated environmental impact it is assessed in the context of the risk specifics; therefore, impacts are assessed in the context of the financial, compliance and regulatory, political and reputational portfolios.

4.4 EXAMINE ASSOCIATED TREATMENTS

This table discusses the treatments that have been established to address the risk.

REF #	TREATMENT	IMPACT COMMENT
MC00617	Climate Response and Resilience Policy The Climate Response & Resilience Policy demonstrates consideration for the needs of future generations by adopting best practice behaviours through a proactive climate change and emissions reduction strategy, and it aligns with National Government legislation and Waikato District Council's existing commitments.	This treatment impacts the likelihood of the risk by providing guidance on Council's responsibilities regarding climate change including how the organisation undertakes actions that minimise the effects of Climate Change through: <ul style="list-style-type: none"> • the reduction of greenhouse gas emissions • the development of adaptation measures
MC00618	Climate Response and Resilience Plan The Climate Action Plan outlines the Council's response to climate change and provides actions that will help Council teams and the District to mitigate, build resilience and adapt to climate change.	The plan impacts the likelihood and the consequences of the risk by providing WDC actions which, when put into effect, meet audit and statutory obligations, and community expectations, to mitigate and adapt to climate change.

4.5 DISCUSSION

The Waikato District Council Climate Response and Resilience Action Plan includes several initiatives that align with the Central Government's direction in relation to emissions reduction planning. These initiatives need to be coordinated with Central Government's plans as they are determined and released and will require prioritisation and resourcing to be put into effect. Timely delivery is considered key to avoid the identified risk impacts.

The Ministry for Environment ("MfE") Climate change effects and impacts assessment combined with the National Risk Assessment could be used as a framework for Council to further develop, prioritise and apply its existing policy and action plan. This approach would fundamentally align with proposed and potential Central Government plans. Currently, the many unknowns mean Council will need to carefully monitor national developments, continue to expect change, and remain flexible to avoid disconnect with Central Government's approach.

4.6 RESIDUAL RISK ASSESSMENT

With consideration to the effectiveness of treatments documented in this report, it is found that they are only partially effective in protecting Council from risk exposure.

The residual risk is therefore assessed to be:

- Likelihood: **Likely (4)**
 - Strong probability of occurrence in the foreseeable future / History of frequent occurrence

- Consequence:
 - Financial: **Major (4)**
Financial exposure ≥ \$500k but <\$1.5M in any 12-month period
 - Compliance and Regulatory: **Moderate (3)**
Breach of policy, process or legislation requiring external investigation and resulting in a tangible loss
 - Reputation / Image: **Moderate (3)**
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
 - Political and Strategic: **Major (4)**
Significant but short-term political attention with major impact to timing or deliverables associated with LTP objectives within one given year.

Considering anticipated risk exposure, existing treatments and their effectiveness, the residual risk factor is assessed to be **High to Extreme**.

- Waikato District Council's risk appetite for financial risk is documented as '**Moderate**'.
- Waikato District Council's risk appetite for Compliance and Regulatory risk is documented as '**Low to Moderate**'.
- Waikato District Council's risk appetite for risks associated with Reputation and Image is documented as '**Low**'.
- Waikato District Council's risk appetite for Political and Strategic risk is documented as '**High**'.

* Refer to Appendix C for full Likelihood and Consequence Guide

Appetite and risk within the scope of the risk "*Climate Resilience*" are therefore not appropriately aligned.

4.7 CONSIDERATIONS

Council will need to develop a strong understanding of Central Government expectations associated with emissions reduction responsibilities, and explicit consideration should be given to which parts of the business will be affected by emissions reduction requirements. Accurate and timely capture of corporate and community emissions data will be a key enabler for developing and implementing effective risk controls in this area.

Council also needs to consider its role in enabling the district's communities to adapt to a low carbon economy as legislation is put into effect. Engagement with communities determines how they will develop in the future; the more forward thinking and aware these plans are, the better communities will be positioned to adapt. Financial impact of future proofing plans may be significant, however purchasing emissions credits will ultimately become an unaffordable option.

4.8 FORECAST

Due to existing timeframes associated with emissions reduction targets, the inherent risk in this area is unlikely to reduce from extreme in the next five years. Government-led initiatives and the impact of legislative reform will become apparent over that period allowing Council to develop appropriate controls. However, without resourcing, these controls will be hard to put into effect, and it is therefore unlikely that residual risk will be reduced and likely that risk exposure will remain high. An all-of-business approach to impending reforms needs to be considered.

4.9 RECOMMENDATION

Due to the existing level of unknowns associated with Government initiatives and legislative reform, the recommendations contained in this document are based on the following assumptions:

- Council may be required to provide accurate emissions data to the CCC within the next five years
- Council will need to reduce their corporate emissions within the next nine years (aligning with Central Governments 2030 emissions targets)

Recommendations:

1. Implement a Climate Response and Resilience programme, which delivers Council's Climate Response and Resilience Action Plan (adopted during 2020) focusing on an all of business approach to climate change including emissions reduction.
2. Employ an appropriate resource to coordinate and manage the Climate Response and Resilience programme (including collaboration with other authorities as a key role responsibility). A business case for resourcing is being considered as part of the LTP.
3. Improve accuracy and availability of emissions data collection as outlined in the adopted Climate Response and Resilience Action Plan.
4. Use the MFE climate change effects and impacts assessment combined with the National Risk Assessment in conjunction with the adopted Climate Response and Resilience Action Plan to develop and prioritise Council's emissions reduction and other Climate Resilience Actions.
5. Monitor developments associated with the draft CCC report and legislative change.
6. Engage in pre-emptive discussion on emissions reduction scenarios (identify potential options) and incorporate emissions impacts into our decision making.

5. CONCLUSION

During 2020 Waikato District Council took a significant step towards developing a greater understanding of the impacts of climate change on both the business and the community. The Climate Response and Resilience Policy and Action Plan provide Council with a sound base for progressing risk mitigations associated with emissions reduction if they are appropriately prioritised and resourced.

There are however significant unknowns in relation to how emissions reductions will impact local government and when changes are likely to be put into effect. To keep abreast of developments, it is necessary for Council to actively monitor advancements in this area of legislation during the next twenty-four months to ensure readiness for change to align with Central Government's approach.

6. ATTACHMENTS

Appendix A National Climate Risk Assessment for New Zealand (Snapshot)

Appendix B Government Action towards a Low-Emissions Economy Infographic

Appendix C Risk Management - Likelihood Consequence Guide (Matrix)



Ministry for the
Environment
Manatū Mō Te Taiao

National Climate Change Risk Assessment for New Zealand

Arotakenga Tūraru mō te Huringa
Āhuarangi o Āotearoa

Snapshot Whakarāpopotonga

Karakia

Whakataka te hau ki te uru,
Whakataka te hau ki te tonga.

Kia mākinakina ki uta,
Kia mātaratara ki tai.

E hī ake ana te atākura he tio,
he huka, he hauhunga.

Haumi e! Hui e! Tāiki e!

Get ready for the westerly
and be prepared for the southerly.

It will be icy cold inland,
and icy cold on the shore.

May the dawn rise red-tipped on ice,
on snow, on frost.

Join! Gather! Intertwine!

This karakia (incantation) speaks to the interdependencies between the environment and people. In the context of climate change, this is a call to all New Zealanders to work together to build a more resilient future that is inclusive of all, across all domains.



This report summarises the findings of New Zealand's first National Climate Change Risk Assessment.

Our climate is changing

The climate is changing. All governments accept that further changes will result from increasing amounts of **greenhouse gases** in the atmosphere. In New Zealand, we are already experiencing the effects.

Over the past century, temperatures have increased, glaciers have melted and sea levels have risen. Such changes will continue, and their impacts increase.

These future changes will have far-reaching consequences for people and the environment – in cities, towns and communities, across all levels of government, and from the coastline to lakes, rivers and forests.

Why we need to assess the risks from climate change

Climate change will affect all of us. We need to plan how we will respond and adapt, hand-in-hand with [reducing our emissions](#).

Central government plays an important part in this planning, including:

- creating the legislative framework
- enabling local government, businesses and communities to adapt effectively
- preparing for major natural **hazards** such as floods, drought, storms and wildfire.

A national framework for assessing risk¹

The Climate Change Response (Zero Carbon) Amendment Act 2019 sets a framework for effective adaptation² across New Zealand, consisting of:

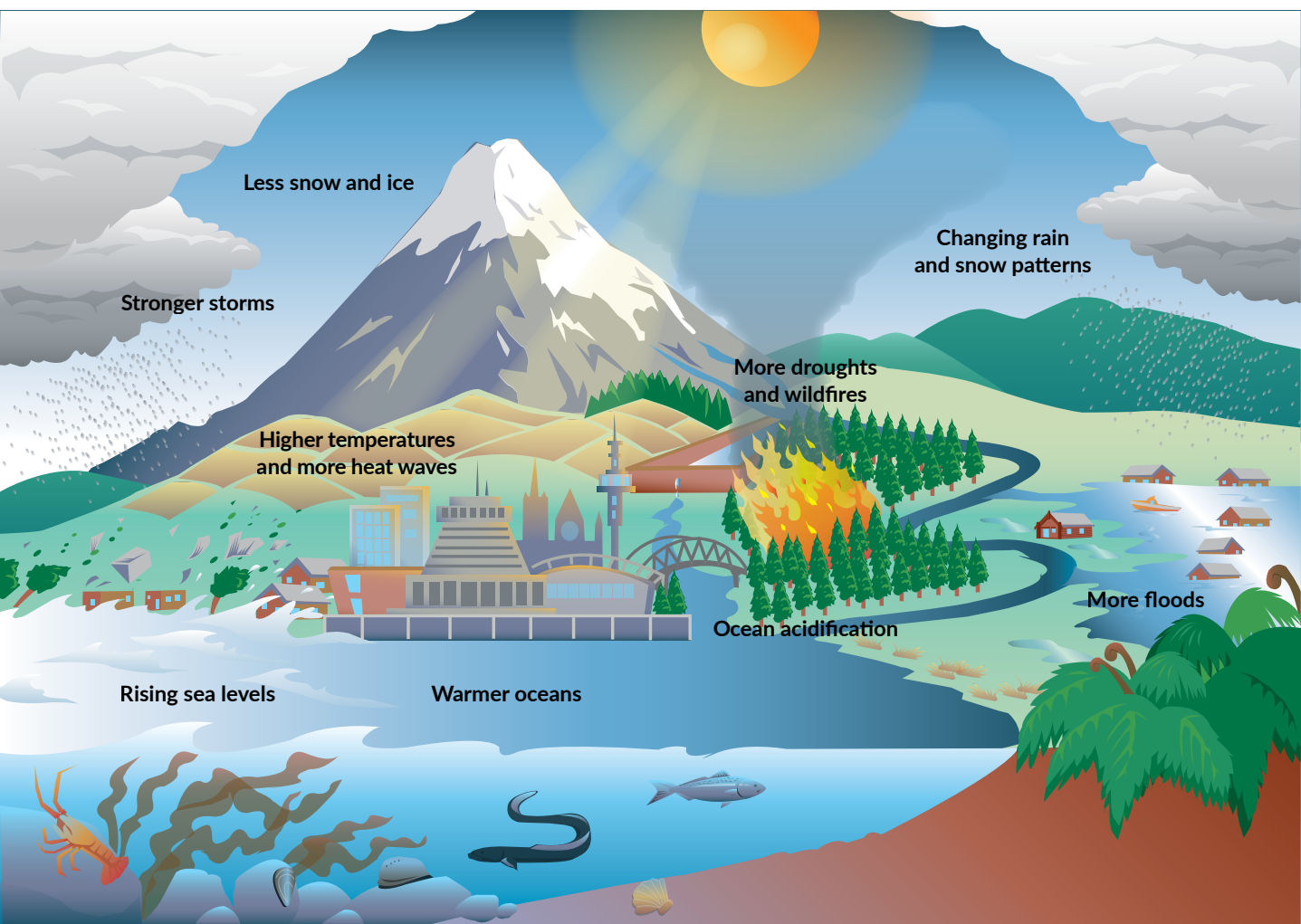
- a National Climate Change Risk Assessment, every six years
- a national adaptation plan, produced two years after each risk assessment
- monitoring implementation of the national adaptation plan, to ensure accountability.

The national adaptation plan will build on the actions New Zealand is already taking to respond to the impacts of climate change. With input from iwi/hapū/Māori, local government, key stakeholders and the general public, the plan will:

- define the Government's objectives for adapting to climate change, and how it will meet these
- respond to the most significant risks identified in the risk assessment.

Figure 1: How climate change is projected to impact New Zealand

(See page 3 for more information on climate change impacts)



¹ The potential, when the outcome is uncertain, for adverse consequences on lives, livelihoods, health, ecosystems and species, economic, social and cultural assets, services (including environmental) and infrastructure. Risk results from the interaction of vulnerability, exposure and hazard.

² Adaptation is an adjustment to actual or expected climate change and its effects.

What is the National Climate Change Risk Assessment?

The risk assessment is a national overview of how New Zealand may be affected by climate change-related hazards.³ It:

- identifies the main risks and opportunities
- highlights any information gaps
- helps identify where the Government needs to focus its action.

Read the National Climate Change Risk Assessment Report on our [website](#).

The risk assessment was based on *Arotakenga Huringa Āhuarangi: A Framework for the National Climate Change Risk Assessment for Aotearoa New Zealand* (the framework). A diverse team of academics and consultants prepared the report over nine months. It combines feedback from Māori/iwi and stakeholder engagement with scientific, technical and expert analysis.

How will the findings be used?

The risk assessment will be used to develop a national adaptation plan over the next two years. The plan will outline what we need to do to prepare for the risks.

The National Institute of Water and Atmospheric Research (NIWA) developed the projections used for the risk assessment. The trends (see figure 1) include:

- In the last 100 years, our climate has warmed by 1°C. If global emissions remain high, temperatures will increase by a further 1°C by 2040 and 3°C by 2090, with the greatest warming likely to be in the northeast.
- In the last 60 years, sea levels have risen by 2.44 mm per year. If global emissions remain high, sea levels will increase by a further 0.21 m by 2040 and 0.67 m by 2090.
- Extreme weather events such as storms, heatwaves and heavy rainfall are likely to be more frequent and intense. Large increases in extreme rainfall are expected everywhere in the country.
- The number of frost and snow days are projected to decrease.
- Drought is predicted to increase in frequency and severity, particularly along the eastern side of the Southern Alps.
- Wildfire risk is predicted to increase.

Although these projections have a degree of uncertainty, they present plausible futures resulting from climate change. More information is available in the [Climate Change Projections for New Zealand Snapshot](#).

Climate change in New Zealand



Our climate is warming, sea levels are rising, and extreme weather is becoming more frequent and severe.

Findings of the risk assessment

The 43 priority risks across five domains

The risk assessment grouped risks according to five value domains: human domain, natural environment domain, economy domain, built environment domain and governance domain.

These underpin our wellbeing and provide the structure for the assessment. The [main report](#) sets out the consequence and urgency ratings for all 43 risks. These are also shown in [table 2 on page 8](#).

The 10 most significant risks

To find the most significant risks, we identified the two most urgent risks in each of the five domains (see [table 1](#)).

³ Hazard is the potential occurrence of a natural or human-induced physical event or trend or physical impact that may cause loss of life, injury, or other health impacts, as well as damage and loss to property, infrastructure, livelihoods, service provision, ecosystems and environmental resources.

Table 1: New Zealand's 10 most significant climate change risks, based on consequence and urgency

DOMAIN	RISK	RATING	
		Consequence	Urgency (44-94)
Natural environment	Risks to coastal ecosystems, including the intertidal zone, estuaries, dunes, coastal lakes and wetlands, due to ongoing sea-level rise and extreme weather events.	Major	78
	Risks to indigenous ecosystems and species from the enhanced spread, survival and establishment of invasive species due to climate change.	Major	73
Human	Risks to social cohesion and community wellbeing from displacement of individuals, families and communities due to climate change impacts.	Extreme	88
	Risks of exacerbating existing inequities and creating new and additional inequities due to differential distribution of climate change impacts.	Extreme	85
Economy	Risks to governments from economic costs associated with lost productivity, disaster relief expenditure and unfunded contingent liabilities due to extreme events and ongoing, gradual changes.	Extreme	90
	Risks to the financial system from instability due to extreme weather events and ongoing, gradual changes.	Major	83
Built environment	Risk to potable water supplies (availability and quality) due to changes in rainfall, temperature, drought, extreme weather events and ongoing sea-level rise.	Extreme	93
	Risks to buildings due to extreme weather events, drought, increased fire weather and ongoing sea-level rise.	Extreme	90
Governance	Risk of maladaptation ¹ across all domains due to practices, processes and tools that do not account for uncertainty and change over long timeframes.	Extreme	83
	Risk that climate change impacts across all domains will be exacerbated because current institutional arrangements are not fit for adaptation. Institutional arrangements include legislative and decision-making frameworks, coordination within and across levels of government, and funding mechanisms.	Extreme	80

¹ Maladaptation refers to actions that may lead to increased risk of adverse climate-related outcomes, including via increased greenhouse gas emissions, increased vulnerability⁴ to climate change, or diminished welfare, now or in the future. Maladaptation is usually an unintended consequence.

⁴ Vulnerability is the propensity or predisposition to be adversely affected. Vulnerability encompasses a variety of concepts including sensitivity or susceptibility to harm, and lack of capacity to cope and adapt.

There are connections across risks and domains

The main report explores some connections between domains and risks, including a case study in section 6 on page 102. However, the framework did not provide a way to include the interactions between the risks in this first risk assessment.

To be effective, the responses to the priority risks will need to recognise these interconnections. Māori who were consulted emphasised that this was fundamental to exploring climate risks.

Opportunities

We identified only a few opportunities. All require research to ensure responses do not worsen climate change impacts unintentionally. The opportunities are:

- higher productivity in some primary sectors due to warmer temperatures
- businesses to provide adaptation-related goods and services
- lower cold weather-related mortality
- lower winter heating demand.

Knowledge gaps

Gaps in the knowledge about climate change include:

- biological data on ecosystems and species
- the relationship between vulnerable social groups, cultural heritage and climate change, along with impacts on Māori social, cultural, spiritual and economic wellbeing
- the effect on banking and insurance, and the flow-on effect on the financial system

- consistent hazard information for assessing the exposure of the built environment at a national scale
- the interdependencies and shared risks between infrastructure sectors
- a coordinated research platform to inform effective adaptation
- the current and future barriers to adaptation
- the full range of opportunities, and better understanding of those already identified.

Māori perspectives

The priority risks will disproportionately affect certain Māori groups and interests, values, practices and wellbeing. Mātauranga Māori⁵ will be critical for a greater understanding of the risks, and for future planning. Some iwi support a parallel risk assessment for Māori, by Māori.

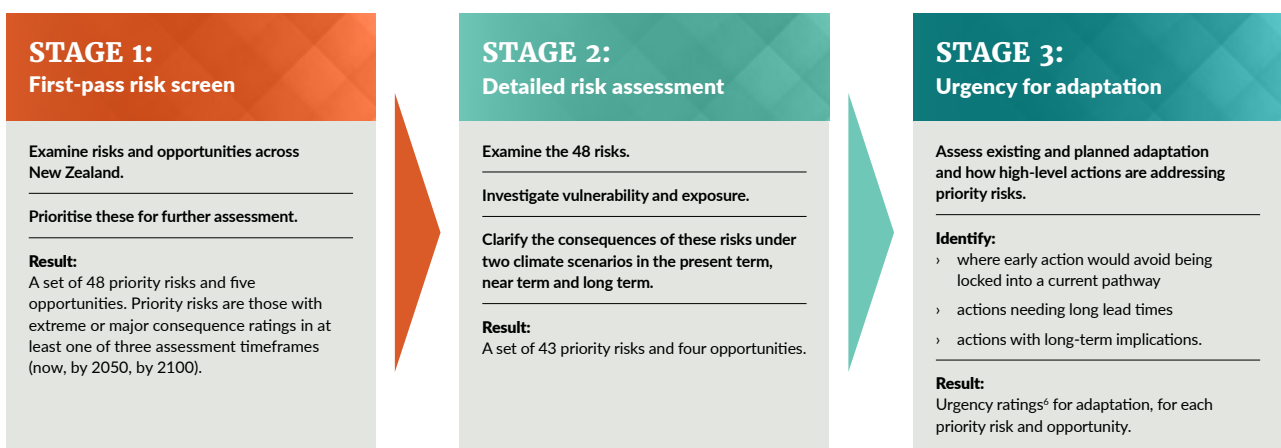
Risks of particular significance to Māori include:

- risks to social, cultural, spiritual and economic wellbeing from loss and degradation of lands and waters; and from loss of species and biodiversity (risks H5 and H6, see table 2)
- risks to social cohesion and community wellbeing from displacement of individuals, families and communities (risk H1)
- risks of exacerbating and creating inequities due to unequal impacts of climate change (risk H2).

Many iwi and hapū are already developing their own climate change plans.

Assessing risk: a three-stage process

Below is the process used for the risk assessment.



⁵ Mātauranga Māori or Māori knowledge has many definitions that cover belief systems, epistemologies, values, and knowledge both in a traditional and contemporary sense. Mātauranga Māori incorporates knowledge, comprehension and understanding of everything visible and invisible existing in the universe.

⁶ Urgency is defined as "a measure of the degree to which further action is needed in the next five years to reduce a risk or realise an opportunity from climate change" (Committee on Climate Change, 2019, p.5). The framework adopted the urgency categories from the 2017 UK Climate Change Risk Assessment (Committee on Climate Change, 2017).

Rating risks by consequence and urgency

Table 2 sets out the consequence and urgency ratings for the priority risks.

Consequence ratings

Consequence ratings reflect the degree to which the assets in each domain are exposed and vulnerable to climate hazards. The ratings are insignificant, minor, moderate, major and extreme.

Urgency ratings

The risk assessment assessed the urgency of taking action to address each risk (the 'adaptation urgency'). This determined the degree to which further action is recommended in the next six years.

The urgency ratings range from 44 to 94, and are based on a number of factors, particularly whether an adequate response is under way or planned.

What the risk assessment does not include

Some issues were beyond the scope of the first risk assessment.

Socio-economic projections

Socio-economic factors for risk assessment include population, technological change and economic growth. New Zealand's socio-economic fabric will be very different in 2050 and in 2100. For example, cultural diversity will continue to grow.

For the first risk assessment, the framework excluded socio-economic projections such as future changes in population, gross domestic product and other economic, land-use or employment variables.

The main report explores these issues at a high level through a case study in section 6 on page 102.

Transition risks

Risks may emerge from the move to a lower-carbon, global economy. These include higher pricing of greenhouse gas emissions, and the costs of moving to new technology.⁷

The framework excluded transition risks from this first assessment. The Government is currently addressing these risks, for example through the Climate Change Response (Zero Carbon) Amendment Act 2019. It is also proposing to require financial firms and listed companies to report on the climate change impacts of their business in a consistent way.

Regional and local assessments

The risk assessment is a national-scale assessment, designed to feed into the national adaptation plan. It considers climate impacts on different parts of the country, using seven sub-national zones and two marine zones.

We aggregated the risks to the national scale, showing where risks may be higher in one or two zones. The method can apply to a regional, catchment, district and city scale. Regional and district assessments would focus more on informing governance and planning by regional, district and city councils.⁸

International and transboundary issues

Climate change will affect people and economies around the world, which will have flow-on effects for New Zealand. Future assessments may explore these issues more broadly.

Next steps

The risk assessment gives decision-makers the best available evidence and assessment for a planned approach to climate change risks and opportunities.

National adaptation plan

The risk assessment enables the Government to prioritise action, including through the national adaptation plan.

The national adaptation plan is required to be published within two years of the release of the risk assessment. The Climate Change Commission will monitor its implementation, and report to the Minister every two years on its effectiveness.

The next risk assessment within six years

The Climate Change Response (Zero Carbon) Amendment Act 2019 requires a risk assessment at least every six years. The Climate Change Commission will carry out future risk assessments.

This current assessment lays the groundwork for the next by documenting the method (see the [National Climate Change Risk Assessment - Method report](#)), and providing the Government with tools (spreadsheets and engagement materials), raw data and records of engagement.

The Government and the Climate Change Commission have the option of building on this information and consultation. The research priorities and gaps will need to be addressed promptly if they are to inform the next assessment in 2024.

⁷ Task Force on Climate-related Financial Disclosures (TCFD), 2017.

⁸ Ministry for the Environment, 2019.

Table 2: The most significant risks and other priority risks, by domain and consequence and urgency ratings

Natural environment				Human				
10 MOST SIGNIFICANT RISKS								
Risk	Ratings			Risk	Ratings			Risk
N1 Risks to coastal ecosystems, including the intertidal zone, estuaries, dunes, coastal lakes and wetlands, due to ongoing sea-level rise and extreme weather events.	Urgency		78	H1 Risks to social cohesion and community wellbeing from displacement of individuals, families and communities due to climate change impacts.	Urgency		88	E1 Risks to governments from economic costs associated with lost productivity, disaster relief expenditure and unfunded contingent liabilities due to extreme events and ongoing, gradual changes.
	Consequence	Now	Min		Consequence	Now	Min	
		2050	Mod			2050	Ext	
		2100	Major			2100	Ext	
N2 Risks to indigenous ecosystems and species from the enhanced spread, survival and establishment of invasive species due to climate change.	Urgency		73	H2 Risks of exacerbating existing inequities and creating new and additional inequities due to differential distribution of climate change impacts.	Urgency		85	E2 Risks to the financial system from instability due to extreme weather events and ongoing, gradual changes.
	Consequence	Now	Mod		Consequence	Now	Major	
		2050	Mod			2050	Ext	
		2100	Major			2100	Ext	
OTHER PRIORITY RISKS								
Risk	Ratings			Risk	Ratings			Risk
N3 Risks to riverine ecosystems and species from alterations in the volume and variability of water flow, increased water temperatures, and more dynamic morphology (erosion and deposition), due to changes in rainfall and temperature.	Urgency		68	H3 Risks to physical health from exposure to storm events, heatwaves, vector-borne and zoonotic diseases, water availability and resource quality and accessibility, due to changes in temperature, rainfall and extreme weather events.	Urgency		83	E3 Risks to land-based primary sector productivity and output due to changes in mean rainfall and temperature, seasonality, weather extremes and changes in the distribution of invasive species.
	Consequence	Now	Mod		Consequence	Now	Min	
		2050	Mod			2050	Mod	
		2100	Major			2100	Major	
N4 Risks to wetland ecosystems and species, particularly in eastern and northern parts of New Zealand, from reduced moisture status due to reduced rainfall.	Urgency		68	H4 Risks of conflict, disruption and loss of trust in government, from changing patterns in the value of assets and competition for access to scarce resources, primarily due to extreme weather events and ongoing sea-level rise.	Urgency		83	E4 Risks to tourism from changes to landscapes and ecosystems and impacts on lifeline infrastructure, due to extreme weather events and ongoing, gradual changes.
	Consequence	Now	Min		Consequence	Now	Mod	
		2050	Mod			2050	Major	
		2100	Major			2100	Major	
N5 Risks to migratory and/or coastal and river-bed nesting birds due to reduced ocean productivity, ongoing sea-level rise and altered river flows.	Urgency		65	H5 Risks to Māori social, cultural, spiritual and economic wellbeing from loss and degradation of lands and waters, as well as cultural assets such as marae, due to ongoing sea-level rise, changes in rainfall and drought.	Urgency		80	E5 Risks to fisheries from changes in the characteristics, productivity, and spatial distribution of fish stocks, due to changes in ocean temperature and acidification.
	Consequence	Now	Min		Consequence	Now	Major	
		2050	Mod			2050	Ext	
		2100	Major			2100	Ext	
N6 Risks to lake ecosystems due to changes in temperature, lake-water residence time, and thermal stratification and mixing.	Urgency		65	H6 Risks to Māori social, cultural, spiritual and economic wellbeing from loss of species and biodiversity, due to greater climate variability and ongoing sea-level rise.	Urgency		80	E6 Risks to the insurability of assets, due to ongoing sea-level rise and extreme weather events.
	Consequence	Now	Min		Consequence	Now	Major	
		2050	Mod			2050	Ext	
		2100	Major			2100	Ext	

CONSEQUENCE RATING KEY:

Insig	Insignificant	Mod	Moderate	Ext	Extreme
Min	Minor	Major	Major		

Economy			Built environment			Governance							
Ratings			Risk	Ratings			Risk	Ratings					
Urgency			90	B1 Risk to potable water supplies (availability and quality) due to changes in rainfall, temperature, drought, extreme weather events and ongoing sea-level rise.	Urgency			93	G1 Risk of maladaptation across all domains due to the application of practices, processes and tools that do not account for uncertainty and change over long timeframes.	Urgency			83
Consequence	Now	Min	Consequence		Now	Major	Consequence	Now		Major			
	2050	Major			2050	Major		2050		Ext			
	2100	Ext			2100	Ext		2100		Ext			
Urgency			83	B2 Risks to buildings due to extreme weather events, drought, increased fire weather and ongoing sea-level rise.	Urgency			90	G2 Risk that climate change impacts across all domains will be exacerbated because current institutional arrangements are not fit for climate change adaptation. Institutional arrangements include legislative and decision-making frameworks, coordination within and across levels of government, and funding mechanisms.	Urgency			80
Consequence	Now	Min	Consequence		Now	Major	Consequence	Now		Major			
	2050	Mod			2050	Ext		2050		Ext			
	2100	Major			2100	Ext		2100		Ext			
Ratings			Risk	Ratings			Risk	Ratings					
Urgency			81	B3 Risks to landfills and contaminated sites due to extreme weather events and ongoing sea-level rise.	Urgency			85	G3 Risks to governments and businesses from climate change-related litigation, due to inadequate or mistimed climate change adaptation.	Urgency			78
Consequence	Now	Min	Consequence		Now	Mod	Consequence	Now		Mod			
	2050	Mod			2050	Major		2050		Major			
	2100	Major			2100	Major		2100		Major			
Urgency			80	B4 Risk to wastewater and stormwater systems (and levels of service) due to extreme weather events and ongoing sea-level rise.	Urgency			85	G4 Risk of a breach of Treaty obligations from a failure to engage adequately with and protect current and future generations of Māori from the impacts of climate change.	Urgency			75
Consequence	Now	Min	Consequence		Now	Major	Consequence	Now		Mod			
	2050	Mod			2050	Ext		2050		Major			
	2100	Major			2100	Ext		2100		Major			
Urgency			80	B5 Risks to ports and associated infrastructure, due to extreme weather events and ongoing sea-level rise.	Urgency			70	G5 Risks of delayed adaptation and maladaptation, due to knowledge gaps resulting from under-investment in climate adaptation research and capacity building.	Urgency			75
Consequence	Now	Min	Consequence		Now	Min	Consequence	Now		Major			
	2050	Mod			2050	Mod		2050		Major			
	2100	Major			2100	Major		2100		Major			
Urgency			75	B6 Risks to linear transport networks, due to changes in temperature, extreme weather events and ongoing sea-level rise.	Urgency			60	G6 Risks to the ability of the emergency management system to respond to an increasing frequency and scale of compounding and cascading climate change impacts in New Zealand and the Pacific region.	Urgency			70
Consequence	Now	Insig	Consequence		Now	Major	Consequence	Now		Major			
	2050	Mod			2050	Major		2050		Major			
	2100	Major			2100	Ext		2100		Major			

Natural environment			Human					
Risk	Ratings		Risk	Ratings		Risk		
N7 Risks to terrestrial, freshwater and marine ecosystems, due to increased extreme weather events, drought, and fire weather.	Urgency	60	H7 Risks to mental health, identity, autonomy and sense of belonging and wellbeing from trauma, due to ongoing sea-level rise, extreme weather events and drought.	Urgency	80	E7 Risks to businesses and public organisations from supply chain and distribution network disruptions, due to extreme weather events and ongoing, gradual changes.		
	Consequence	Now		Min	Consequence		Now	Major
		2050		Mod			2050	Major
		2100	Major		2100	Major		
N8 Risks to oceanic ecosystem productivity and functioning, due to changes in sea-surface temperature, ocean mixing, nutrient availability, chemical composition and vertical particle flux.	Urgency	55	H8 Risks to Māori and European cultural heritage sites, due to ongoing sea-level rise, extreme weather events and increasing fire weather.	Urgency	75			
	Consequence	Now		Min	Consequence	Now	Major	
		2050		Mod		2050	Major	
		2100	Major		2100	Major		
N9 Risks to sub-alpine ecosystems, due to changes in temperature and a reduction in snow cover.	Urgency	55						
	Consequence	Now	Min					
		2050	Mod					
		2100	Major					
N10 Risks to carbonate-based, hard-shelled species from ocean acidification, due to increased atmospheric concentrations of CO ₂ .	Urgency	55						
	Consequence	Now	Min					
		2050	Mod					
		2100	Major					
N11 Risks to the long-term composition and stability of indigenous forest ecosystems due to changes in temperature, rainfall, wind and drought.	Urgency	53						
	Consequence	Now	Insig					
		2050	Min					
		2100	Major					
N12 Risks to the diverse range of threatened and endangered species that are dependent on New Zealand's offshore islands for their continued survival due to ongoing sea-level rise, changes in terrestrial climates, and changes in ocean chemistry and productivity.	Urgency	45						
	Consequence	Now	Min					
		2050	Mod					
		2100	Major					

Economy			Built environment			Governance				
Ratings			Risk	Ratings		Risk	Ratings			
Urgency		68	B7 Risk to airports, due to changes in temperature, wind, extreme weather events and ongoing sea-level rise.	Urgency		55	G7 Risk that effective climate change adaptation policy will not be implemented and sustained, due to a failure to secure sufficient parliamentary agreement.	Urgency		68
Consequence	Now	Insig		Consequence	Now	Major		Consequence	Now	Mod
	2050	Mod			2050	Major			2050	Ext
	2100	Major			2100	Ext			2100	Ext
			B8 Risks to electricity infrastructure, due to changes in temperature, rainfall, snow, extreme weather events, wind and increased fire weather.	Urgency		55	G8 Risk to the ability of democratic institutions to follow due democratic decision-making processes under pressure from an increasing frequency and scale of compounding and cascading climate change impacts.	Urgency		53
Consequence	Now	Mod		Consequence	Now	Mod		Consequence	Now	Mod
	2050	Mod			2050	Major			2050	Major
	2100	Major			2100	Major			2100	Major





Published in August 2020 by the
Ministry for the Environment
Publication number: INFO 955

New Zealand Government

Government action towards a low-emissions economy

Key sector policies that will drive the transition



Transport

Transport emissions in New Zealand make up approximately 20% of our total greenhouse gas emissions.

- Policy package that targets low emissions vehicle uptake, including consulting on both a clean car standard and clean car discount
- Transitioning the Government fleet to EVs through targeted procurement policy
- Investigating alternative fuel sources for heavy freight
- Major investment in public transport through the GPS which prioritises reducing emissions



Forestry

The land sector contains both the greatest source and sink of greenhouse gases in New Zealand – expanding forestry through the One Billion Trees programme will be essential for meeting a long-term net zero target.

- Tree planting grants and funding for partnerships
- Regional council funding and support to address erosion prone land
- Changes to the NZ Emissions Trading Scheme (NZ ETS) to simplify and de-risk afforestation
- Mandate for joint ventures between Crown and landowners to plant commercial plantation forests
- Develop a strategy to set a 30 year vision for forests and trees in New Zealand
- Strengthening the NZ ETS to provide greater financial incentive to plant forests



Agriculture

Almost half of our emissions come from agriculture. Agriculture plays an important role in meeting our emissions reductions targets while ensuring a productive and prosperous economy.

- Significant investment to support research and development in reducing emissions from the agriculture sector
- Developing policies to support farmers to transition to a productive, low-emissions future
- Consulting on how to price agricultural emissions



Electricity

New Zealand already has up to 85% of electricity generated from renewable sources. We expect the demand for renewable electricity to increase to meet the needs of transport and to enable other shifts to a low emissions economy.

- Renewable energy plan to chart a pathway to 100% renewable electricity, including a strategy on green hydrogen
- The Government is working on options to strengthen the National Policy Statement on Renewable Electricity Generation to provide a clearer signal of the importance of climate change in the consenting and planning process.



Industrial and process heat

15% of our greenhouse gas emissions come from burning fossil fuels to generate process heat and from industrial processes.

- Consulting later this year on a policy package for reducing industrial process heat emissions



Built environment

Many of the ways climate change outcomes interact with the built environment are indirect and will require long-term planning and investment to avoid locking in high emission infrastructure and transport systems, as well as urban form and building design.

- Enabling higher density urban planning through the Urban Growth Agenda
- Removing consenting barriers to enable quality densification in urban areas through reforms of the National Policy Statement on Urban Development Capacity



Waste

New Zealand has the highest waste emissions per person of all members in the OECD. These emissions account for around 5% of our total greenhouse gas emissions.

- Expanding the Waste Disposal Levy to include more sites and enable the better collection of data

Aligning the system settings to support the transition



Innovation

Innovative and creative solutions are needed to create and deploy new and existing technologies in a way that can also improve the economy and national wellbeing.

- Encouraging low emissions innovation through the low emissions vehicle contestable fund
- Ensuring climate change is a focus in our research, science and innovation strategy
- Establishing a New Energy Development Centre in Taranaki to test and trial new energy forms



Laws and institutions

A major part of our approach to climate change is getting the architecture in place for the long-term transition.

- Zero Carbon Bill (ZCB) - Putting in place legislation that establishes a robust framework and sets a 2050 target
- Establishing an independent Climate Change Commission
- The ZCB includes measures for New Zealand to plan for the ongoing effects of a changing climate in a coordinated way (including a regular National Climate Change Risk Assessment and National Adaptation Plan)



Investment

Transitioning to a low-emissions economy requires investment in activities that support low-emissions energy and land use.

- Targeted Government procurement policies towards low emissions goods, including vehicles and stationary heating
- Accelerating low emissions investment through Green Investment Finance Ltd, the Provincial Growth Fund and Aotearoa Circle
- Designing a mandatory comply or explain regime for climate related financial disclosures



Emissions pricing

The NZ ETS is our main tool for incentivising businesses and individuals to reduce emissions. The NZ ETS is an effective way of encouraging the market to find the cheapest emission reductions available.

- Making changes to improve the effectiveness of the NZ ETS
- Making decisions on the inclusion of biological emissions
- Setting a cap on emissions
- Phasing down of industrial allocation

Appendix C

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 3: Risk Matrix

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

Table 2: Risk Consequence Criteria

Rating	Criteria Descriptor Guide	Probability
Catastrophic	Essential services unavailable (>1day) 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 (<1day), non-essential services unavailable (<7days) A WorkSafe NZ notifiable injury or illness (Severity 2) 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 (Severity 4) 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 (<1day) Restricted work injury or medical treatment injury or potential for medical treatment is required (Severity 5) Temporary resourcing deficit (trained/skilled specialist roles <7days) Financial exposure per annum ≥ \$10k but < \$100k Minor 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) First aid injury or potential for a person to seek first aid (Severity 6) Temporary resourcing deficit (trained/skilled specialist roles <1day) Financial exposure per annum < \$10k 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

Open Meeting

To	Audit & Risk Committee
From	Gavin Ion Chief Executive
Date	22 February 2021
Prepared by	Lynn Shirley Zero Harm Manager
Chief Executive Approved	Y
Reference/Doc Set #	GOV1318 / 1866302
Report Title	Zero Harm Report

1. EXECUTIVE SUMMARY

The purpose of this report is to present an overview of Waikato District Council's current health and safety performance to the Audit & Risk Committee

2. RECOMMENDATION

THAT the report from the Chief Executive be received.

3. REPORT

Primary Objective

Council is committed to pursuing a culture of Zero Harm by eliminating or managing health, safety and wellbeing risks.

Disciplined Management Systems

Zero Harm "Work Safe, Home Safe" Strategic Plan for FY20/21
In December 2020, the Executive Leadership Team (ELT) and Zero Harm Team undertook a review of Council's health and safety performance and implementation of Zero Harm Strategic Plan activities for FY20/21.



Performance and Reflections Year to Date from the review include:

- 69 tasks fall out of the Strategic Plan (7 completed, 23 underway and 39 not yet started)
- 2 Total Recordable Injuries (TRIs) have occurred (*Lost Time Injury* – dog bite, *Medical Treatment Injury* – contusion to hand while trying to break up a dog fight)
- 1 WorkSafe NZ notifiable event (dog bite)
- 84 events reported in BWare Safety Manager
- 10 First Aid Injuries (FAIs) and 44 Near Accidents reported in BWare
- 1688 Safety Engagement Conversations recorded in BWare

Safe Systems of Work

Over the last three months the Zero Harm Team has continued to arrange and coordinate the delivery of training to support;

- the identification and management of workplace hazards and risk and,
- the auditing of contractor’s safe systems of work documentation.

The table below illustrates the training that has been delivered.

Training delivered	Number of workers identified as requiring training	Number of workers who received training
NZQA Unit Standard 17590 Issue work site specific work permits	4	4

Hazard and Risk Management

Hazard and risk management was a significant theme during this year’s ‘Work Safe, Home Safe’ (WSHS) event. Key concepts of the hazard and risk management process were included in the Zero Harm Refresher Induction that all staff were required to complete. This information was then further built on using an interactive ‘Hazard Room’ activity (as illustrated in the photo) that staff were able to complete.



During WSHS week all People Leaders were supplied with a copy of their team’s hazard register and have been tasked with sharing and reviewing its content with their team before 1st March 2021. To date 15 out of 61 teams have completed the task.

Contractor Management

The Zero Harm Team is continuing to work closely with the Legal and Procurement Teams to ensure our contractor management processes are integrated and Council's Zero Harm requirements are reflected correctly in procurement and contractual documentation.

The Zero Harm Team continues to provide a significant amount of health and safety technical advice to Contract Managers due to the amount of work currently being organised. This activity is now being captured in the Zero Harm monthly dashboard.

Interaction with Other PCBUs

The Zero Harm Team alongside the relevant Council Contract Manager, have continued to understand and progress the development of relationships with other Persons Conducting a Business or Undertakings (PCBUs) who we share overlapping health and safety duties with.

Key activities undertaken in the past three months include;

- Participation in site visit and desk top audit of Solid Waste Contractor
- Commencement of monthly WDA health and safety governance meeting
- Participation in quarterly Facilities Maintenance governance meeting

Zero Harm Audits

The Zero Harm Team continues to progress the completion of the actions from the KPMG H&S Governance Audit. Council received 29 improvement actions and to date we have now completed ~ 86% (25 actions). The following table provides an update on the remaining four actions.

Proposed Corrective Action	Timeframe	Current Status	Action Owner
Work with those ELT members who are yet to attend to the internal People Leader Health and Safety training modules. Schedule training for them and their People Leaders.	June 2021	Activity planned for after Work Safe, Home Safe week	Lynn Shirley
Develop health and safety legislative obligations register.	June 2021	Project proposal has been developed for the purchase and implementation of ComplyWith Software. Funding proposed in LTP	Christine Pidduck
Conduct gap analysis using newly developed obligations register	June 2021	Will be completed as part of ComplyWith implementation	Christine Pidduck
Develop assurance plan for health and safety management system and where possible integrate into existing audit programme.	December 2021	Trial planned for March 2021 of auditing programme in conjunction with Continuous Improvement Analyst	Lynn Shirley

Critical Safety Risk Management

Working with Dangerous Animals

A gap analysis against the newly developed Working with Dangerous Animals (dogs) Critical Risk Bowtie was undertaken with members of the Animal Control Team in early December. The results of the gap analysis are illustrated in the below table. A control implementation programme is now being developed by the Community Safety Manager and Zero Harm Manager.

Critical Safety Risk	Implemented Controls	Controls partially Implemented	Controls not yet Implemented	Total Controls in Bowtie	Bowtie Control Implementation %
Working with Dangerous Animals (Dogs)	10	20	32	62	16%

People and Organisational Safety Culture

Leadership and Governance

The ELT have commenced undertaking the actions detailed in their H&S Governance Activity Plan for FY20/21. To ensure consistent messaging, and support the completion of one of the activities, a video providing an overview of our Zero Harm Strategic Improvement Plan for the remainder of FY21 has been developed. Once finalised this will be shared by the ELT with their business units. The completion of the ELT's H&S Governance activities is being tracked in BWare.

Safety Engagement Conversations

A total of 705 Safety Engagement Conversations were recorded in BWare for November, December 2020 and January 2021. This is a 51% increase when compared to the same period the previous year.

Work Safe, Home Safe (WSHS) 2021

Council's annual WSHS event was held during the week of 9th to 12st February 2021. The event had three key foci;

- Organisational Commitment and responsibilities for Zero Harm
- Personal role and responsibilities for Zero Harm
- Health and wellbeing

All staff were requested to complete an online Zero Harm Induction Refresher. Currently 317 (90%) out of 354 staff have completed the induction refresher. The following table details the range of activities and events that were offered and the number of people that attended.

Event/Activity Description	Number of Participants
The Sleep Doctor – Presentation from Dr Alex Bartle of the Sleep Well Clinic	75
The Hazard Room – Interactive Room in NGA Office and questionnaire for outer offices	91
Skin Checks – Skin check completed by Skin Check NZ	70 to date. Another 40 booked for early March
Health Heart Check – Cardiovascular risk assessment check completed by Waikato Occupational Health Consultancy	28
Yoga, Reiki, Meditation and Bootcamp	46
Daily Work Safe Home Safe Quiz	146
Fire Extinguisher Training – Presentation on the different types of fire extinguishers and practical exercise.	25
Dog Safety – Presentation by Animal Control on dog behaviour and keeping yourself safe while undertaking field work	11
Basic First Aid – Presentation from St Johns on how to undertake CPR and use a defibrillator	26
Nutritionist – Presentation delivered by NZ Registered Nutritionist Lillian Morton	40

The following photos show some of the activities and events that occurred during WSHS week.



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 to meet its duties in accordance with the Health and Safety at Work Act 2015 and associated regulations.

5.3 STRATEGY, PLANS, POLICY AND PARTNERSHIP ALIGNMENT

Council has a Zero Harm Commitment (Policy) and Zero Harm Strategy which forms the basis of our health and safety philosophy and management system.

5.4 ASSESSMENT OF SIGNIFICANCE AND ENGAGEMENT POLICY AND OF EXTERNAL STAKEHOLDERS

Highest levels of engagement	Inform	Consult	Involve	Collaborate	Empower
	<input checked="" 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 undertake 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
	✓		Contractors

6. CONCLUSION

This report provides an update on our Zero Harm Safety Management System and monthly health and safety performance.

7. ATTACHMENTS

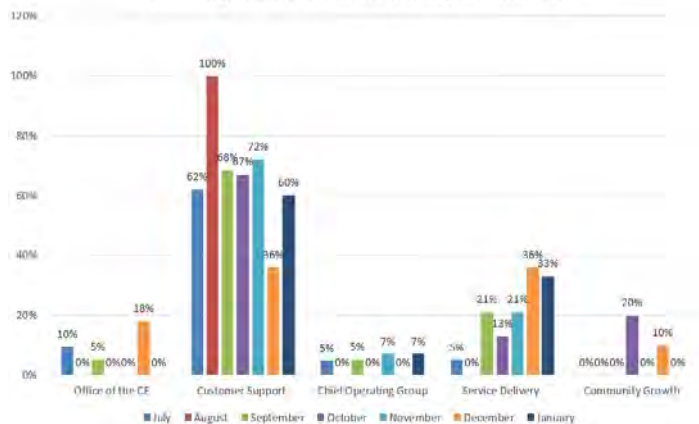
Zero Harm Dashboard – (January 2021)

Zero Harm Performance Dashboard - January 2021

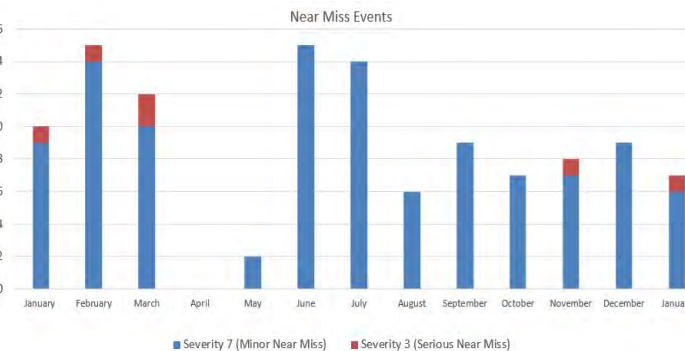
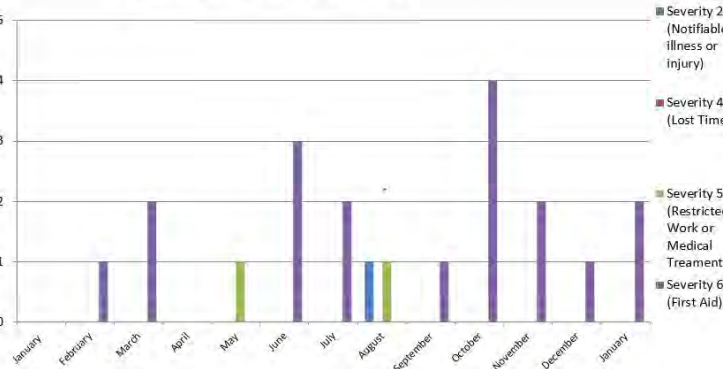


Event Management

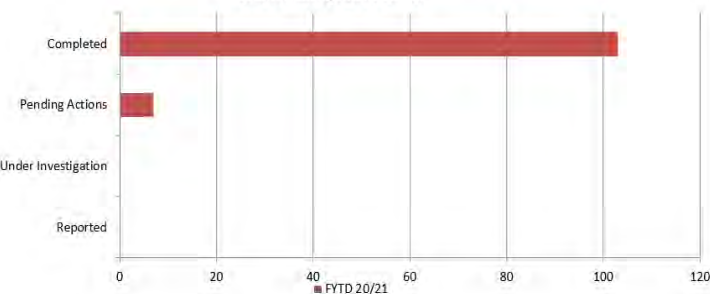
Percentage of Total Events Reported by Business Unit



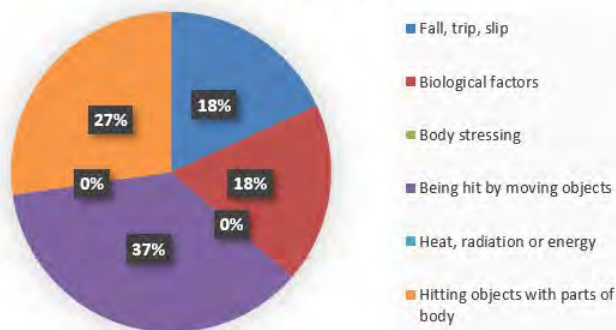
Personal Injury Events by Severity Rating



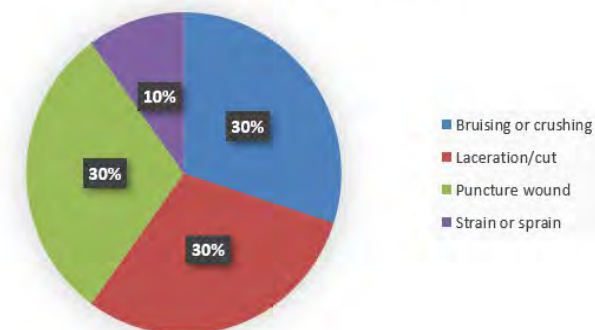
Event Management Status



Mechanism of Harm Year to Date

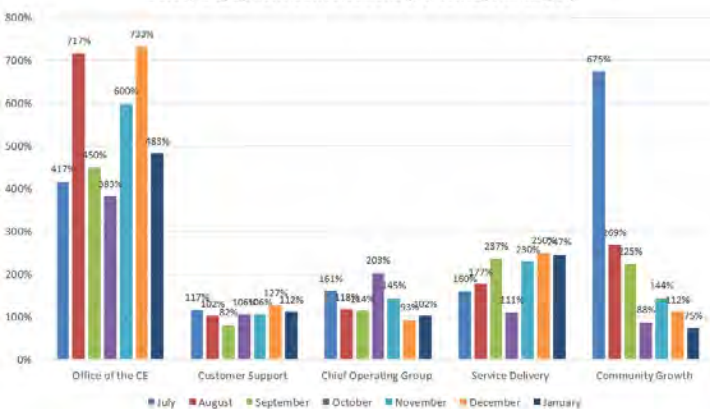


Nature of Injury Year to Date

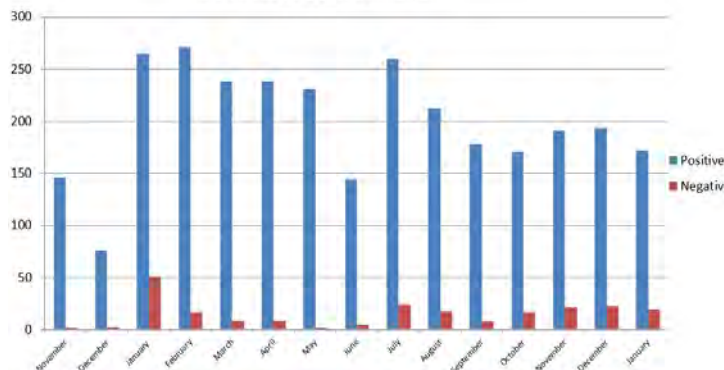


Safety Leadership

Safety Engagement Conversations (Percentage of target)



Nature of Safety Engagement Conversation



Key Take Outs

A summary of key insights in relation to Event Management and Safety Leadership and Engagement

- Health and safety events and their associated corrective actions are continuing to be well managed via the use of BWare. Only seven events are pending the completion of corrective actions before they can be closed.
- A total of 451 Safety Engagement Conversations were recorded in Dec 20 and Jan 21. This is 181 more than the same time last year.
- A total of 1688 Safety Engagement Conversations have been recorded for FY20/21 to date.
- An average of 9 near miss events are being reported each month.

Zero Harm Performance Dashboard - January 2021



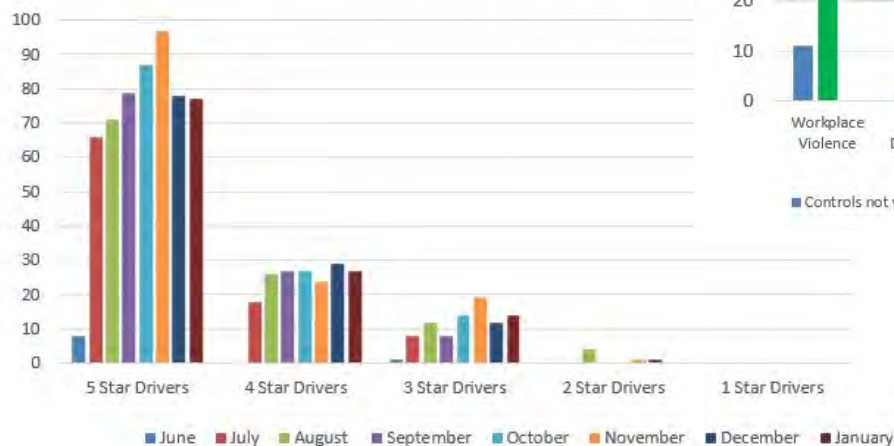
Contractor Safety Management

Zero Harm Team Contractor Safety Management Activity Undertaken	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Contracted Work H&S Risk Assessment	4	3	3		7		3					
Contract Manager H&S Advice and Support					5							
Contractor Site Visit or Inspection	1		9	2	11	1	2					
Contractor Pre-Start or Tool Box Meeting			1		2							
Contractor H&S Meeting			4	1	1	2	1					
Contractor Task or JSA Review and Approval	2	1	4	5			3					
Contractor Task or JSA Field Audit		1	2									
Contracted Work Safety Plan Review and Approval	4	3	2	1		2	3					
Contracted Work Safety Plan (SSSP) Field Audit				1								
Contracted Work End of Project H&S Review				1	1							

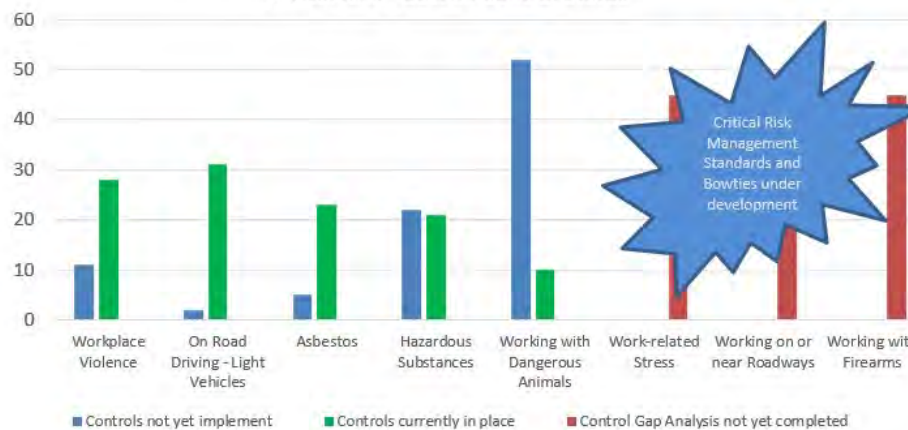
Interaction with other PCBUs		
Issues Raised/ Opportunity for Improvement	Actions (Us and Others)	Other Comments
Verification of management of critical safety risks associated with Solid Waste contracts	Council engaged external subject matter expert to undertake audit and review of the three solid waste contractors	Audit of Xtreme Zero Waste completed December 2020. Metrowaste and Smart Environmental being completed February 2021.
Opportunity for more regular contract H&S meetings with WDA at a contract level.	Monthly meeting schedule established	
Verification of management of critical safety risks associated with Watercare operations	Watercare have engaged Impac Services to undertake an independent audit as per the contract H&S frame-	Report to be provided to Council when audit is completed (approximately March 2021)

Critical Risk Management

WDC ERoad Driver Star Rating



Critical Risk - Bowtie Control Status



Worker Engagement

Key items raised at Safety Action Team (SAT) meeting and other worker feedback

- With flexible working and the office move there is a need to develop a new system for first aiders within the Ngaruawahia Office. Meeting to be arranged with first aiders in March to brainstorm a solution. Progress quote for chair flags and investigate a central messaging system for first aid requests
- It was decided that there is no current need for health and safety reward matrix to be developed given that we have a Reward and Recognition Policy already. Reward and Recognition to be added as a standing agenda item.
- Final preparations are being made for Work Safe, Home Safe 2021. Have asked SAT members to promote events and activities with their teams

Open Meeting

To	Audit & Risk Committee
From	Tony Whittaker Chief Operating Officer
Date	26 February 2021
Prepared by	Ben Burnand, Long Term Plan Project Manager Alison Diaz, Chief Financial Officer
Chief Executive Approved	Y
Reference #	GOV1318
Report Title	Areas of Audit Focus for the 2021-2031 Long-term Plan

I. EXECUTIVE SUMMARY

The Office of the Auditor General hosted a webinar on 2 February 2021 for Audit & Risk Committee members related to areas of audit focus for the upcoming 2021-2031 Long-term Plan (LTP). Auditors will have a particular focus on what has been termed the five C's:

- COVID-19
- Climate change
- Condition and performance information of critical assets
- Capital expenditure 'do-ability', and
- Consultation document (what is for consultation versus what is for information only).

This report outlines Council's approach to these areas.

2. RECOMMENDATION

THAT the report from the Chief Operating Officer be received.

3. DISCUSSION

COVID-19

Staff have compiled the Long Term Plan (LTP) budgets assuming an economic recession period for at least the first two years of the plan. In practice, this has meant re-forecasting existing project budgets that have been subject to delays in delivery (carry forwards) as well as dealing with those 'must-do' projects that are compliance related and/or headworks for future work programmes. Despite the economic recession assumption, rates increases will be high in the first year of the plan to help with the smoothing of rates increases for subsequent years – going higher, earlier lifts the rating income base.

Climate change

Council adopted an internal Climate Response and Resilience Policy in August 2020, and a Climate Response and Resilience Action Plan in December 2020. Both the Policy and the Action Plan deal with both adaptation and mitigation, for the Council and the community. A new staff position, a Climate Response Coordinator, is included in the draft LTP and will have responsibility to manage and progress the Policy and Action Plan.

The Policy is general enough to apply to multiple climate change scenarios, and the related Action Plan will be an adaptive plan that adjusts based on the latest modelling, rather than having multiple plans based on multiple scenarios. From a planning point of view, the Proposed District Plan (PDP) includes new hazard areas for coastal erosion and inundation, and river-based flooding, based on the latest climate change modelling. Rezoning proposals and requests, as well as the hazards section of the PDP, will be considered by commissioners in the first half of 2021 with decisions due by September 2021.

The financial forecasts prepared for the draft LTP provide for a range of activities and projects that respond to climate change – for example, factoring changed rainfall patterns into stormwater projects, working with coastal communities on adaptive management planning, and moving the vehicle fleet to hybrid or electric vehicles. Some of these are new from the previous LTP, and some are expanded or improved.

Condition and performance information of critical assets

Condition assessment measures the physical integrity of an asset. This condition data is used to predict asset development, maintenance and renewal and replacement requirements. Asset information systems store, analyse, and retrieve critical asset data that can be used in the planning cycle.

Critical assets for Waikato district have been classified as falling within the mandatory asset classes of Roading and Transportation, Water Supply, Wastewater and Stormwater.

Our roading network management is subject to a three yearly NZTA audit which has classified the district's sealed network at above national averages. The approach in the plan is therefore to maintain these assets through operational work, allowing for capital investment increases in the unsealed network, bridge renewals and those projects highlighted as priorities through NZTA review processes and district Blueprints.

Our Water Supply assets are compliant with drinking water standards, and condition assessment issues in the wastewater space are planned for upfront remedy in the plan. Many of the projects in this space are driving investment ahead of the capacity life (availability of properties to connect) to address new standards and significant growth.

Capital expenditure 'do-ability'

The work programmes included in the LTP have been developed from an understanding of the condition of our assets, changing standards, district Blueprint desires and the speed of anticipated growth. This results in a sizeable year-on-year investment in capital projects.

From a planning perspective, our Service Delivery staff will achieve the work programme included in the LTP. From a physical delivery perspective Council is fortunate in that we operate an actual cost plus margin agreement through the Alliance. This contract supports Council's roading programme and accounts for the single largest activity investment in the LTP. The budgets in the three waters area are also substantial but are related to projects of scale which may make the projects more attractive in the contracting market. There is still risk associated with the size of the programme, especially if supply chain issues arise.

Consultation Document

The Consultation Document (CD) is a critical part of the LTP as it enables Council to get feedback to inform important decisions, in the context of explaining current challenges, issues and opportunities, and other considerations for setting the budget and work programmes for the ten years.

For this LTP the significant factors and matters that will be discussed within the CD include Three Waters Reform and the potential impact of property valuation changes, the data for which will not be available prior to LTP consultation. The document will reference our planning assumptions around economic conditions including the impact of Covid-19, climate change, and requirements that relate to National Policy Statements and National Environmental Standards.

The New Zealand Society of Local Government Managers (SOLGM) has provided guidance to councils on how to communicate the Three Waters Reform programme and the implications for the LTP. Council will be following this guidance which includes information to include within the Consultation Document.

The timing of the district valuation presents a risk to the ratepayer due to the likely unavailability of the data before consultation. The CD will inform the community of this risk and will identify Council's financial hardship policies to ensure the community is aware of their options should the valuation have a significant detrimental effect on their ability to pay rates.

4. ATTACHMENTS

Nil

Open Meeting

To	Audit & Risk Committee
From	Alison Diaz Chief Financial Officer
Date	23 February 2021
Reference #	GOV1318
Report Title	Chief Financial Officer Report

I. EXECUTIVE SUMMARY

This report aims to keep the Audit & Risk Committee abreast of risks and issues that could impact council and its stakeholders from a financial perspective. The Chief Information Officer has contributed a brief update on the NZX cyber security failings.

New Government procurement diversity targets

The Committee will recall that at December's meeting, there was an item related to a proposal to extend mandatory Government Procurement Rules to local government. To date, we have not been advised of the outcome of this work.

Council has already incorporated many of the government procurement requirements into our processes. An assessment of internal capacity or capability to meet the further step-change has not been undertaken.

Since that discussion, the Cabinet have agreed to a new procurement target for mandated agencies. The target seeks to ensure that at least 5% of relevant contracts awarded are to Māori businesses. Few Maori businesses apply for government contracts or are awarded these contracts. The intention of the changes is to increase the diversity of suppliers and to provide more procurement opportunities for Māori businesses across government contracts. Prototype approaches aimed at reducing barriers to engaging with procurement processes will be tested over the next two years and will be a critical part of the programme.

A Māori business for government procurement purposes is one that has at least 50% Māori ownership or is a Māori Authority as defined by the Inland Revenue Department. It is anticipated that government agencies will take the policy into account when they go to market for any contract opportunity and agency progress against the target will be publicly available.

The related Ministry of Business, Innovation and Employment's press release also stated that over time the policy could be expanded to further improve government contract diversity, with Pacific people, women, people with disability and youth also mentioned. The challenge is not one of 'creating an equal playing field' which could be argued is the case now, but rather how the government can support minorities into contracts which provide longer-term economic and social benefits to our communities. A vision of equity rather than equality.

Ministry of Business, Innovation and Employment (MBIE) and Te Puni Kōkiri will be developing guidance and instructions for agencies around the targets in early 2021 to support implementation. This guidance has yet to be released. The Waikato Local Authority Shared Services (WLASS) Procurement Working Party will look at sustainability and broader social procurement improvements before diversity, due to the lack of information available at this stage. A piece of work is currently being compiled for the Waikato Region, which will help inform the future diversity journey.

Three waters reform

Reform work underway stems from the Government's inquiry into the Havelock North drinking water contamination issue. The first step of the reform is regulatory in nature and seeks to lift accountability, with the next stage related to service delivery reform and providing equitable and affordable access to reliable water services.

The key design features of the service delivery model will be:

- Multi-regional entities of scale.
- Public ownership – mechanisms to prevent privatisation will be imperative.
- Statutory – created and established by legislation.
- Asset owning.
- Competency based boards with commercial mandates.
- Balance sheet separation – no longer part of local authority remit.

Key issues for consideration:

- Determining the number of and boundaries for the new entities.
- Ownership structures and governance arrangements.
- Local voice/influence.
- Māori rights and interests.
- Whether stormwater should be part of the reform.
- Mechanisms for consumer protection.
- Future sustainability of Councils.
- Transition arrangements.

It is important to note that the approach to reform is voluntary rather than mandated, and that nationwide public information/education will be used to give a national picture ahead of any 'opt out' consultation or decisions. Cabinet's decision on detailed reform proposals is scheduled for May 2021, with the 'opt out' decisions of councils likely to fall in the last quarter of this calendar year. Detail of how equity between ratepayers of different Councils who may end up in the same entity will be structured, is not yet available. Hence Council will need to invest heavily in understanding and submitting on the detail of the reform process when available.

Waikato district's three waters assets account for 21.5% of council's infrastructural asset value (at approx. \$320m). This may seem relatively low, however, water and wastewater treatment to Pokeno and Tuakau is provided via WaterCare Auckland with properties in the south of the district receiving treated water from Hamilton City Council. Our asset base does not reflect these major plants.

It should also be noted that moving assets and debt off Council's balance sheet will not in itself provide additional debt capacity for further investment in other council activities, as any transfer to a new entity will also reduce Council's revenue streams.

District Valuation

The Ratings Valuation Act 1998 sets minimum standards and specifications for the maintenance and upkeep of district valuation rolls. While councils administer the valuation rolls, the underlying values are independent of council and in our case provided under contract by Quotable Value New Zealand (QV). The valuation roll is audited every three years, with the Office of the Valuer General (OVG) granting approval for the territorial authority to use the values for the purpose of rating.

Waikato District Council's (WDC) valuation was scheduled to take place in 2020 with a valuation date of 1 July 2020. Due to COVID-19, valuation work could not commence, and affected councils were given an opportunity to delay their district valuations. WDC sought to extend by an entire financial year, as having a valuation cycle which clashes with the Long-term Planning (LTP) processes has been problematic in terms of determining limits on rates increases and framing up impacts related to changes in capital values versus those associated with council work programme investment. This request was denied and instead the effective date of the valuation was shifted to 1 October 2020. The change in timing has compounded the usual LTP issues as the audit work did not align with the preparation of draft financial information.

The OVG audit took place in February and we have been informed that the valuation has not been approved, essentially failing the audit, and further work is now required. The OVG have challenged the valuation methodology applied to the lifestyle category and in the letter advising of non-approval also refer to system reconciliation issues. While the valuation work is independent of council, WDC's rating staff ultimately administer the database so we are seeking additional detail to understand whether process improvements are required by Council or QV.

The biggest risks for Council are reputational. If we are unable to advise 2021/22 rating impacts to property owners as part of the LTP consultation, then the opportunity to influence change will be limited. If the objections period conflicts with the rates strike, council will incur additional costs from processing supplementary runs and may cause confusion for ratepayers.

Insurance matters

Risk Strategy Development

With the tightening of insurance markets and reductions in capacity, council activities continue to experience insurance premium increases.

Insurance is a risk management tool which can assist when something occurs that falls outside the normal course of business. However, as these extraordinary events switch from ‘what if’ to ‘when and how frequently’, insurance as a risk management tool becomes less effective.

It is therefore important to take a strategic approach to insurance in line with risk appetite, tolerance, and an understanding of alternate risk mitigation tools.

Following the re-appointment of Aon NZ Limited as the WLASS broker, work on an insurable risk strategy started in August 2020, with a review of current insurable risk exposures. The findings of this work and details on next steps will be shared with the Committee in June 2021.

Risk assessment related to management of insurance for non-council owned assets.

Some of the insurance cover currently in place, extends beyond Council owned assets. While the premiums are on-charged to the various parties in most cases there is risk associated with this approach. Council has no control over any valuation deficiencies, poor documentation etc. which could lead to insurance claims not meeting stakeholder expectations. Examples of assets WDC insures that are not owned by council, are the Te Kauwhata Water Irrigation Association assets and the Onewhero Rugby Club. The practice of arranging insurance on behalf of third parties will be reviewed through the development of the risk strategy.

Financial Markets Authority (FMA) findings on the New Zealand Stock Exchange (NZX) cyber-attack

The FMA undertook a targeted review of NZX’s technology following volume-related system issues leading to outages during April 2020. The scope of the review was expanded in August after Distributed Denial of Service (DDoS) attacks also affected the NZX in August and September 2020.

NZX relied on local servers without sufficient bandwidth, out-of-date software, and cyber security controls which were not sufficient to handle a sustained DDoS attack. Whilst NZX was transitioning to cloud-based servers when the attack hit, the FMA review found the NZX did not have adequate technology capability across its people, processes, and platform. Further that NZX’s crisis management planning and procedures were basic.

The Financial Markets Authority described NZX’s technology, staffing and preparations for a crisis as insufficient. It said a DDoS attack was “foreseeable,” and “should have been planned for.”

“All entities, private and public, face this threat and need to evolve rapidly to counteract it. The pace of change is such that standing still or planning patiently for the future exposes organizations and the information they hold. For entities providing critical infrastructure the impact of attacks on their customers, suppliers or markets can be significant. This is a major challenge for all of us and has rapidly risen to the top of many organisations’ risk identification and crisis planning. NZX worked hard at both but failed to react quickly enough to changing threats or to plan for a failure to defend against them,” the report said.

2. RECOMMENDATION

THAT the report from the Chief Financial Officer be received.

3. ATTACHMENTS

Nil

Open Meeting

To	Audit & Risk Committee
From	Alison Diaz Chief Financial Officer
Date	02 March 2021
Chief Executive Approved	Y
Reference #	GOV1318
Report Title	Final Management Report for Year Ended 30 June 2020

I. EXECUTIVE SUMMARY

The purpose of this report is to highlight the issues that arose during the year end Annual Report audit. This audit was undertaken by our independent auditors, Audit New Zealand.

Following the final audit, Audit New Zealand produce an Audit Management report which highlights issues that arose during the final audit. This is in addition to the report received following the interim audit work undertaken in April. Management has an opportunity to provide comment on each of the issues specified, based on management's understanding of the issues and whether they require further action or have already been addressed.

At the time of writing this report Audit New Zealand were reviewing management comments, therefore the Management Report for the Year Ended 30 June 2020 attached to this report should be considered as draft until audit confirmation is received.

Eight new issues were raised in the Audit Management Report. These issues have been responded to and will be regularly updated in the report *Quality and Governance Assurance*, which is a standing item on the Audit & Risk Committee agenda.

Also attached to this report is staff's work programme to address a number of recommendations for improvement to the Annual Report process.

2. RECOMMENDATION

THAT the report from the Chief Financial Officer be received.

3. ATTACHMENTS

- A Report to the Council on the Audit for the Year Ended 30 June 2020
- B Improvements to the Annual Plan Process

**Report to the Council
on the audit of**

Waikato District Council

For the year ended 30 June 2020

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Key messages

We have completed the audit of Waikato District Council (the District Council) for the year ended 30 June 2020. This report sets out our findings from the audit and draws attention to areas where the District Council is doing well and where we have made recommendations for improvement.

The matters outlined in this report should be read in conjunction with our Report to the Council on the interim audit dated 21 September 2020.

Audit opinion

We issued an unmodified audit opinion dated 21 December 2020. This means we were satisfied that the financial statements and statement of service performance present fairly the District Council's activity for the year and its financial position at the end of the year.

Without modifying our audit opinion, we included an emphasis of matter paragraph to draw attention to the disclosures in the financial statements and statement of service provision that describe the overall impact of the Covid-19 pandemic and the Government Covid-19 wage subsidy on the District Council.

Matters identified during the audit

Each year we select a number of significant service performance measures to review in detail and confirm to supporting documentation for accuracy. Two of the selected measures this year were the median response times for staff to attend urgent callouts for unplanned interruptions to the water supply network and wastewater. Our testing of the supporting data for the wastewater and water supply measures identified that we were unable to rely on the information provided in the District Council's Customer Request Management Module. We have made recommendations for improvements in this area. Further information is provided in section 2.1.2.

Covid-19 has had a varying impact throughout the public sector affecting both financial and non-financial information disclosed in the annual report. The District Council has included good disclosure in its Annual Report about the implications of Covid-19 that would be important to stakeholders.

An area of audit focus was the valuation of infrastructure assets. We reviewed the valuations to confirm that it was soundly based and had been correctly accounted for. We are satisfied that the valuations were correctly recorded in the District Council's financial statements.

We also followed up on the status of issues outstanding from previous audits. These matters are discussed further in Appendix 1.

Thank you

We would like to thank the Council, management and staff for their assistance during the audit.

A handwritten signature in blue ink, appearing to read 'Clarence Susan', with a stylized flourish underneath.

Clarence Susan
Appointed Auditor
12 February 2021 – Draft

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1 Recommendations



Our recommendations for improvement and their priority are based on our assessment of how far short current practice is from a standard that is appropriate for the size, nature, and complexity of your business. We use the following priority ratings for our recommended improvements.

Priority	Explanation
Urgent	<p>Needs to be addressed <i>urgently</i></p> <p>These recommendations relate to a significant deficiency that exposes the District Council to significant risk or for any other reason need to be addressed without delay.</p>
Necessary	<p>Address at the earliest reasonable opportunity, <i>generally within six months</i></p> <p>These recommendations relate to deficiencies that need to be addressed to meet expected standards of best practice. These include any control weakness that could undermine the system of internal control.</p>
Beneficial	<p>Address, <i>generally within six to 12 months</i></p> <p>These recommendations relate to areas where the District Council is falling short of best practice. In our view, it is beneficial for management to address these, provided the benefits outweigh the costs.</p>

1.1 New recommendations

The following table summarises our recommendations and their priority.

Recommendation	Reference	Priority
<p>Enhance controls and review processes to ensure that attendance and resolution times are recorded accurately in their customer service request system.</p> <p>Consideration will need to be given to how the system can provide the appropriate level of assurance over the accuracy of the data recorded.</p>	2.1.2	Urgent
<p>The District Council performs a review of the valuation information before processing the data to confirm the completeness and accuracy of the data used for the valuation.</p>	3.1.2	Necessary

Recommendation	Reference	Priority
The District Council remind staff of the importance of processing work in progress and depreciation in a timely manner to ensure reporting of property, plant and equipment (including depreciation) is up to date and accurate in the financial statements.	4.1	Necessary
Ensure that GST is claimed on property purchased from non-registered persons. Where appropriate, the District Council should seek a refund of GST.	4.2	Necessary
Implement processes and procedures to ensure payments made to community members is consistent with the Local Government Members Determination.	4.3	Necessary
Formal contracts are in place for all suppliers or vendors.	5.1	Necessary
Update the version of the summary annual report on the website to be consistent with the audited version we signed on the 21 January 2021. Implement processes and procedures to ensure the summary annual report is not made available to the public until the audit opinion has been issued.	5.2	Urgent
Processes are implemented to ensure all legislative timeframes are met when preparing statement of intents.	6.1	Necessary

1.2 Status of previous recommendations

Set out below is a summary of the action taken against previous recommendations. Appendix 1 sets out the status of previous recommendations in detail.

Priority	Priority			
	Urgent	Necessary	Beneficial	Total
Open	-	3	-	3
Implemented or closed	-	4	-	4
Matters reported in our interim report to Council that will be followed up in our 2020/21 audit	-	10	1	11
Total	-	17	1	18

2 Our audit report

2.1 We issued an unmodified audit report



We issued an unmodified audit report on 21 December 2020. This means we were satisfied that the financial statements and statement of service performance present fairly the District Council's activity for the year and its financial position at the end of the year.

Without modifying our audit opinion, we have included an emphasis of matter paragraph to draw attention to the disclosures in the financial statements and statement of service provision that describe the overall impact of the Covid-19 pandemic and the Government Covid-19 wage subsidy on the District Council.

In forming our audit opinion, we considered the following matters.

2.1.1 Impact of Covid-19 on financial reporting and performance information

Covid-19 has had a varying impact throughout the public sector affecting both financial and non-financial information disclosed in the annual report.

The inclusion of good disclosure in the Annual Report about the implications of Covid-19 on the District Council was important to the District Council's stakeholders. The District Council has made the following disclosure in the Annual Report:

- General disclosure about Covid-19 and the resultant impact on the District Council during the alert levels.
- Disclosure about how the District Council's financial and non-financial performance has changed due to Covid-19.
- Disclosure about the key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts to assets and liabilities within the next financial year (as required by Public Sector PBE standards).
- Disclosure about any non-adjusting subsequent event for matters that occurred after 30 June.

In March 2020 a Covid-19 related wage subsidy amounting to \$143,155 was received by Raglan Holiday Park Papahua (RHPP). RHPP is part of the District Council operations but is a fully self-funding activity. Due to its main revenue stream being severely impacted by the Covid-19 lockdown, RHPP became eligible for the wage subsidy assistance.

We reviewed the Covid-19 disclosures included in the annual report and are satisfied the disclosures adequately reflect the impact Covid-19 has had on the District Council.

2.1.2 Water supply and wastewater median response times

We selected the Department of Internal Affairs mandatory measures regarding the District Council's median response and resolution times for call outs relating to urgent water supply faults or unplanned interruptions and sewerage overflow resulting from a blockage or other fault in the District Council's sewerage system.

The attendance and resolution times for call-outs are recorded in the District Council's Customer Request Management Module (CRM). We attempted to test a sample of call-outs to supporting documentation to confirm the accuracy of the resolution times recorded. Our testing identified that while the District Council has a system in place to capture the appropriate response time, we were unable to obtain sufficient appropriate evidence to support the accuracy of the recorded times. This was despite trying various approaches and working with District Council and Watercare staff.

It is important to acknowledge that across the local government sector we have found that there are challenges in providing supporting evidence for attendance and response times. Historically, in these circumstances, providing there is adequate disclosure of the matter, we have not consistently raised this in our audit opinion.

With that precedent, we concluded that there would be no impact on the audit opinion for the District Council's 2019/20 annual report as appropriate disclosure was made in the annual report regarding the matter.

Recommendation

The District Council enhances controls and review processes to ensure that attendance and resolution times are recorded accurately in their customer service request system.

Consideration will also need to be given to how the system can provide the appropriate level of assurance over the accuracy of the data recorded.

Management comment

The Watercare Contract Relationship Manager is working closely with Watercare staff to ensure that this is resolved going forward.

2.2 Uncorrected misstatements

The financial statements are free from material misstatements, including omissions. During the audit, we have discussed with management any misstatements that we found, other than those which were clearly trivial. The misstatements that have not been corrected are listed below along with management's reasons for not adjusting these misstatements. We are satisfied that these misstatements are individually and collectively immaterial.

Current year uncorrected misstatements	Assets	Liabilities	Equity	Financial performance
	\$000	\$000	\$000	\$000
	Dr (Cr)	Dr (Cr)	Dr (Cr)	Dr (Cr)
Recognise depreciation expense on property, plant and equipment capitalised during the year.	(672)			672
To recognise GST on property transactions that were liable for GST.	239	(239)		
Capital projects of \$5,846,000 classified as work in progress that should have been capitalised. The \$243,000 relates to depreciation charged on these projects.	5,846 (5,846) (243)			243
Total parent and group	(676)	(239)	0	915

Explanation of uncorrected misstatements

These adjustments were not made as they were considered immaterial.

2.3 Corrected misstatements

We also identified misstatements that were corrected by management. A list of these misstatements is available on request.

2.4 Quality and timeliness of information provided for audit



Management is required to provide information for audit relating to the annual report of the District Council. This includes the draft annual report with supporting work papers.

The audit process did not go as smoothly as anticipated. The impact of Covid-19 created additional challenges to both management and us in completing the audit this year, in particular the timing of addressing audit requests for information in a timely manner.

An effective and efficient annual audit process relies on close monitoring of delivery. In case of delays, some contingency could be built into the process to allow for the management of these.

As we strive for improvement in the annual report and audit process, we will work with management to ensure there is a common understanding of expectations before next year's audit.

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3 Matters raised in the Audit Plan



In our Audit Plan of 19 February 2020, we identified the following matters as the main audit risks and issues:

3.1 Property, plant and equipment

The District Council periodically revalues its infrastructure assets, land and buildings. PBE IPSAS 17 *Property, Plant and Equipment* requires that valuations are performed with sufficient regularity to ensure that the carrying amount does not differ materially from fair value.

The District Council engaged independent valuers to value roading and bridges, water supply, wastewater, storm water, drainage, solid waste, parks and reserves, and land and building assets as at 30 June 2020.

Our review of the valuation included a review of the key assumptions and methodology applied. We also obtained confirmations from the valuer that the valuations were in accordance with the appropriate accounting and valuation standards.

We are satisfied the valuations are correctly accounted for in the District Council's financial statements.

3.1.1 Roothing valuation

In last year's management report, we recommended that the District Council perform a review of the overhead rate and unit rates applied to the roading valuation to ensure they are appropriate. Management engaged WSP Limited (WSP) to compare the District Councils unit rates for basecourse, subbase components and overheads to other Councils and recent construction contracts.

The review identified that the District Councils unit rate for subbase was too high and as a result, WSP decreased the unit rates. Changing the unit rate for subbase led to a significant decrease in the depreciated replacement cost for this asset of \$297 million.

We consulted with our Technical team on whether this constituted a prior period error, and concluded that the change in the unit rate is a change in accounting estimate. This is because the change in the unit rate is the result of new information obtained. New information in the application of a valuation technique is considered a change in accounting estimate rather than a prior period misstatement.

3.1.2 Bridges and culverts valuation

During our review of the bridges and culverts valuation, we noted that the valuation had included some bridges that had been vested to the District Council in the 2020/21 financial year. The inclusion of these assets overstated the value of these assets in the financial statements.

Following discussion with management, management also identified a number of assets that had not been included in the valuation.

Recommendation

The District Council performs a review of the valuation information before processing the data to confirm the completeness and accuracy of the data used for the valuation.

Management comments

We will perform a review of the information received back from the valuers to confirm the completeness and accuracy of the data used for the valuations.

3.2 Development contributions

The Waikato district continues to face significant growth. Several towns in the district are experiencing rapid development as they are within commuting distance of both Auckland and Hamilton. The development contributions from the growth areas form a significant part of revenue and funding for capital projects in those areas.

We reviewed the controls the District Council has in place to ensure development contributions have been charged in accordance with the development contributions policy. We considered whether the use and application of funds received was appropriate and had been correctly accounted for. We also tested a sample of development contributions to check that calculations were in accordance with the development contributions policy.

We are satisfied Council has an appropriate system in place for levying development contributions and that contributions have been charged in accordance with the appropriate development contribution policy.

3.3 'Three waters' management

As part of the 2018-28 Long Term Plan, the Council established a Waters Governance Board. The Board controls all the "three waters" operations (water supply, wastewater and stormwater) and service delivery, but the District Council retains ownership of the infrastructure and continues to provide the corporate support required. Watercare Services Limited (Watercare) now provides management services under an operation and maintenance contract.

We updated our understanding of the impact of staff changes at the District Council. We also updated our understanding of the systems and processes for the waters assets at the District Council and Watercare, to enable financial and non-financial performance reporting in the District Councils annual report. No issues of concern identified.

The District Council has treated the contract with Watercare as a service concession arrangement, in line with our expectations. We are satisfied that the accounting treatment for this arrangement is in line with PBE IPSAS 32 *Service Concession Arrangements: Grantor*.

3.4 The risk of management override over internal controls

There is an inherent risk in every organisation of fraud resulting from management override of internal controls. Management are in a unique position to perpetrate fraud because of their ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. Auditing standards require us to treat this as a risk on every audit. Professional auditing standards require us to consider fraud risks in all audits we perform, including the risk of management override of control.

We carried out substantive procedures, including reviews of journal entries, accounting estimates, and significant transactions that are outside the normal course of business. We also incorporated an element of unpredictability in our audit testing through random sampling. Our testing found no issues of concern.

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4 Other matters identified during the audit



During the audit, we also identified the following matters that we wish to bring to your attention:

4.1 Processing of work in progress

We reviewed the District Council's processes and procedures for capitalising projects included in work in progress. Our review identified some projects classified as work in progress that should have been capitalised as the projects had been completed and assets were in use.

We also noted that when projects had been capitalised from work in progress, depreciation for the asset was not being applied until the following financial year. Paragraph 17 of PBE IPSAS 17 *Property, plant and equipment* states that the depreciation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

The delays in capitalising assets and applying depreciation can potentially have a material impact on the depreciation charged in future years.

Recommendation

The District Council remind staff of the importance of processing work in progress and depreciation in a timely manner to ensure reporting of property, plant and equipment (including depreciation) is up to date and accurate in the financial statements.

Management comments

The finance team at WDC are in the process of running workshops with budget managers across the business which covers the importance of processing work in progress and the capitalisation process in a timely manner to ensure reporting of property, plant and equipment (including depreciation and the replacement reserves) is up to date and accurate in the financial statements. In addition we are implementing a procedure to ensure Project Managers receive the final project documentation from contractors before final payments are authorised.

4.2 Property purchases

We reviewed the GST treatment of a sample of property transactions, and noted that the District Council had not claimed input tax in relation to certain properties acquired from non-registered persons for roads and cycleways.

An input tax deduction can be claimed on the purchase of second hand goods where:

- the supply is not a taxable supply (i.e. an exempt supply or a supply by a non-registered person), and
- the goods are acquired will be used to make taxable supplies (e.g. deriving rates income or government grants).

Land is regarded as a second hand good. As a result, a registered person is generally entitled to claim an input tax credit in relation to the cost of any property purchased, even if the supply is not subject to GST. However, an input tax deduction may not be claimed if the property is purchased solely for the purpose of making exempt supplies (e.g. pensioner housing).

In this case, we understand that the properties will be used for taxable purposes (e.g. roads, reserves), and have not been acquired solely for providing residential accommodation. As a result, the District Council would be entitled to claim a GST refund of approximately \$230,000.

GST adjustments will be required if there is a dwelling on the land which is rented out prior to removal or sale. However, provided that the District Council intends to dispose of the dwelling or intends to use the building for purposes other than providing residential accommodation, a second hand goods input tax credit may be claimed in the period in which the property is acquired.

If the land or buildings were subsequently sold, the District Council would also be required to account for GST on the sale proceeds.

Recommendation

Ensure that GST is claimed on property purchased from non-registered persons. Where appropriate, the District Council should seek a refund of GST.

Management comment

We will ensure that GST is claimed on property purchased from non-registered persons. WDC have since received refunds for GST which was not claimed on the identified transactions.

4.3 Community Board members remuneration

We reviewed the District Council's compliance with the requirement to disclose the remuneration of each member, including community board members, of the local authority in the annual report against the Local Government Members (2019/20) Determination 2019 (the Determination).

We found that five community members had been overpaid as they had been back paid twice because of the increase in the salary per the Determination. Management were made aware of the overpayment and are currently working with the members to seek reimbursement of the additional amount paid.

Recommendation

The District Council implement processes and procedures to ensure payments made to community members is consistent with the Determination.

Management comment

WDC have implemented procedures to ensure that payments made to community board members is consistent with the Determination. We have also been reimbursed by the community board members for the overpayments that were identified.

5 Public sector audit



The District Council is accountable to their local community and to the public for its use of public resources. Everyone who pays taxes or rates has a right to know that the money is being spent wisely and in the way the District Council said it would be spent.

As such, public sector audits have a broader scope than private sector audits. As part of our audit, we have considered if the District Council has fairly reflected the results of its activities in its financial statements and non-financial information.

We also consider if there is any indication of issues relevant to the audit with:

- compliance with its statutory obligations that are relevant to the annual report;
- the District Council carrying out its activities effectively and efficiently;
- the District Council incurring waste as a result of any act or failure to act by a public entity;
- any sign or appearance of a lack of probity as a result of any act or omission, either by the District Council or by one or more of its members, office holders, or employees; and
- any sign or appearance of a lack of financial prudence as a result of any act or omission by a public entity or by one or more of its members, office holders, or employees.

5.1 Committee member conflict of interest

In September 2018, the District Council wrote to the Office of the Auditor General (OAG) seeking approvals under the Local Authorities (Members' Interests) Act 1968 (the Act) on behalf of a member of the Te Kauwhata Community Committee (the Committee). At that time, the Committee member was a shareholder/director of Earthcare Systems Limited (Earthcare) where the District Council contracted Earthcare to undertake work related to the construction of the Te Kauwhata Walkway.

On the 25 June 2020, the OAG responded to the District Council's where they declined retrospective approvals for the 2017/18 and 2018/19 years due to the fact that significant time had passed since the original application was made and the individual is no longer a Committee member.

The OAG also expressed concerns on the District Council's handling of the Committee member's financial conflicts and poor procurement practices in place. Recommendations were made by the OAG that the District Council take steps to improve its procurement practices to ensure that such a situation does not arise again.

Recommendation

The District Council ensures formal contracts are in place for all suppliers or vendors.

Management comment

We are putting in place regular reporting matching Elected Members financial interests with contracts and accounts payable.

5.2 Publication of the summary annual report

Section 98(6) of the Local Government Act (the Act) states that a local authority must, within 1 month after the adoption of its annual report, make the report and the summary prepared under subsection (4)(b) publicly available.

We noted that the District Council had made both the annual report and summary publicly available on their website on 21 December 2020. The audit of the summary annual report was not completed at this time and a number of changes were required following our completion of the audit of the summary annual report on the 21 January 2021.

Recommendation

The District Council updates the version of the summary annual report on the website to be consistent with the audited version we signed on the 21 January 2021.

The District Council should also implement processes and procedures to ensure the summary annual report is not made available to the public until the audit opinion has been issued.

Management comment

We have updated the version of summary annual report on the website to be consistent with the audited version. We have procedures in place to ensure the summary annual report is only made available to the public once the audit opinion has been issued.

6 Group audit



The group comprises:

- Waikato District Council;
- Strada Corporation Limited; and
- Waikato District Community Wellbeing Trust.

We have not identified any of the following during our audit for the year ended 30 June 2020:

- Instances where our review of the work of component auditors gave rise to a concern about the quality of that auditor's work.
- Limitations on the group audit.
- Fraud or suspected fraud involving group management, component management, employees with significant roles in group-wide controls, or others where the fraud resulted in a material misstatement of the group financial statements.

6.1 Compliance with Schedule 8 clauses of the Local Government Act 2002 (the Act)

Clause 1 section 2 of the Act requires the Board of the Waikato District Community Wellbeing Trust (the Trust) to deliver its draft statement of intent to its shareholders on or before 1 March in the year preceding the financial year to which the draft statement of intent relates. We note that the draft statement of intent for 2020/21 was delivered to the District Council on the 18 March 2020.

Clause 3 of the also Act requires the Board of the Trust to deliver a completed statement of intent to its shareholders (Council) before the commencement of the financial year to which it relates, i.e. before 30 June. We noted that the Trust delivered a finalised statement of intent to the District Council on the 22 July 2020.

These instances are both breaches of the Act.

Recommendation

Processes are implemented to ensure all legislative timeframes are met when preparing statement of intents.

Management comment

We will implement processes to ensure all legislative timeframes are met when preparing statements of intent.

Appendix 1: Status of previous recommendations

Open recommendations

Recommendation	First raised	Status
Necessary		
Vetting times for building consents		
Ensure the correct start date/time is used for building consent applications, when taking into account the vetting periods.	2018/19	Our testing identified instances where incorrect start dates/times had been used for applications.
Financial instrument disclosures		
Future annual reports include disclosures about derivative financial instruments' potential movements, if there are significant changes to the OCR after balance date.	2018/19	No changes were made to the disclosures in the annual report.
Review of leases		
Review and update its listing of leases. This should include incorporating changes to existing leases, and adding in new leases signed during the year.	2017/18	<p>The lessor listing was still incomplete, as the total rental revenue in the listing did not agree to the balance recorded in the general ledger.</p> <p>We also identified instances where the deed of the lease/ renewal was signed after the commencement of the tenancy. If there is a dispute with the lessee, the District Council may not be able to take legal action, as there is no formal agreement in place.</p>

Implemented or closed recommendations

Recommendation	First raised	Status
Unit rates for roading valuation		
<p>Perform a detailed review of the unit rates applied to the roading valuation. This review would need to be completed before the next annual roading valuation, so that any updated unit rates are factored into the next valuation.</p>	2018/19	<p>A review was performed by WSP as part of the roading valuation.</p>
Three waters management		
<p>Management seek external accounting advice on how the contract should be treated in the 2019/20 financial statements. Resolving this early will enable certainty around the reporting requirements prior to the final audit visit.</p> <p>The District Council should also have monitoring and reporting processes in place to get assurance that the expected level of service is met and can be reported in the Annual Report.</p>	2018/19	<p>The contract with Watercare has been treated as a service concession arrangement. Refer section 3.3 above for further information.</p> <p>Monthly reporting to the Waters Governance Board is occurring. There is also an intention to appoint an external firm to audit Watercare's compliance with the contract.</p>
2019/20 rates funding impact statement		
<p>Consider the impact of the breach of schedule 10 clause 20(5) of the Local Government Act 2002 that if sources of funding include a general rate or targeted rate the funding impact statement must include examples of the impact of the rating proposals for the rates assessed on different categories of rateable land with a range of property values.</p> <p>For future Long Term Plans and Annual Plans, the District Council will need to ensure such disclosure requirements of the Local Government Act 2002 are met.</p>	2018/19	<p>The 2020/21 annual plan includes examples of the impact of the rating proposals for the rates assessed on different categories of rateable land with a range of property values.</p>

Recommendation	First raised	Status
Overhead rate for roading valuation		
Perform a review of the overhead charges from recent contracts to determine if 10% is still an appropriate overhead factor to use in the roading valuation. This review would need to be completed before the next annual roading valuation.	2018/19	Management engaged WSP to review their overhead rates.

Matters raised in our Report to the Council on the interim audit

The following matters were raised in our Report to the Council on the interim audit. We have not followed up progress as part of our final audit.

We will follow up with management's progress on these issues as part of the 2020/21 audit.

Recommendation	First raised	Status
Necessary		
Procurement processes and procedures		
<p>Procurement policies and procedures are reviewed and updated in a timely manner.</p> <p>We also recommend sufficient training be provided to relevant staff who are involved in procurement activities.</p>	2019/20 interim	<p>We noted that the procurement policy, manual, and template documents have not been updated since 2018. We also noted that staff involved in procurement activities are not provided training regarding the District Council's procurement processes and procedures.</p> <p>Based on discussions with procurement staff, we understand progress has been slow due to the workload of staff in the procurement team.</p>
Monitoring of fuel card expenditure		
<p>Management improves processes for monitoring fuel card usage. The District Council's policies should record the process for monitoring fuel card expenditure and with whom this responsibility lies. New and existing staff would need to be made aware of any change in processes or requirements.</p>	2018/19	<p>Fleetsmart (a third party entity), manages the fleet assets and provide various monthly reports to the District Council, including reports on fuel card purchases. The Fleet and Facilities Management Officer monitors usage.</p> <p>Management are currently planning the rollout of the Eroads system and policies will be updated as part of this process.</p>

Recommendation	First raised	Status
Necessary		
Regular reviews of network users are not being performed		
Regular reviews and reporting be carried out on the network, and within applications, to ensure that only current, approved users have access. These reviews could include automated weekly reports of users who have not logged in for a period of time.	2018/19	No reviews of users on the network or applications is being performed.
Review network administrators accounts and network directory organisational units		
<p>A review of the Domain administrator network accounts be done and any redundant accounts removed.</p> <p>A review of the Organisational Units on the network and accounts within those structures should also be completed and accounts moved into their correct areas.</p> <p>Any redundant accounts should also be removed.</p>	2017/18	There has been some reduction in generic privileged accounts on the network, however we still note that there are a high number of staff with this level of access.
Contract management		
<p>The District Council:</p> <ul style="list-style-type: none"> • develop and implement a fully functional contract management system; • update the policy and guidance documents covering contract management activities; • have a dedicated individual or team in place with responsibility for oversight of contract management activities; and • put in place a centralised contract management system, which captures all contract information. 	2015/16	<p>The District Council planned to implement the contracts management module of TechOne. This work has stalled, as TechOne needs to be configured to suit requirements. Staff are talking to the TechOne team to help configure the module with IT providing support.</p> <p>There is no standalone contract management policy as the District Council want to incorporate this into the Procurement manual. The Procurement manual and framework are currently being updated to be consistent with the Regional Procurement Framework released by WLASS.</p>

Recommendation	First raised	Status
Necessary		
		The Contracts and Partnering, Procurement and legal teams are working together to develop a roadmap of what their work will look like over the next couple of years. Their aim is to jointly work together in the contract lifecycle and manage resources between the three areas to prevent overlap.
IT change management		
Change management procedures are implemented and all changes are logged and approved before they are made to live systems.	2014/15	Changes to the Technology One software are following change management processes but this is not enforced across IT. Infrastructure changes are not being logged or following any approval processes.
Expenditure – segregation of duties		
Individuals who raise and authorise purchase orders should not also be able to approve the invoice for payment. Ideally, there should also be segregation in the receipting of goods and services however, as a minimum, there should be “one up” approval of all expenditure transactions by invoices being approved by a more senior officer than the officer who authorised the order.	2013/14	The Electronic Purchase Order system was implemented in 2017-18. We noted that users with delegations of \$10,000 and \$25,000 could still self-approve their own purchase orders up to their limit. Users with higher limits require one-up approval. This has been included as part of the wider procurement improvements programme.
Service performance reporting - Customer Relationship Management (CRM) system		
Ensure additional supporting documentation is used by staff such as job summary sheets that record the dates and times the job started and finished. This will allow an independent review to be performed to confirm information has been entered correctly into the CRM system.	2013/14	There have been discussions surrounding the use of Smartpads, but no delivery date or planned use is confirmed at this stage.
All devices have virus definition updates and patches applied		
Ensure all devices have virus definition updates and patches applied.	2013/14	No progress has been made on this issue in 2019/20.

Recommendation	First raised	Status
Necessary		
Business continuity and IT Disaster Recovery planning		
Develop and test organisational business continuity plans. This planning should drive the development of an IT Disaster Recovery Plan. Plans should also be tested on a regular basis to ensure they are still meeting the organisations objectives for acceptable risk and levels of services to its customers.	2011/12	The IM Business Continuity plan has not been updated or tested this year. We recommend the IM Business Continuity plan be updated with learnings from the Covid-19 pandemic and that regular tests of the plan be scheduled.
Beneficial		
Develop availability and capacity reporting on IT Infrastructure and systems		
Dashboard reporting, as well as including matters currently being reported, also include reporting on the availability and capacity of IT infrastructure and systems.	2017/18	Since the CIO left in 2019, no reporting is being produced on IT / IM performance.

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Appendix 2: Disclosures

Area	Key messages
Our responsibilities in conducting the audit	<p>We carried out this audit on behalf of the Controller and Auditor-General. We are responsible for expressing an independent opinion on the financial statements and performance information and reporting that opinion to you. This responsibility arises from section 15 of the Public Audit Act 2001.</p> <p>The audit of the financial statements does not relieve management or the Council of their responsibilities.</p> <p>Our Audit Engagement Letter contains a detailed explanation of the respective responsibilities of the auditor and the Council.</p>
Auditing standards	<p>We carried out our audit in accordance with the Auditor-General's Auditing Standards. The audit cannot and should not be relied upon to detect all instances of misstatement, fraud, irregularity or inefficiency that are immaterial to your financial statements. The Council and management are responsible for implementing and maintaining your systems of controls for detecting these matters.</p>
Auditor independence	<p>We are independent of the District Council in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1 (Revised): <i>Code of Ethics for Assurance Practitioners</i>, issued by New Zealand Auditing and Assurance Standards Board.</p> <p>In addition to our audit, we have performed a limited assurance engagement related to the District Council's debenture trust deed and performed a review of selected procurements, probity review and ad-hoc support, which are compatible with those independence requirements. Other than the audit and these engagements, we have no relationship with or interests in the District Council or its subsidiaries.</p>
Fees	<p>The audit fee for the year is \$162,400 (excluding disbursements and GST), as detailed in our Audit Proposal Letter.</p> <p>Other fees charged in the period are \$27,000 for review of the debenture trust deed reporting certificate, review of selected procurements, probity review and ad hoc support.</p>

Area	Key messages
Other relationships	<p>We are not aware of any situations where a spouse or close relative of a staff member involved in the audit occupies a position with the District Council or its subsidiaries that is significant to the audit.</p> <p>We are not aware of any situations where a staff member of Audit New Zealand has accepted a position of employment with the District Council or its subsidiaries during or since the end of the financial year.</p>

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Waikato District Council Improvements to the Annual Plan Process
Annual Report Process Improvement Programme

Item	Action	Who	When
Interim and final audit dates	Confirm dates and circulate early as possible to all GMs and Budget Managers	Finance Manager	March 2021
Areas of emphasis	Seek advice from Audit NZ, advise the organisation and plan to ensure information is available on time	Finance Manager	March 2021 – July 2021
Audit schedule	Confirm audit schedule, including contingencies	Finance Manager	April 2021
Response times	Daily follow up of requests, regular communication between Finance team and Audit NZ	Finance Manager	During audit
Document version control and quality checks	Set up process to control versions and in-bed quality checks before documents are released	Financial Accountant	March 2021 – April 2021
Audit NZ recommendation 2.1.2: Reliance on attendance and resolution times data	Understand audit requirements for 2020/21 and enact accordingly	Watercare Contract Relationship Manager	March 2021
Audit NZ recommendation 3.1.2: Asset valuation review	Valuation reports to be reviewed by the Financial Accountant, Project Accountant, Finance Manager and Asset Managers prior to updating financial data	Finance Manager	April 2021 - ongoing

Item	Action	Who	When
Audit NZ recommendation 4.1: Capital work in progress and depreciation	<ol style="list-style-type: none"> 1. Put in place a Capital Work in Progress reduction plan and enforce Project Completion criteria. 2. Investigate the feasibility of calculating and processing depreciation in respect of current year additions and disposals. 	<ol style="list-style-type: none"> 1. Finance Manager 2. Project Accountant 	<ol style="list-style-type: none"> 1. March 2021 2. March 2021
Audit NZ recommendation 4.2: GST on property purchases	<ol style="list-style-type: none"> 1. Claim GST on purchases in 2019/20. 2. Include future property purchases in GST calculations 	<ol style="list-style-type: none"> 1. Financial Accountant 2. Financial Accountant 	<ol style="list-style-type: none"> 1. Done 2. Ongoing
Audit NZ recommendation 4.3: Community Board members' remuneration	Update controls and review processes for payments to all elected members	Financial Accountant	March 2021
Audit NZ recommendation 5.1: Committee member conflict of interest	Regularly update members' financial interests register and report against contracts entered into and Accounts Payable	Finance Manager	April 2021
Audit NZ recommendation 5.2: Published reports	Ensure Communications team receive clearance to publish after audit sign off	Financial Accountant	Ongoing
Audit NZ recommendation 6.1: Legislative timeframes	Maintain register of tasks and dates in respect of legislative requirements	Financial Accountant	March 2021 - ongoing

Open Meeting

To	Audit & Risk Committee
From	Tony Whittaker Chief Operating Officer
Date	19 February 2021
Prepared by	Madelina Baena-Escamilla, Continuous Improvement Analyst Bessie Clarke, Corporate Planner Lynn Shirley, Zero Harm Manager
Chief Executive Approved	Y
Reference #	GOV1318
Report Title	Quality and Governance Assurance

1. EXECUTIVE SUMMARY

This report outlines those activities within the programmes designed to provide quality improvement and assurance within the organisation. It covers:

- Business Process Improvement Programme;
- Internal Audit activity; and
- Independent Audit New Zealand reviews.

2. RECOMMENDATIONS

THAT the report from the Chief Operating Officer be received.

3. DISCUSSION

3.1. Business Process Improvement Programme

3.1.1 Internal Audit Schedule (2021)

The internal audits scheduled for the first quarter of 2021 has been delayed due to an administrative issue. This will be completed and up to date again by the 30th of April. The internal auditors have been notified of the processes that need to be audited and the new due date.

An assurance plan for the health and safety management system is being developed in conjunction with the Zero Harm Manager to be integrated with the existing audit programme.

A trial has been planned for March 2021 to audit one of the 24 standards in the Zero Harm Safety Management System (ZHSMS) Framework.

3.1.2 Internal Audit Schedule (2019-2020)

A dashboard summary of internal audit outcomes is presented in Table I, including the number of internal audits planned and undertaken, the findings, and the number of outstanding non-conformances.

There is still one non-conformance outstanding. There has been no progress in completing the corrective actions due to the priority on the Long Term Plan. They will be completed by the end of April 2021. In Table 2 below is the update on these actions.

Table I - Outcome of the 2019-2020 Internal Audit schedule

Team	Internal Audits - Planned	Internal Audits - Undertaken	Major Non-Conformances	Minor Non-Conformances	Recommendations	Outstanding Non-conformances
Total			6	18	121	1
Animal Control	4 Audits 15 Processes	4 Audits 15 Processes	4	0	37	0
Operations - Finance - Revenue	1 Audit 3 Processes	1 Audit 3 Processes	1	1	5	1
Operations - People & Capability	1 Audit 4 Processes	1 Audit 4 Process	0	12	6	0
Service Delivery – Community connections - Venue and Events	1 Audit 2 Processes	1 Audit 2 Processes	0	1	11	0
Service Delivery – Strategic Property	1 Audit 3 Processes	1 Audit 3 Processes	0	0	8	0
Service Delivery – Contracts & Partnering	1 Audit 4 Processes	1 Audit 4 Processes	0	0	26	0
Service Delivery - Community Assets	1 Audit 3 Processes	Postponed				
Chief Executive	1 Audit 2 Processes	1 Audit 2 Processes	0	3	9	0
Community Growth - Economic and Community Development	1 Audit 2 Processes	1 Audit 2 Processes	0	0	3	0
Customer Support - Consents	1 Audits 2 Processes	1 Audit 2 Processes	1	1	16	0
Customer Support - Consents	1 Audits 2 Processes	Postponed				
Red	Major Non-conformances haven't been addressed					
Orange	Minor Non - Conformances haven't been addressed					
Green	All Non - Conformances have been addressed / There were no Non - Conformances					

Table 2- Update on outstanding actions 2019-2020 Internal Audit schedule

Name of Process	Prepare and Strike Annual Rates (1 Major Non-Conformance)
Auditor's Findings	The Rates Strike Process Lacks Detail
Recommendations and Actions to be Taken (February 2020)	Agreed. The Rates Strike Process lacked detail to the extent that it would not have been a sufficient tool to undertake the process. Resources will be allocated to document the correct process as the Rates Strike and Charge Run process informs how Council will charge and collect the correct rates revenue to fund its activities. All Rates processes in will be updated in Promapp prior to 30 June 2020
Process Owner Update on outstanding Actions (June 2020)	No progress has been made to date on this action. The 2020/21 Rates Strike will be used to put together the detailed process and it is expected this will be completed and reviewed during the first week of July 2020.
Process Owner Update on outstanding Actions (September 2020)	No progress has been made due to training delays for the Finance Team Leader – Revenue (lockdown and shifts). The 2020/21 Rates Strike was done by the Finance Manager. The Promapp processes are expected to be updated and full training completed by the end of January 2021.
Process Owner Update on outstanding Actions (December 2020)	Training has started with the Rates Team. The Promapp processes are expected to be updated and full training completed by the end of January 2020.
Process Owner Update on outstanding Actions (March 2021)	The 2019/20 Annual Report and 2021/31 LTP have taken priority. The Promapp processes will now be updated and full training completed by the end of April 2021

3.1.3 Policy Review

The work programme for reviewing internal and external Council policies is progressing as follows:

Policies published and/or reviewed and updated in the last three months:

- Climate Response and Resilience Policy 2020
- Significance and Engagement Policy

Other policies currently being created or reviewed are:

- Petitions Policy
- Cloud Computing Policy
- Cellphone Purchasing Policy
- Livestock Movement Policy
- Stock Underpass Policy
- Dog Control Policy

Policies scheduled to be reviewed in the following months:

- Development Contributions Policy
- Water Policy

3.1.4 Improvement Forum

- The Continuous Improvement Agents continue to promote Continuous Improvement ("CI") and help process owners and experts manage and review their business processes. The motto for 2021 has been to review their processes before they become overdue. Since November 2020, the number of out of date processes has been reduced by 54%.
- The Innovation and Risk team have reviewed the Innovation & Continuous Improvement 2020 survey results. A total of 209 staff responded to the survey; an increase in 28 from 2019. In 2019, two separate surveys were conducted for Innovation & Continuous Improvement (CI). These were combined in 2020 to produce a single survey covering both Innovation & CI. The combined survey score for 2020 is 63%. In 2019, the score for the separate Innovation & CI surveys (calculated by our partners' software) were 60% and 57% respectively, this is a movement of +3% and +6%. This survey's results and data will inform our Continuous Improvement and Innovation strategy and work programme for 2021. See the attachment entitled Innovation & Continuous Improvement Survey Results Dec 2020.
- The Innovation & Risk function, supported by a cross-functional team, are currently finalising their recommendations from the outputs of a series of workshops held last year to identify opportunities to transform the customer and employee experience of the WDC Dog Registration service. It is expected that these recommendations will lead to several benefits such as reduced customer touchpoints, reduced risk areas (in the process) and the potential to link payments to registrations. The team will share these recommendations with ELT in the upcoming weeks.
- In December 2020, the Innovation and Risk team facilitated a Problem Framing Workshop to identify the business needs and pain points with the current Development Agreement process. A set of initial recommendations has been shared with the cross-functional team and senior leaders.
- Process mapping training continues to be delivered online using the Nintex University online training and follow-up meetings using MS teams or via face-to-face. In the past three months, 13 new starters have been trained in process mapping and process improvement as part of their induction. Two process owners have been trained in Process Author training to gain best practice to map their processes.

3.2 Independent Audit Activities

The tables below outline the areas and status of issues – either completed or in progress since the last report in December 2020.

Table 3 reflects those items staff consider are completed or a work in progress.

Table 3 - Areas of audit issues- March 2021

	Pending	Work in progress	Complete	Total
Audit New Zealand	0	10	33	43
Cyber security	0	1	33	34
Internal audit	0	0	5	5
Procurement and contract management	0	1	14	15
Risk management	0	0	37	37
Project management	0	0	33	33
Total	0	12	155	167

There are a total of 167 issues that have been raised by various audits across the organisation, 155 of which are complete.

In the Attachment I: Combined Audit Recommendations March 2021 are the details of all the current work in progress issues. Progress continues to be made on this issues and staff are working to complete these.

3.3. KPMG Health and Safety Governance Audit

The Zero Harm Team continues to progress the completion of the actions from the KPMG Health & Safety Governance Audit. Council received 29 improvement actions and to date we have now completed ~ 86% (25 actions). The following table provides an update on the remaining four actions.

Proposed Corrective Action	Timeframe	Current Status	Action Owner
Work with those ELT members who are yet to attend to the internal People Leader Health and Safety training modules. Schedule training for them and their People Leaders.	June 2021	Activity planned for after Work Safe, Home Safe week	Lynn Shirley

Proposed Corrective Action	Timeframe	Current Status	Action Owner
Develop health and safety legislative obligations register.	June 2021	Project proposal has been developed for the purchase and implementation of ComplyWith Software. Funding proposed in LTP.	Christine Pidduck
Conduct gap analysis using newly developed obligations register.	June 2021	Will be completed as part of ComplyWith implementation.	Christine Pidduck
Develop assurance plan for health and safety management system and where possible integrate into existing audit programme.	December 2021	Trial planned for March 2021 auditing programme in conjunction with Continuous Improvement Analyst.	Lynn Shirley

4. ATTACHMENTS

- Combined Audit Recommendations March 2021
- Process Audit Schedule 2021 v3
- Innovation & Continuous Improvement Survey Results Dec 2020 v1.0

Attachment I: Combined Audit Recommendations

Audit Area	Domain	Recommendation/ Action Required	Date first raised	Proposed Action/Plan – <u>March 2021</u> A&R Committee comment	Who	By When	Status
Audit NZ	Contract management	Develop and implement a contract management system	Jul-16	Phase One of this project is complete. The data has been uploaded into the system. Continuous improvement process will refine and build on capability of the system over time.	Contracts and Partnering	Dec-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	In regard to the 4 different aspects of this recommendation, 3 are complete and 1 remains in progress (see below) 1. Monitoring for security incidents: Managed through IM Service Desk. Process under review. [In Progress] 2. Incident response plan: Managed in accordance with the councils Incident Management process [Complete] 3. Patch management: Duplicate, tracked separately [Complete] 4. Change control and release management processes: Duplicate, tracked separately [Complete]	IM	Oct-21	Work in Progress (3 of 4 completed). On schedule.

Audit Area	Domain	Recommendation/ Action Required	Date first raised	Proposed Action/Plan – <u>March 2021</u> A&R Committee comment	Who	By When	Status
KPMG review of Procurement and Contract Management	Procurement	<p>Develop a procurement strategy and ensure consistency and clarity of procurement guidelines.</p> <p>1) WDC should consider developing a procurement strategy. The strategy should set out:</p> <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 <p>2) Review procurement guidelines to ensure there is consistency between procurement policy, the manual and ProMapp process descriptions.</p>	Dec-16	As per December update, Strategy has been deferred as other procedural and policy updates were made priority. This still stands, likely to be in first draft by April 21.	Procurement	Dec-20	Work in progress
Audit NZ	BC and DR Planning	Develop IM BCP process		2020 - re-opened by Audit NZ "Business Continuity plan be updated with learnings from the Covid-19 pandemic and that regular tests of the plan be scheduled" being addressed through the BCP Review being led by Projects & Innovation (PR-1390). Complete. Devices receive AV definition file updates & security patches from anywhere when connected to internet.	IM / P&I	Complete	Complete

Audit Area	Domain	Recommendation/ Action Required	Date first raised	Proposed Action/Plan – <u>March 2021</u> A&R Committee comment	Who	By When	Status
Audit NZ	IT Service performance	Change Management	Jul-16	Implemented for TechOne Enterprise Application Suite. Actions to close; rollout change management framework across all core/critical infrastructure & systems, align change process to ITIL (Business Owner ownership), and introduce Standard change and Emergency change process [Close by Feb-21]	IM	Feb-21	Work in progress. Service Level Agreement presented to December ELT. ME upgrade completed. Dashboard implementation deferred to June 2021.
Audit NZ	Systems Updates	All devices have virus definition updates and patches applied	Jul-16	Anti-virus solution implemented. Patch Management solution implemented. However, due to COVID response requiring on-prem devices to be deployed to staff homes some devices no longer consistently updated. Being addressed through the Windows 10 project. Complete.	IM	Complete	Complete
Audit NZ	IM practices	Dashboard reporting on key Information Management initiatives should also include reporting on availability and capacity of IT infrastructure and systems	Oct-18	Work in progress. Service Level Agreement presented to Dec ELT. Dashboard implementation deferred to June-21.	IM	Complete	Work in progress
Audit NZ	IM practices	Regular reviews and reporting to be carried out on the network and within applications to ensure that only current approved users have access.	Sep-19	Interim control implemented. Permanent solution (Role Based Security) to be implemented through HRIS project.	IM	Oct-21	Complete

Audit Area	Domain	Recommendation/ Action Required	Date first raised	Proposed Action/Plan – <u>March 2021</u> A&R Committee comment	Who	By When	Status
Audit NZ	Systems Updates	Review network administrators accounts and network directory organisational units	Oct-18	In regard to the 3 different aspects of this recommendation, all are now complete 1. Admin A/C's on Servers: Complete 2. Admin A/C's on Network Devices: Complete 3. Local Admin on PC's/Laptops: Complete	IM	Complete	Complete
Audit NZ	Procurement	Procurement policies and procedures are reviewed and updated in a timely manner and sufficient training is provided to relevant staff who are involved in procurement activities		Updated procedures have been drafted to 80% completion. Wider consultation with key users will commence in April. The updated Procurement policy is going through minor changes as a result of feedback from the working group. The policy will go to Policy & Regulatory Committee in March for adoption and will then rolled out to Council staff with the new suite of procedures and templates.	Procurement	Dec-20	In progress
Audit NZ	Three Waters	Enhance controls and review processes to ensure that attendance and resolution times are recorded accurately in their customer service request system. Consideration will need to be given to how the system can provide the appropriate level of assurance over the accuracy of the data recorded.	Feb-21	Further manual steps have been put in place by Watercare to capture the information until we can implement a more automated process. Staff have requested early notice of the sample to be tested to enable sourcing of documentation for the sample rather than Watercare preparing documentation for every Service Request as this would be extensive and direct staff away from important operational activities. It is on an Watercare/WDC Contract Meeting Agenda this week with the following: <i>Met with Finance and Audit NZ on response times for Service Request.</i> <i>Audit NZ asked for a summary of what information will be available and for what period including a few samples:</i> <ul style="list-style-type: none"> • <i>Process from July 2020 to date improved manual steps added</i> • <i>Process with extra manual steps</i> • <i>Proposed process post system improvements</i> 	Three Waters	Sep-21	In progress

Audit Area	Domain	Recommendation/ Action Required	Date first raised	Proposed Action/Plan – <u>March 2021</u> A&R Committee comment	Who	By When	Status
				<p><i>List of Service Requests from July 2020 to February 2021.</i></p> <p><i>Note that Audit NZ's first visit likely to focus on systems rather than testing of results. Testing of results expected to occur in Sep 2021.</i></p> <p><i>Subsequent sample selected to test from March to June 2021 will require a quick turn around from WSL..</i></p>			
Audit NZ	Infrastructure	The District Council performs a review of the valuation information before processing the data to confirm the completeness and accuracy of the data used for the valuation.	Feb-21	<p>The valuation process for the 2020-21 year is subject to an improvement process. The following improvements will be included in the brief issued to the valuers for the coming year:</p> <ul style="list-style-type: none"> • The valuation brief will be reviewed by both finance and roading prior to issue to ensure the methodology is robust and addresses all identified areas for improvement. • The valuation team will be asked to cross check all databases to eliminate any duplication. • A review step specific to asset vesting dates and numbers will be included in the deliverables prior to completion of the valuation report. • The valuation team will be provided details of the recent audit highlighting issues with the previous valuation. • The roading asset valuation will be subject to an additional peer review prior to completion. 	Roading	Jul-21	In progress

Audit Area	Domain	Recommendation/ Action Required	Date first raised	Proposed Action/Plan – March 2021 A&R Committee comment	Who	By When	Status
Audit NZ	Processing of work in progress	The District Council remind staff of the importance of processing work in progress and depreciation in a timely manner to ensure reporting of property, plant and equipment (including depreciation) is up to date and accurate in the financial statements.	Feb-21	The capitalisation process has been identified as an area for improvement. All staff involved in the process will be required to attend a workshop planned for April 2021 focussing on this issue. The details of the improvement steps and outputs from that workshop will be available for review by auditors later this year.	Service Delivery	April-21	In progress
Audit NZ	Property Purchases	Ensure that GST is claimed on property purchased from non-registered persons. Where appropriate, the District Council should seek a refund of GST.	Feb-21	Finance team confirmed we have claimed and received GST Refund of \$230,000 mentioned in the recommendation and confirmed that any property purchased will be closely reviewed for GST compliance.	Property	March-21	Complete
Audit NZ	Community Board Remuneration	Implement processes and procedures to ensure payments made to community members is consistent with the Local Government Members Determination.	Feb-21	Our elected members including the community boards are paid via payroll. The audit outcome was advised to payroll as well and the details with have been confirmed with Finance and we are in the process of communicating the details to the affected board members and will be making arrangements with them to recover overpayments.	Finance	March-21	In progress
Audit NZ	Procurement	Formal contracts are in place for all suppliers or vendors.	Feb-21	Putting in place regular reporting matching Elected Members financial interests with contracts and accounts payable.	Procurement	Jul-21	In progress
Audit NZ	General	Update the version of the summary annual report on the website to be consistent with the audited version we signed on the 21 January 2021. Implement processes and procedures to ensure the summary annual report is not made available to the public until the audit opinion has been issued.	Feb-21	Updated version of the summary annual report which was signed on the 21 January 2021 has since been uploaded to the website. Implementing processes and procedures to ensure the summary annual report is not made available to the public until the audit opinion has been issued.	Corporate Planning	April-21	In progress

Audit Schedule 2021(First half)

Group/Team	Processes	Owners and experts	Auditors	Due date
Service Delivery - Community Assets	<ul style="list-style-type: none"> Complete Parks & Facilities Asbuilt Data Sheets Enter P&F Asset Data into Asset Finda Enter P&F Asset Data into SPM 	Robert Ashley Joy Rolton	Taljit Singh-Sandhu	30 April 2021
Customer Support - Consents	<ul style="list-style-type: none"> Ensure iwi engagement in Resource Consents for activities on the surface of the river First steps to Determining Notification 	AnaMaria d'Aubert Sam Toka Ella Makin Emma Ensor	Kay Warren	30 April 2021
Community Safety - 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 Sudhir Kumar	Stacey Solomon	30 April 2021
	<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 Sudhir Kumar	Helen Kirby	30 April 2021
	<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 Sudhir Kumar	James Hanright	30 April 2021
	<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 Sudhir Kumar	Terrence Hayes	30 April 2021
	<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 Sudhir Kumar	Sandra van der Westhuizen	30 April 2021

Group/Team	Processes	Owners and experts	Auditors	Due date
Customer Support – Customer Feedback	<ul style="list-style-type: none"> • Manage Customer Suggestions / Feedback • Resolve Customer Complaints • Manage Stakeholder Access for Promapp's Customer Feedback Register • Assign Customer Feedback (Complaints / Compliments / Suggestions) • Manage Customer Compliments • Report Customer Feedback (Formal Complaint, Compliment or Suggestion) 	Reece Turner Brian Cathro Sharlene Jenkins	Deryl Penjueli	30 April 2021

STRATEGIC RISK	RISK APPETITE	RISK LEVEL	PROCESSES	OWNERS AND EXPERTS	AUDITORS	DUE DATE
Business Resilience Business function is significantly disrupted due to a lack of organisational resilience	Low	Moderate	Risk Management Processes <ul style="list-style-type: none"> • Assess & Manage Strategic Risks • Assess & Manage Risk – Operational • Assess & Manage Risk – Projects • Monitor & Report on Risks 	Kat Jenkins Glynn Mason	Phyllis Hefang	30 April 2021
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	Low	Extreme	<ul style="list-style-type: none"> • Identify, Report and Record a Hazard • Manage and Report a Notifiable Event • Report and Record an Injury, Near Miss or Property Damage Event • Respond to Serious Injury/Medical Incident Emergency 	Lynn Shirley Kylie Anderson	Madelina Baena-Escamilla	30 April 2021

STRATEGIC RISK	RISK APPETITE	RISK LEVEL	PROCESSES	OWNERS AND EXPERTS	AUDITORS	DUE DATE
<p>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</p>	Moderate	Extreme	Project Management <ul style="list-style-type: none"> • Project Issue Management • Project Change Control • Manage Physical Works Projects • Manage Business Improvement Projects Projects <ul style="list-style-type: none"> • Close Project • Project Management Routines • Propose Project 	Alan Kuyper Kurt Abbot	Shelley Woollett	30 April 2021
<p>Cyber Security Council is exposed to significant business disruption caused by unauthorized access to privileged information and or reduced data integrity resulting from cyber-attack or employee behaviour</p>	Low - Moderate	High	Processes to be confirmed	TBC	TBC	30 June 2021
<p>Asset Management Council fails to provide sustained delivery of core services as the result of critical assets failing or becoming unfit for purpose</p>	Low	High	Processes to be confirmed	TBC	TBC	30 June 2021
<p>Stakeholder Engagement Council fails to deliver appropriate community outcomes and or wastes resources due to unsuitable stakeholder identification and interaction practices</p>	Low	Moderate	Processes to be confirmed	TBC	TBC	30 June 2021

Innovation & Continuous Improvement @ Waikato District Council

Survey Results: December 2020



Why we carry out this survey....

- In order to understand if we are continuously improving and innovating enough in our business (and in our district) all Waikato District Council staff were invited to partake in a survey in November 2020
- In 2019, separate surveys were conducted for Innovation & Continuous Improvement (CI). These were combined in 2020 in order to produce a single survey covering both Innovation & CI
- The feedback from this survey will help validate and inform our strategies and plans for Innovation & Continuous Improvement and help us measure and gauge our maturity levels in this space
- In 2019 the aggregated 'index' scores for the separate Innovation & CI surveys (calculated by our partners' software) were 60% and 57% respectively. In 2020, the combined survey score was 63% (a movement of +3% and +6%).

Note: 'Index' score is calculated on the agree/disagree questions within the surveys and are designed to give an indication of the level of positive or negative sentiment towards a particular question or category and help determine whether WDC is improving or otherwise on a year-on-year and annual trend basis with regards to Innovation & Continuous Improvement maturity capability



Why we carry out this Survey...(Continued)

- 209 WDC people completed the 2020 survey (58% of the organisation). This was up from 174 (47%) and 181 (49%) respondents who took part in the previous 2019 Innovation & Continuous Improvement surveys
- The following slides follow a similar format as those surveys conducted in 2019 and summarise the key findings in terms of:
 - What's working well (and what we need to continue to build on)
 - What's not working so well (and what we need to focus on)
 - Key themes that came through when asked for comments or suggestions regarding Innovation & Continuous Improvement within our organization



In terms of what's working well you told us ...

- We feel supported and encouraged by our managers and leaders to focus on Continuous Improvement in our day-to-day work
- Innovation & Continuous Improvement is a clear part of our Organisation's strategy
- Our Organisation supports Innovation & Continuous Improvement and is committed to improving its performance
- We expect everyone in Waikato District Council to contribute towards Innovation & Continuous Improvement
- Our Organisation supports innovation and people coming forward with new ideas to improve the services we provide and how we work



...but we need to be better in some areas as you told us ...

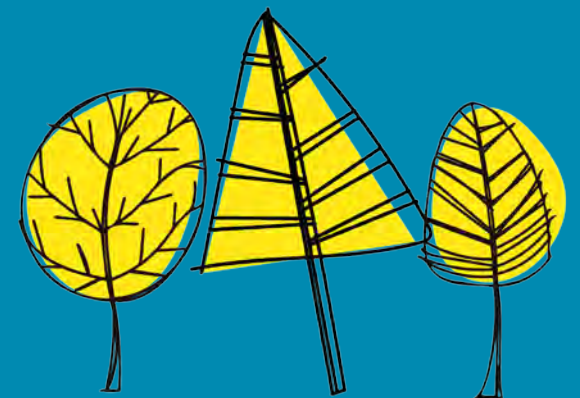
- Our Organisation can get better at dealing with improvement ideas and suggestions in a timely manner
- We need to improve how we identify and act effectively on opportunities to reduce cost and waste in our Organisation
- Our organisation needs to continue increasing its' ability to adapt quickly to changing stakeholder needs and demands
- We can do more as an organisation to reward people for developing and actioning new ideas and innovations
- As part of our Innovation and Continuous Improvement culture and process we need to learn more from failures and successes
- We need to provide greater visibility of the role of our CI agents and how they can help us continually improve

Note: 'Waste' in this context is taken from LEAN process management and is defined as any step or activity that does not add value to the service(s) provided to customers

...and you gave us some common suggestions on what we could improve or change such as...

- Continuing to utilise design-thinking and agile methods (where appropriate) to improve our processes and the services we provide to customers
- Leveraging our tools and technology better to improve our efficiency so that we can focus more on Innovation and Continuous Improvement
- Keep growing our collaboration culture and ensure we give all our people the chance to partake in improvement projects and initiatives
- Focusing on executing and implementing those ideas and suggestions that can improve our processes and the services to our customers
- Improving our internal communications so that we are all aware of the major improvement initiatives and how we can also get Innovation and CI support
- Ensuring we engage the right people in our Organisation whom can support the design and re-imagining of new and current processes and services

Thank You



Open Meeting

To	Audit & Risk Committee
From	Tony Whittaker Chief Operating Officer
Date	12 January 2021
Prepared by	Sharlene Jenkins Executive Assistant
Chief Executive Approved	Y
Reference #	GOV1318
Report Title	Updated Future Work Plan

1. EXECUTIVE SUMMARY

The purpose of this report is to present an updated Future Work Plan 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

Audit & Risk Committee: Future Work Plan

	10 March 2021	08 June 2021	16 September 2021	08 December 2021	March 2022 TBA	Standing items for all meetings
Risk	Risk Assessment of Council Controlled Organisations Statements of Intent Annual Report Risk Assessment Annual Report Programme Compliance	Risk Appetite Review Procurement and Contract Management Framework Review	Risk Management Framework Review	Health & Safety Framework Review	Risk Assessment of Council Controlled Organisations Statements of Intent ▪ Annual Report Risk Assessment Annual Report Programme Compliance	<ul style="list-style-type: none"> ▪ Chief Financial Officer Report Update on risks and issues that could impact council and its stakeholders from a financial perspective, including insurance and procurement matters. ▪ Strategic Risk Register and Emerging Risks Update on key strategic risks and associated management actions, including trajectory of risk assessment. Opportunity to discuss emerging risks with potential for strategic impact. ▪ Risk Conversations Opportunity for Committee to dialogue with key staff to obtain assurance that appropriate controls and culture are in place. ▪ Strategic Risk Deep Dive Detailed inspection of a key risk for the purpose of assurance. ▪ Zero Harm Update Health & Safety performance update against agreed targets, systemic issues identified which can be fed into the risk control framework. To include monthly statistics. ▪ Quality Governance and Assurance Progress against audit issues and rolling review of bylaw & policies: <ul style="list-style-type: none"> - Anti-fraud and corruption framework (and related policies) - Health & Safety Policy - Risk Management Policy - Treasury Risk Management Policy ▪ Post Implementation Reviews and/or Incident Debrief Reports Post project appraisals on key investments.
Independent Internal Audit	Rates Process Review			Resource Consents Revenue Process Review	Rates Process Review	
Insurance		Insurance Risk Strategy	Insurance Renewal Process Update Insurance review	Insurance Policy / Premium Confirmation Insurance Risk Strategy	Insurance Risk Strategy	
Annual Report	Final Audit Management Report	Annual Report Project Planning (likely to be circulated prior to June 2021 meeting)	Annual Report	Final Audit Management Report	Annual Report Project Planning	
Other			Audit & Risk Committee Key Achievements Review of Audit & Risk Committee performance against Terms of Reference Zero Harm Site Visit	Anti-Fraud and Corruption Framework review		

Strategic Risks

- Council Partnerships ✓
- Waters Social Franchise Model ✓
- People and Culture ✓
- Compliance Management
- Zero Harm ✓
- Stakeholder Engagement ✓
- Regional / National Strategic Planning ✓
- Business Resilience ✓
- Asset Management ✓
- Economic and Social Development
- Projects and Initiatives
- Cyber Security

Open Meeting

To	Audit & Risk Committee
From	Gavin Ion Chief Executive
Date	2 March 2021
Prepared by	Lynette Wainwright Committee Secretary
Chief Executive Approved	Y
Reference #	GOV1318
Report Title	Register of Interests – Elected and Appointed Members

I. EXECUTIVE SUMMARY

The purpose of this report is to provide a summary of interests declared by elected and appointed members of Council's committees and community boards, and the elected members of community committees.

The summary reflects the completed declaration of interest forms from elected and appointed members and any subsequent updates provided to the Democracy Team.

2. RECOMMENDATION

THAT the report from the Chief Operating Officer be received.

3. ATTACHMENTS

- A Financial Interests – Statement Reference
- B Register of Elected Members Interests
- C Register of Elected Members Interests – External Appointees
- D Register of Elected Members Interests – Community Boards
- E Register of Elected Members Interests – Community Committees
- F Register of Elected Members Interests – Creative Communities (CCS)

Financial Interests	
Statement Reference	
1	I am, or my spouse or partner is, a party to a contract with Waikato District Council
2	I, or my spouse or partner, individually or together own(s) 10% or more of the shares in a contracting company or controlling company .
3	I am, or my spouse or partner is, a shareholder in a contracting company or controlling company, AND either I am, or my spouse/partner is, also a shareholder of the controlling company .
4	I am, or my spouse or partner is, a managing director or a general manager of a contracting company AND either I am, or spouse/partner is, also a shareholder of the controlling company .
5	I, or my spouse or partner, individually or together, has/have an indirect concern or interest in a contract with Waikato District Council not already disclosed above.
6	If you answered 'Yes' to any of questions 1 to 5, does the total value of all contracts listed above, exceed \$25,000 (including GST) for the current financial year.

Register of Elected Members Interests											
COUNCIL	Financial Interests		Non - Financial Interests								
	Please refer to Statement Reference here.		Companies		Employment/Paid Positions	Other Organisations		Property	Gifts (received since 21 October 2019)	Payments for activities and services (since 21 October 2019)	Debts
	1 to 6	With the exception of	Director/Manager	Financial Interests	Trustee/Beneficiary	Other Bodies					
Aksel Bech	No	N/A	• Frost Solutions Ltd (Frost protections and HR consultancy)	<ul style="list-style-type: none"> • Synthase Biotech (Enzyme Company) • NDA Engineering (Stainless Steel Manufacturing) • Wing Acoustics (Audio Driver Manufacturing) • Heilala Vanilla (Vanilla Producer) • Rua Biosciences (Medical Cannabis Company - formally Waiapu Investments) • Spoke Network Ltd (Telecom Software) • Mighty River Power (Electricity Generator) • Genesis Energy (Electricity Generator) • James Street Ltd. (Property Investment) • Snell Street Ltd (Property Investment) • Mastaplex (Animal Welfare Co.) • Beany (Accounting Software Co) • Inhibit Coatings Ltd. (Anti-microbial Surface Coating) • Toto Investments LP (Property) 	<ul style="list-style-type: none"> • Synthase Biotech (Director) • St. Peters Trust (Board Trustee) 	<ul style="list-style-type: none"> • St. Peters School & Foundation (Trustee) • Jepsen Family Trust (Trustee) • A.B. Jepsen Trust (Trustee) • Feline Adventure Trust (Trustee) 	<ul style="list-style-type: none"> • Coastguard (Northern) - (Ordinary Member) • Kerikeri Cruising Club (Ordinary Member) 	1x Tamahere (Beneficiary of Trust)	<ul style="list-style-type: none"> • Complimentary access to Promoter's Lounge at Sevens tournament with +17 (Donor- 37 South Ltd) • Waikato Business Awards (13 Nov 2020) \$219.50 	N/A	• Loan to Individual in Ward.
Carolyn Eyre	No	N/A	• Pepepe Investments (Farming)	• Pepepe Investments (Farming)	• SM Eyre Trust (Office Manager)	• SM Eyre Trust (Beneficiary)	• Waikato Diocesan School for Girls Proprietors Board (Representative)	• Huntly (Beneficiary of Trust)	<ul style="list-style-type: none"> • 2 x corporate box tickets (Hamilton City Council) Counties V Waikato Rugby @ the FMCG Hamilton Stadium Clarke Lounge. Estimate \$150. 10 Oct 2020 	N/A	N/A
Chris Woolerton	No	N/A	• Middle Ridge Farms Ltd. (Dairy farm)	<ul style="list-style-type: none"> • Fonterra • Balance • LIC 	• Middle Ridge Farms Ltd.	• Woolerton Trust	• Oaks Church (Parish Council/ Building Committee)	• Taupiri (Owner)	N/A	N/A	N/A
Eugene Patterson	No	N/A	• Complete Painting & Decorating (Painting)	N/A	N/A	N/A	Ngaruawahia Bowling Club (Treasurer)	• Ngaruawahia (Owner)	N/A	N/A	N/A
Frank McInally	No	N/A	McInally Truckpainters (Panel-paint)	N/A	N/A	N/A	Huntly RSA (President)	2x Huntly (Owner)	N/A	N/A	N/A
Jacqui Church	No	N/A	• Great Goods Limited (Coffee & Food Service Wholesale Distributor)	N/A	N/A	• Southwest Trust (Trustee)	<ul style="list-style-type: none"> • Pukekohe Lions (Member) • Franklin & Districts Justices of the Peace Association (Member) • BPW Franklin – Business & Professional Women Franklin (Member) • Port Waikato Pink Breakfast (Committee Chair) • Tuakau Cleanup & Planting (Member) • Franklin & North Waikato [FAWN] Trails Forum (Member) • Onewhero Golf Club (Colin Church – Husband – Member & on Match Committee) • Port Waikato Blue Breakfast (Colin Church – Husband – committee member) 	• 2x Tuakau (Owner)	<ul style="list-style-type: none"> • 2 x corporate box tickets (Hamilton City Council) Counties V Waikato Rugby @ the FMCG Hamilton Stadium Clarke Lounge. Estimate \$150. 10 Oct 2020 	N/A	N/A
Jan Sedgwick	No	N/A	N/A	<ul style="list-style-type: none"> • Auckland Airport • Contact Energy • AMP • Methven • Cochlear • Telstra • Wherescape • CBA • Bank of Queensland (public shareholder in all above) 	N/A	<ul style="list-style-type: none"> • Holbrook Family Trust (beneficiary) • Carrara Wharf Trust (Beneficiary) • Harvey S'pore Trust (Beneficiary) • WWF NZ - Trustee (Board Member) • Te Araroa Trail Trustee (Board Member) 	N/A	• Te Kauwhata (Shareholder in company)	N/A	Payments for appointment as external commissioner.	N/A
Janet Gibb	No	N/A	<ul style="list-style-type: none"> • JMG Ltd (Rental Properties) • Ede Investments Ltd (Farming) 	N/A	• Ede Investments Ltd (Farming)	<ul style="list-style-type: none"> • Janet Gibb Family Trust (Trustee/Settlor/Beneficiary) • Rarangi Trust (Trustee/Beneficiary) • Mangatokatoka Trust (Trustee/Beneficiary) • Tironui Trust (Trustee/Beneficiary) 	• Business + Professional Women NZ (Advocacy + Education – Member/Past Executive)	<ul style="list-style-type: none"> • 2x Taupiri (Owner) • 4x Taupiri (Trustee or Director) • 2x Taupiri (Trustee/Beneficiary/Director) 	<ul style="list-style-type: none"> • 2 Tickets to rugby match from Hamilton City Council value of \$150 5 July & 10 Oct 2020 	N/A	<ul style="list-style-type: none"> • ASB (mortgages Rental Properties) • ASB (Farm Mortgages + Overdrafts)

Register of Elected Members Interests											
COUNCIL	Financial Interests			Non - Financial Interests							
	1 to 6	With the exception of	Companies		Employment/Paid Positions	Other Organisations		Property	Gifts (received since 21 October 2019)	Payments for activities and services (since 21 October 2019)	Debts
			Director/Manager	Financial Interests		Trustee/Beneficiary	Other Bodies				
Lisa Thompson	No	N/A	N/A	N/A	<ul style="list-style-type: none"> Raglan Area School (Board of Trustees & Administrator) Trade Aide Importer (Retail) 	<ul style="list-style-type: none"> Raglan Event & Multi Sport Trust (Event Coordinator/Trustee) 	<ul style="list-style-type: none"> Waingaroa Raglan Affordability Project/Affordable Housing/Council Raglan Naturally (Community Organisation) Raglan Business Chamber (Local Business Development) Council & Community Board Destination Management Board 	1x Raglan (owner)	N/A	N/A	N/A
Noel Smith	No	N/A	N/A	<ul style="list-style-type: none"> National Australian Bank (Bank) Farmlands Loop Ltd (Farm Supplies) 	• Self Employed (Farming)	N/A	<ul style="list-style-type: none"> Waikato JP Assn Inc (JP Duties – Senior Vice President) Huntly JP Assn (JP Support – IPP) 	x2 Ngaruawhaia (owner)	N/A	N/A	N/A
Rob McGuire	No	N/A	N/A	• Fonterra (Shareholder)	• Self-employed (Farming)	• McGuire Family Trust (Beneficiary)	N/A	1x Puketaha (Family Trust/Beneficiary)	N/A	N/A	N/A
Mayor Allan Sanson	No	N/A	Sanpat Ltd (Farming)	Sanpat Ltd (Farming)	N/A	AM & PA Sanson Family Trust (Trustee)	N/A	x3 Huntly (owner)	January 2020 Return Airfare to Guangzhou (China) from Yashili International Holdings, including 3 nights accommodation.	N/A	N/A
Stephanie Henderson	No	N/A	N/A	N/A	N/A	N/A	N/A	1x Te Kohanga (owner)	2 x corporate box tickets (Hamilton City Council) Counties V Waikato Rugby @ the FMCG Hamilton Stadium Clarke Lounge. Estimate \$150. 10 Oct 2020	N/A	N/A
Shelley Lynch	No	6. No answer entered	N/A	N/A	N/A	N/A	<ul style="list-style-type: none"> Huntly Rotary (Charity) – Organisation has received, or applied to receive, funding from Council/Community Board/Community Committee BPW Huntly (Dinner meetings) Huntly & Ngaruawahia RSA (Dinner) 	x3 Huntly (owner)	N/A	N/A	N/A

Register of Elected Members Interests - External Appointees

Financial Interests Please refer to Statement Reference		Non - Financial Interests									
Name	1 to 6	With the exception of	Companies		Employment	Other Organisations		Property	Gifts (received since 21 October 2019)	Payments for activities and services (since 21 October 2019)	Debts
			Director/Manager	Financial Interests		Trustee/Beneficiary	Governing Body				
Margaret Devlin	No	N/A	<ul style="list-style-type: none"> • Watercare (Provision of water and wastewater services) <ul style="list-style-type: none"> • Lyttleton Port (Port Services) • Waikato Regional Airport Group (Airport and associated airport services) • Met Services (Provision of meteorological services) • Aurora Energy (Electricity Lines Distribution) <ul style="list-style-type: none"> • WINTEC (Education) • Waikato University (Education) • IT Partners (Technology Services) • Hospice Waikato (Palliative Care) • Infrastructure NZ (Industry Lobby Group) 	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Brendon John Green	No	No	<ul style="list-style-type: none"> • Peak 2 Peak limited • Advanced biotech 	n/a	n/a	n/a	<ul style="list-style-type: none"> • Watercare (director) • Ministry of Education (taumata aronui) • Waikato Tainui (member) • Maitiaki Advisory limited (director) • Tainui Kawhia Inc (director) • Manukau Institute of Technology (Runanga) 	n/a	n/a	n/a	ANZ Mortgage
Maxine Moana-Tuwhangai	No	n/a	n/a	n/a	n/a	<ul style="list-style-type: none"> • Te Whakakitenga o Waikato (Marae representative) • Koheroa 39D1B and 39D2 Trust (trustee) • Te Aho o Te Kura Pounamu (Trustee) 	<ul style="list-style-type: none"> • Haukura Hauora o Tainui (director) • Kiwi Rail Holdings (director) 	n/a	n/a	n/a	n/a

Greg Wiechern	Ngaruawahia	No	N/A	• Wiechern Properties Ltd (Rental Properties)	• Wiechern Properties Ltd (Rental Properties)	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Jack Ayers	Ngaruawahia	No	N/A	N/A	N/A	N/A	• Waipa School Board of Trustees (Board Member)	N/A	N/A	N/A	N/A	N/A
Rongo Kirkwood	Ngaruawahia	No	N/A	• Riverbed Motel (Accomodation)	• Riverbed Motel (Accomodation)	• Trust Waikato (Community Trust)	N/A	N/A	N/A	N/A	N/A	N/A
Dianne Firth	Ngaruawahia	No	N/A	N/A	• Soalchery (Soap Making) • Snipits (Dress Making)	N/A	• Dianne Firth Family Trust (Trustee) • KH & CL Ulrich Trust (Beneficiary)	• Glen Massey School PTA (Treasurer) -Ngaruawahia High School Board of Trustees	1x Ngaruawahia (Beneficiary of Trust) 1x Hamilton (Beneficiary of Trust)	N/A	N/A	N/A
Venessa Rice	Ngaruawahia	No	N/A	N/A	N/A	• Ngaruawahia Community House (local community services and activities) • Ngaruawahia High School (Husband employed as groundsman)	N/A	Ngaruawahia Community Patrol	2x Ngaruawahia (Owner)	N/A	N/A	N/A
David Whyte	Huntly	No	N/A	• Whyte Professional Properties Ltd	• Zestos (Boutique citrus production, writing on environmental/tree issues, rental property management)	N/A	N/A	• New Zealand Tree Crops Association (President moving to Past President in 2022) • Waikato Tree Crops (Committee Member)	2x Ohinewai (Owner) 2x Huntly (Owner) 2x Ngaruawahia (Owner)	N/A	N/A	• Westpac (bank loan) -BNZ (bank loan)
Red Wootton	Huntly											
Rewi Cork	Huntly											
Greg McCutchan	Huntly	No	N/A	N/A	N/A	Declined to answer	N/A	N/A	Declined to answer	N/A	N/A	N/A
Kim Bredenbeck	Huntly	No	N/A	N/A	N/A	• Waikato Enterprise Agency Trust Inc. (Education and Tourism services)	• Friendship House Inc (Treasurer)	• Huntly War Memorial Hall Committee (Secretary) (Currently negotiating funds to continue the refurbishment of the hall as outlined by Chairperson who is the project manager aligned to plan) • Huntly Residency and Ratepayers Association (Secretary) • Lets Get Together Huntly (Committee member - delivers Wearable Arts Competition every second year- will apply to the culture fund and community board for this event in July)	1x Huntly (owner)	N/A	N/A	N/A
Eden Watawai	Huntly	No	N/A	N/A	N/A	• Waikato District Council (Employee-Customer Service)	N/A	• Huntly RSA (Committee Member) • Harty Sistaz Huntly Girls Youth Group (Co-Facilitator) Anzac Day funding for Huntly RSA Access to Council resources as Huntly Youth Action Group Contributors (Harty Sistaz)	1x Huntly (Tenant)	N/A	N/A	N/A
Dorothy Lovell	Taupiri	No	N/A	N/A	N/A	• Hamilton Hearing Assoc. (Administrator)	N/A	N/A	N/A	N/A	N/A	N/A
Howard Lovell	Taupiri											
Rudy Van Dam	Taupiri	No	N/A	• St. Isadore Co Ltd. (Farming)	N/A	N/A	N/A	N/A	1x Taupiri (Owner)	N/A	N/A	N/A
Joanne Morley	Taupiri	No	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Sharnay Cocup	Taupiri	No	N/A	N/A	N/A	N/A	• Taupiri School Board Trustees (Trustee) • Taupiri Youth Group (Trustee) • Waikato Trout Committee (Trustee)	• Taupiri Rugby Club (Weigh in deligate)	N/A	N/A	N/A	N/A
Jacqueline Henry	Taupiri	No	N/A	N/A	N/A	• Waikato Regional Council (Senior Social Scientist)	N/A	N/A	1x Taupiri (Owner)	N/A	N/A	N/A

YELLOW INDICATES THAT THE ELECTED MEMBER DID NOT SUBMIT A COMPLETED FORM

Register of Elected Members Interests - Community Committees

Name	Community Committee	Financial Interests <i>Please refer to Statement Reference here.</i>		Non - Financial Interests								
		1 to 6	With the exception of	Companies		Employment	Other Organisations		Property	Gifts (received since 21 October 2019)	Payments for activities and services (since 21 October 2019)	Debts
				Director/Manager	Financial Interests		Trustee/Beneficiary	Governing Body				
Jim Katu	Meremere	No	N/A	N/A	N/A	N/A	N/A	N/A	1x Meremere (Owner)	N/A	N/A	N/A
James Harman	Meremere	No	N/A	N/A	N/A	N/A	N/A	• Meremere Development Committee incorporated (Chairman) Received community funding	x1 Meremere (Owner)	N/A	N/A	N/A
Melysa Tapiata	Meremere											
Lauren Horsfall	Meremere	No	N/A	N/A	N/A	N/A	N/A	• Meremere Community Development Committee (Find funding for events & programs run in Meremere) <i>Funding: Christmas events in past.</i>	x1 Meremere (Owner)	N/A	N/A	N/A
Cecilia Heta	Meremere	No	N/A	N/A	N/A	N/A	N/A	Meremere Hall Committee (member)	N/A	\$500 gift card each to Cecilia Heta, Trish van der Wende and Okeroa Rogers, all members of the MMCC Hall Committee, on behalf of MMCC, as resolved by email resolution (MMCC2002/04)	N/A	N/A
Ben Brown	Meremere	No	N/A	• Decal Ltd (Director)	N/A	N/A	N/A	• Meremere Development Committee (Secretary)	1x Meremere (Owner)	N/A		
Toni Grace	Te Kauwhata	No	N/A	N/A	• Mercury Energy (shares)	• Suits & Gumboots Country Daycare (Early Childhood Centre)	• Tolemisa Trust (Trustee)	• Te Kauwhata Squash Club (Club Captain)	1x Te Kauwhata (Owner/Trustee)	N/A	N/A	Home Mortgage
John Cunningham	Te Kauwhata	No	N/A	Aparangi Retirement Village	• Ignition Partner Ltd (Business Advice & capital raising) • Resin & Wax Holdings (Chemical Development) • Cawthron Institute (Aquaculture Research) • IMMR (Research) • Climsystems Ltd. (Climate forecasting & risk management)	N/A	N/A	N/A	2 x Te Kauwhata (Owner)	N/A	N/A	N/A
Jeanie Allport	Te Kauwhata	No	N/A	N/A	N/A	Land Information New Zealand	N/A	N/A	1 x Waerenga (Owner)	N/A	N/A	N/A
Courtney Howells	Te Kauwhata	No	N/A	N/A	N/A	• Century 21 Tuakau	N/A	• Wife is District Commissioner of Te Kauwhata Area Pony Club	1x Waerenga (Owner)	N/A	N/A	Home Mortgage
Barry Weaver	Te Kauwhata	No	N/A	N/A	N/A	N/A	N/A	N/A	1 x Te Kauwhata (Owner)	N/A	N/A	N/A
Angela Van de Munckhof	Te Kauwhata	No	N/A	• Te Kauwhata Pharmacy (Pharmacy/Retail)	• Te Kauwhata Pharmacy (Pharmacy)	• Te Kauwhata Pharmacy (Retail)	N/A	N/A	1x Onewhero (Owner)	N/A	N/A	N/A
Tim Hinton	Te Kauwhata	YES Sub contractor to City Care (Value of contract \$600,00)	YES No.6	Inform Landscapes (Horticulture Contractor)	Inform Landscapes (Horticulture Contractor)	• Inform Landscapes (Horticulture Contractor)	Tim Hinton Family Trust (Director)	• Te Kauwhata Emergency Services Trust (Funding for emergency services)	1x Te Kauwhata (Owner)	N/A	N/A	N/A

Register of Elected Members Interests - Community Committees

Name	Community Committee	Financial Interests <i>Please refer to Statement Reference here.</i>		Non - Financial Interests								
		1 to 6	With the exception of	Companies		Employment	Other Organisations		Property	Gifts (received since 21 October 2019)	Payments for activities and services (since 21 October 2019)	Debts
				Director/Manager	Financial Interests		Trustee/Beneficiary	Governing Body				
Sue Robertson	Tamahere	No	N/A	Parklea Investments Ltd. (Property Development)	N/A	N/A	<ul style="list-style-type: none"> The Keith A Robertson Family Trust (Trustee/Beneficiary) Robina Trust (Trustee/Beneficiary) 	<ul style="list-style-type: none"> Bramley Gardens Body Corporate Committee (to administer the rules of the body corporate) Residential Development Hamilton City 	1x Tamahere (Beneficiary of Trust)	N/A	N/A	N/A
Leo Koppens	Tamahere	No	N/A	N/A	N/A	N/A	TBC	N/A	N/A	N/A	N/A	N/A
Charles Fletcher	Tamahere											
Shelley Baker	Tamahere	No	N/A	N/A	Jennian Homes (Building Residential Homes)	Healthshare Ltd	Woodland Trust (Trustee)		7 Tanaka Drive (Owner)			
Margaret Jane Manson	Tamahere	No	N/A	N/A	N/A	<ul style="list-style-type: none"> Waikato DHB (Nurse) 	N/A	<ul style="list-style-type: none"> Anglican Action (Social Services Provider) 	N/A	N/A	N/A	N/A
Graham McAdam	Tamahere											
James Yearsley	Tamahere	No	N/A	<ul style="list-style-type: none"> ICARAS Consultatnts (JH Yearsley LTD.) Security Risk Consultancy HealthSafe NZ (Health & Safety Risk) Yggdrasil Capital Ltd. (Investment) 	<ul style="list-style-type: none"> Optima Group UK Explosive Ordnance Disposal) 	N/A	<ul style="list-style-type: none"> Yearsley Family Trust (Trustee) Yggdrasil Trust (Trustee)N 	N/A	<ul style="list-style-type: none"> 1x Tamahere (Owner) 	N/A	N/A	<ul style="list-style-type: none"> HealthSafe NZ (Debtor - Loan) ICARAS Consultants (Debtor - Loan) Optima Group UK (Debtor - Loan)
Joy Wright	Tamahere											
Tony Nelson	Tamahere											
Bevin Coley	Tamahere	No	N/A	<ul style="list-style-type: none"> Vael Holdings Coley Property Group Ltd. Coley Property General Partner Ltd. Freestone Property Ltd. Snell General Partner Ltd. Tahi Investments Ltd. <ul style="list-style-type: none"> 265 James Ltd. Vogler Ltd. Southend Ltd. Maxwell Place Ltd. Te Waiti Ltd. Snell Street Limited Partnership <ul style="list-style-type: none"> Kake Investments Limited Partnership 313 Partnership 550 Investment Limited Charming Juno Limited 	<ul style="list-style-type: none"> Vael Holdings Coley Property Group Ltd. Coley Property General Partner Ltd. Freestone Property Ltd. Snell General Partner Ltd. Tahi Investments Ltd. <ul style="list-style-type: none"> 265 James Ltd. Vogler Ltd. Southend Ltd. Maxwell Place Ltd. Te Waiti Ltd. Snell Street Limited Partnership <ul style="list-style-type: none"> Kake Investments Limited Partnership Charming Juno Limited 	<ul style="list-style-type: none"> Coley Property Group Ltd. (Property Management) 	<ul style="list-style-type: none"> B&C Coley Trust (Trustee & Beneficiary) BR Coley Investment Trust (Trustee & Beneficiary) <ul style="list-style-type: none"> Steele Trust (Beneficiary) Out Trust (Beneficiary) TH Coley Property Trust (Beneficiary) KT Coley Investment Trust (Beneficiary) RN Coley Investment Trust (Beneficiary) <ul style="list-style-type: none"> Phillip Coley Trust (Beneficiary) 	N/A	2x Tamahere (Owner)	N/A	N/A	All property finance ANZ, BNZ, Kiwibank)
Janis Swan	Tamahere	No	N/A	N/A	<ul style="list-style-type: none"> Westpac Australia (Shares) Yarra (Australia) (Shares) Mercury (Shares) 	University of Waikato (Teaching and research)	<ul style="list-style-type: none"> Earle Technology Trust (Chairperson) Waikato Graduate Women's Educational Trust (Board Member) 	N/A	2x Tamahere (Owner)	N/A	Assessor of research grants (MBIE)	N/A
Lyn Harris	Tamahere	No	N/A	Livestock Sales RHB Ltd (Procurement of livestock for slaughter)	N/A	Livestock Sales RHB LTD (Administration and Accounts)	<ul style="list-style-type: none"> Paul Harris Family Trust (Trustee & Beneficiary) Lyn Harris Family Trust (Trustee) 		1x Tamahere (Owner)	N/A	N/A	N/A

Register of Elected Members Interests - Community Committees

Name	Community Committee	Financial Interests <i>Please refer to Statement Reference here.</i>		Non - Financial Interests								
		1 to 6	With the exception of	Companies		Employment	Other Organisations		Property	Gifts (received since 21 October 2019)	Payments for activities and services (since 21 October 2019)	Debts
				Director/Manager	Financial Interests		Trustee/Beneficiary	Governing Body				
Andrea Dunsheath	Tamahere											
Alison Ewing	Tamahere	No	N/A	N/A	N/A	N/A	Cherry Farm Trust (Trustee)	MESH Sculpture Hamilton (Trustee)	2x Tamahere (Owner)	N/A	N/A	N/A
Ric Odom	Pokeno	No	N/A	Franklin Hospice Charitable Trust (Provision of paliative care)	Jeneric Investments Ltd. (Investment)	Franklin Hospice Charitable Trust (Provision of paliative care)	Jeneric Family Trust (Trustee)	Franklin JP Assn (Council member. Justices of the Peace)	1x Pokeno (Owner/Trustee)	N/A	N/A	New Zealand Home Loans (Mortgage)
Helen Clotworthy	Pokeno	No	N/A	Pokeno Bacon Co. (Manufacturers-Retailers)	Pokeno Bacon Co. (Manufacturers-Retailers)		David Evans Family Trust (Trustee & Beneficiary)	Pokeno Hall Committee (Treasurer) Pokeno Community Hall (Manager)	x4 Pokeno (Owner)	N/A	N/A	N/A
Allen Grainger	Pokeno	No	N/A	•Waikato Rugby Union •Frankton Rugby Sports Club Inc	N/A	N/A	N/A	• Waikato Rugby Union (Vice-President and Board member) * WRU 2021 Centennial Committee (Board member) • Frankton Rugby Sports Club (Chairman) * Hamilton Rugby Union Inc (Chairman) * Waikato Central Junio Rugby Board (Delegate)	N/A	N/A	N/A	N/A
Peter Koizumi	Pokeno											
Kris Hines	Pokeno	No	N/A	N/A	N/A	N/A	N/A	N/A	1x Pokeno (Owner)	N/A	N/A	N/A
Brenda Ann Roberts	Pokeno	No	N/A	N/A	N/A	Ministry of Education	N/A	N/A	N/A	N/A	N/A	N/A
Doug Rowe	Pokeno	No	N/A	INCOMPLETE FOR REST								
James McRobbie												

YELLOW INDICATES THAT THE MEMBER DID NOT SUBMIT A COMPLETED FORM

Register of Elected Members Interests - Creative Communities (CCS)

Name	Committee	Financial Interests <i>Please refer to Statement Reference here.</i>		Non - Financial Interests								
		1 to 6	With the exception of	Companies		Employment	Other Organisations		Property	Gifts (received since 21 October 2019)	Payments for activities and services (since 21 October 2019)	Debts
				Director/Manager	Financial Interests		Trustee/Beneficiary	Governing Body				
Judith Anne Muru	Creative Communities Scheme Assessment Committee	No	N/A	N/A	N/A	Te Wharekura o Rakaumanga - Education	N/A	N/A	Owner 1x property, Huntly	N/A	N/A	N/A
Mark Leslie Vincent	Creative Communities Scheme Assessment Committee	No	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Heather Joy Cunningham	Creative Communities Scheme Assessment Committee	No	N/A	N/A	N/A	Raglan Community Arts Council - Clay Tutor	N/A	N/A	N/A	N/A	Tutor Fee in employment for Raglan Community Arts Council	N/A
Annette Joan Taylor	Creative Communities Scheme Assessment Committee	No	N/A	N/A	N/A	N/A	N/A	Home Range/Number 8 Network (Editor) - received grants from WDC Discretionary Fund	N/A	N/A	N/A	N/A
Amomai Pihama	Creative Communities Scheme Assessment Committee											
Claire du Bosky	Creative Communities Scheme Assessment Committee	No	N/A	N/A	Shares in Genesis	Relief Teacher - Waitakaruru School, Te Kauwhata Primary School and Waerenga Primary School	N/A	Te Kauwhata Fitness Centre - Committee Member	Owner 1x property - Te Kauwhata	N/A	N/A	N/A
Miriama (Tilly) Turner	Creative Communities Scheme Assessment Committee	No	N/A	Mighty Fine Product Ltd (Food Caravan)	Trading as Taana Ltd (Mussel Fritters)	N/A	Hone & Miriama Turner Whanau Trust (Trust for Whanau Papakainga)	Turangawaewae Maori Women's Welfare League (Branch of the Waikato Regional MWWL and part of National MWWL)	1 x property Ngaruawahia (Trustee members & beneficiary)	N/A	N/A	ANZ Bank (Trust for home mortgage)

YELLOW INDICATES THAT THE MEMBER DID NOT SUBMIT A COMPLETED FORM

Open Meeting

To	Audit & Risk Committee
From	Tony Whittaker Chief Operating Officer
Date	2 March 2021
Prepared by	Lynette Wainwright Committee Secretary
Chief Executive Approved	Y
Reference #	GOV1318
Report Title	Exclusion of the Public

I. RECOMMENDATION

THAT the public be excluded from the following parts of the proceedings of this meeting.

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

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
Item number 1 Confirmation of Minutes	Good reason to withhold exists under Section 6 or Section 7 Local Government Official Information and Meetings Act 1987	Section 48(1)(a)
Item number 2 Action Register		
Item number 3.2 Risk Assessment of Council Controlled Organisations' Draft Statements of Intent		

Item number 3.3 CAPEX Project Delivery Capability Update January 2021		
Item number 3.4 Register of Interests – Staff		
Item number 3.5 COVID-19 Alert Level Boundary Management		

This resolution is made in reliance on section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or Section 7 of that Act which would be prejudiced by the holding of the whole or relevant part of the proceedings of the meeting in public, as follows:

Item No.	Section	Interest
Item 1 Confirmation of Minutes		Refer to the previous Public Excluded reason in the agenda for this meeting.
Item 2 Actions Register		Refer to the previous Public Excluded reason in the agenda for this meeting.
Item 3.1 Fraud Declaration	7(2)(a)	To protect the privacy of natural persons, including that of deceased natural persons.
	7(2)(c)(ii)	To protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely otherwise to damage the public interest.

Item 3.2 Risk Assessment of Council Controlled Organisations' Draft Statements of Intent	7(2)(b)(ii)	To protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information.
	7(2)(i)	To enable the Council to carry out, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).
Item 3.3 CAPEX Project Delivery Capability Update January 2021	7(2)(b)(ii)	To protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information.
	7(2)(j)	To prevent the disclosure or use of official information for improper gain or improper advantage.
Item 3.4 Register of Interests - Staff	7(2)(a)	To protect the privacy of natural persons, including that of deceased natural persons.
Item 3.5 COVID-19 Alert Level Boundary Management	7(2)(c)(i)	To protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely to prejudice the supply of similar information, or information from the same source and is in the public interest that such information should continue to be supplied.
	7(2)(d)	To avoid prejudice to measures protecting the health or safety of members of the public.

AND THAT Ms Wyborn and Mr Sutton be permitted to remain at this meeting, after the public has been excluded, because of their knowledge of audit requirements for Waikato District Council. This knowledge, which will be of assistance in relation to the matter to be discussed, is relevant to that matter to inform and advise the Committee members.