

Agenda for a meeting of the Audit & Risk Committee of the Waikato District Council to be held Committee Rooms 1 & 2, 15 Galileo Street, Ngaruawahia on **WEDNESDAY, 29 JUNE 2022** 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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- 5. ACTIONS REGISTER**  
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- 6. REPORTS – FOR DISCUSSION AND/OR DECISION**
  - 6.1. Chief Financial Officer Report 20
  
  - RISK**
  - 6.2 Strategic Risk Register and Emerging Risks 22
  - 6.3 Waikato District Council Zero Harm Update 29
  - 6.4 Annual Report Risk Assessment 34
  - 6.5 Independent Internal Audit Programme and Framework 38
  
  - OTHER**
  - 6.6 Committee Performance Evaluation Survey Results 45

**7. REPORTS FOR INFORMATION**

The following reports will be taken as read:

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7.2	Updated Future Work Plan	89
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**8. EXCLUSION OF THE PUBLIC 102**

GJ Ion  
**CHIEF EXECUTIVE**

## TERMS OF REFERENCE AND DELEGATION

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

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### Purpose:

The Audit and Risk Committee is responsible for:

1. Considering and reviewing the adequacy of Council's risk management and internal control frameworks.
2. Monitoring and seeking assurance on the functioning of Council's risk management and internal control frameworks (including systems and processes).
3. Managing the independent auditor (internal and external) expectations and relationships.

### Terms of Reference:

To achieve the above purpose the Audit and Risk Committee will:

1. Annually review council's risk management framework to ensure it is effective
2. Ensure the strategic risk register is current and relevant
3. Ensure Council has an effective internal control framework to identify and manage business risk (at the risk portfolio level)
4. Review Council's insurance programme for adequacy of risk mitigation
5. Review the effectiveness of Council's business continuity and disaster recovery planning and testing arrangements
6. Ensure Council has an effective framework in place to prevent, detect and investigate fraud-related issues
7. Ensure Council has an effective Health and Safety/Zero Harm framework in place to prevent, detect and investigate safety-related issues
8. Review the internal audit framework to ensure that appropriate organisational structures, authority, access, and reporting arrangements are in place
9. Approve the annual internal and external audit programme and related plans
10. Consider Council's annual report from a risk perspective, and subject to audit clearance, make recommendations to Council regarding adoption
11. Review audit reports (internal and external) and monitor management's implementation of audit recommendations
12. Keep Council informed on significant risk or audit issues raised and proposed actions
13. Meet regularly with independent auditors to gain assurance on the risk frameworks and the management of them

**The Committee is delegated the following recommendatory powers:**

1. The committee has no decision-making powers.
2. The committee may make recommendations to the Council and/or the Chief Executive
3. 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 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**

Members are appointed for an initial term of no more than the 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 are 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, and 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. This will support the committee's philosophy of continuous improvement.

**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.

<b>To</b>	<b>Audit &amp; Risk Committee</b>
<b>Report title</b>	<b>Confirmation of Minutes</b>
Date:	Wednesday, 29 June 2022
Report Author:	Gaylene Kanawa, Democracy Team Leader
Authorised by:	Gavin Ion, Chief Executive

## **1. Purpose of the report**

### **Te Take moo te puurongo**

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To confirm the minutes for a meeting of Audit & Risk Committee held on Wednesday, 6 April 2022.

## **2. Staff recommendations**

### **Tuutohu-aa-kaimahi**

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**THAT the minutes for a meeting of the Audit & Risk Committee held on Wednesday, 6 April 2022 be confirmed as a true and correct record.**

## **3. Attachments**

### **Ngaa taapirihanga**

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Attachment 1 – A&R Minutes – 6 April 2022

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**MINUTES** for a meeting of the Audit & Risk Committee of the Waikato District Council held via Audio Visual Conference on **THURSDAY, 6 APRIL 2022** commencing at **9.30am**.

**Present:**

Mr P Stubbs (Chairperson)  
His Worship the Mayor, AM Sanson  
Cr AD Bech  
Cr JA Church  
Cr JM Gibb  
Cr JD Sedgwick

**Attending:**

Mr C Susan, Audit NZ  
Ms K Maccown, Audit NZ

Mr TG Whittaker (Chief Operating Officer)  
Ms A Diaz (Chief Financial Officer)  
Mrs S O’Gorman (General Manager Customer Delivery)  
Mrs E Edgar (Communications, Marketing & Engagement Manager)  
Mrs V Jenkins (People & Capability Manager)  
Mr R MacCulloch (General Manager, Service Delivery)  
Mr G King (Chief Information Officer)  
Mr C Bailey (Finance Manager)  
Mr K Abbott (Projects & Innovation Manager)  
Mrs K Jenkins (Risk Advisor)  
Mrs L Shirley (Zero Harm Manager)  
Ms K Newell (Resilience Manager)  
Ms D Dalbeith (Business Improvement Analyst)  
Mrs GJ Kanawa (Democracy Team Leader)

**APOLOGIES AND LEAVE OF ABSENCE**

There were no apologies and all members were present.

## **CONFIRMATION OF STATUS OF AGENDA ITEMS**

**Resolved: (Mr Stubbs/Cr Sedgwick)**

**THAT the Audit & Risk Committee:**

- a) confirms the agenda for the meeting of the Audit & Risk Committee held on Thursday, 6 April 2022;
- b) agrees 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
- c) receives all reports.

**CARRIED**

**A&R2204/01**

## **DISCLOSURES OF INTEREST**

There were no disclosures of interest.

## **CONFIRMATION OF MINUTES**

**Resolved: (Mr Stubbs/Cr Sedgwick)**

**THAT the minutes of the meeting for the Audit & Risk Committee held on Thursday, 16 December 2021 be confirmed as a true and correct record.**

**CARRIED**

**A&R2204/02**

## **ACTION REGISTER**

Agenda Item 5

The register was received [A&R2204/01] and the following discussion was held:

- Maturity of Committee – remove from register.
- CompyWith – remove from register.
- Members interests – remove from register.
- Only leave those items that are continuing in process.
- Good to see residual risk to risk appetite information, looking forward to seeing trend analysis rolled across to other risks.

## **REPORTS**

### Chief Financial Officer Report

#### Agenda Item 6.1

The report was received [A&R2204/01] and taken as read. The following discussion was held:

- In relation to geopolitical events no greater impact on budget to 30 June, the main impacts on budgets were supply chain issues with COVID-19.
- Not reforecasting budgets as there will be an element of work not deliverable due to the supply chain issues.
- No material risk increases with geopolitical events as it is something that will affect the nation as a whole rather than our district directly.

### Strategic Risk Register & Emerging Risks Report for April 2022

#### Agenda Item 6.2

The report was received [A&R2204/01] and taken as read. The following discussion was held:

- New Risk Advisor starts on 7 April, noted spelling error in his name, David Tisdall is the new advisor.
- Government reform – where does this feed into as we know we have a lot of work caused by these reforms as we try to respond to the government documents but is it recorded as a risk? The reforms were in the previous report, however at the time of writing this report there were no further updates, so the most up to date emerging risks were placed in the report. As further information becomes available it would be included in future reports and is noted as political and strategic risks being high.
- Inflationary pressure endemic across the board, with rates postponement and remission have the numbers moved considering the current climate? Rate remission requests were no different from previous years, what we are seeing is an increase to rate rebate schemes and increase in the value of penalties as payments are a little behind from last year. Excellent payment history reducing.
- Zero harm for people, low rather than zero, but we have no appetite for zero harm? Practical perspective low is achievable but zero is not, however aspiration is still zero.
- Affordability and community expectations – where we started has morphed to the description in 2022 and moved away from original ideas of them. Affordability of what we can provide and deliver as part of the Long Term Plan (LTP) – changed to community wants and now is misaligned.
- The new comment reflect conversations from the Council workshop in December, noting that things will always change based on what is occurring regarding the pandemic and other geopolitical pressures/government reforms etc. There will always be quite a large gap between community expectations versus what we can deliver and affordability.



- Council will utilise a floating line methodology – what is this? We have an overall budget, with prioritised projects within that budget, if a project comes in at a higher cost it may push projects with a lower risk below the floating line to the following year.

### Zero Harm Management Framework Review

#### Agenda Item 6.3

### Zero Harm Safety Management System Audit 2021 Post Implementation Report

#### Agenda Item 6.4

Items 6.3 and 6.4 were taken together.

The reports were received [A&R2204/01] and both taken as read. The following discussion was held:

- Key points from the management review outlined in the Executive Summary of the report. This is the second time we have reviewed the management system against the ISO4501 Standard.
- Recommendation was to move the timing of these reviews to March for future years to allow for programming of the following year, noting that in future all recommendations will be incorporated into the zero harm framework review report (future state).
- System is very comprehensive and stays on track from a delivery perspective with the current plan. Audit to be done annually and will not have two papers going forward.
- Did we have an existing system ourselves and we have moved to a new standard? Previously, ACC workplace safety management programme was utilised (an external audit by ACC which provided for reduced ACC levies). This was based on an ANZ standard 4801 but now superseded by EU world standard ISO4501, which was the first international standard for health and safety.
- New standard is more focussed on risk management and holistic approach which talks about the organisation understanding the context in which it operates, both internally and externally to the organisation. Much broader in approach and provides you with a much better outcome.
- Report stated that top management could not demonstrate that it had taken overall accountability which is of concern and we need some active mitigations, not passive. Process meant that at the time of interviews the management may not have been able to present the information/proof at the time.
- Audit had been done regarding identifying the issue and we have put mitigations in place to deal with the issue.

**ACTION:** Annual internal audit carried out in March of each year, work programme to be updated to reflect change.

- The Committee would prefer to see trends and actionable insights over multiple data points.
- Acknowledgement required for the customer service business unit for being continually active and committed to utilising the management reporting system.

**ACTION:** Zero Harm Manager to send team vision and purpose to the Chairperson.

- There were sixty two (62) controls for working with dangerous animals and do the staff working in this area know all of those controls? Some of those controls do not influence or need to be known by the staff on the ground, but need to be in the overall structure.

### Waikato District Council Zero Harm Update Agenda Item 6.5

The report was received [A&R2204/01] and taken as read. The following discussion was held:

- The risk reduction timeline was a great innovation, however just by reading the timeline how you reach the assessment? Analysed each treatment to determine how effective they were at managing the risks, then altered where necessary to make more effective and measurable.
- System that was worked out was the effectiveness score, to determine whether it was very effective, moderate etc. Then a further score was provided for in place, partially in place or not commenced.
- Business Improvement Analysts then applied numeric figures against them which we could see the amount of very effective treatments in place versus what residual risk was left. This information was presented to the December 2021 meeting.
- Annual update to be provided with full numerical analysis.

**ACTION:** Chairperson will refer back to the December 2021 papers to ascertain more clarity.

**ACTION:** Annual analysis to be provided to ensure we remain on track.

Strategic Communications at WDC – Current issues, risks, and opportunities

Agenda Item 6.6

The report was received [A&R2204/01] and taken as read. The following discussion was held:

- The Communications, Marketing and Engagement Manager provided a background on her experience, mainly in the UK Government and Not For Profit sector.
- How do we change the perception and expectation of Council, rather than focusing on the negative narrative.
- We often consult but do not truly engage with communities, vision is to have an ongoing conversation with our communities in a clear manner.
- What we currently do is very transactional and we need to move to a relational type approach and recognise the emotional aspect that decisions of Council have on our communities.
- Dog control bylaw and policy a good example of where we “consulted” but did not give an opportunity for the community to engage in the discussion before we put a Statement of Proposal out. There is also an inherent lack of trust with a number of issues being increasingly hijacked on social media.
- All of us have a responsibility to protect our brand and reputation – continual pendulum of maintaining and building reputation.
- Agree to approach and there are some areas where we can improve.
- Community Boards and Community Committees provide an opportunity for us to reach these communities as they are continually engaged within the community space.
- Endorsement from this committee to make this area a priority.
- Brand management – a number of our documents look different so not easily recognised that it is a Council process.
- Councillors need some training in regard to social media platforms to keep telling the story and facts not be reactive or emotive. This will be captured as part of the induction training after elections.
- Community boards to work with council as a team rather than against council (both elected members and staff).
- Executive Leadership had supported the Communications team with a new structure and additional resource, currently engaging with affected parties in the team and moving forward to be more proactive.
- Demarcation lines were still being worked on to free the Manager up to ensure she is not working in the business so much but has the ability to provide advice to the team and provide a strategic overview to the organisation.
- We have a tendency to react and give airtime to the one (1) percent who are vocal, need to be careful not to just listen to this vocal aspect.
- Reputation is one of our key risks – useful to schedule an appropriate time a follow up report.

**ACTION:** Further update to be provided on progress in six months (as part of emerging risk report).

**ACTION:** Social media training to be included in the induction programme for elected members following the elections.

### Committee Performance Evaluation

#### Agenda Item 6.7

The report was received [A&R2204/01] and taken as read. The following discussion was held:

- Intent is to hold up a mirror on this Committee to see if it can do any better. Following discussions with KPMG this paper had been developed to undertake a 360 degree review.
- Also reaching out to other Audit & Risk Committees across the region to ascertain if there are any other best practices we could utilise.

**ACTION:** Democracy Team to undertake the survey once Chief Operating Officer and Chairperson has identified all recipients.

#### **Resolved: (Mr Stubbs/Cr Gibb)**

#### **That the Audit & Risk Committee approves:**

- a. **the following as its continuous improvement strategy:**
  - i. **undertake a 360-degree feedback survey (Attachment I);**
  - ii. **KPMG to annually observe a committee meeting to assess effectiveness;**
  - iii. **the Chair and Chief Operating Officer participate in regional meetings of the Audit & Risk Committee representatives to discuss best practice; and**
- b. **the attached Committee Evaluation Questionnaire (Attachment I).**

**CARRIED**

**A&R2204/03**

### Quality & Governance Assurance Update

#### Agenda Item 7.1

The report was received [A&R2204/01] and taken as read. The following discussion was held:

- Interested to hear about innovation and ideas forum as fundamentally risk and return are two sides of a coin, therefore would like the forum to provide a presentation to the committee on the work they are doing.

**ACTION:** Innovation and Ideas Forum to provide presentation to future meeting of Audit & Risk Committee.

Insurance Policy / Premium Confirmation

## Agenda Item 7.2

The report was received [A&R2204/01] and taken as read. The following discussion was held:

- Have we modelled self insuring as opposed to covering? Council did do a piece of work in last quarter of 2021 to look at different mechanisms for insurance for material damage, an assessment is done at the time where we cover damage ourselves, rather than claim insurance.
- We could not self insure in the public indemnity/liability area but do everything we can by ensuring our assets are well built and have resilience in storm events. The level of excess determines what level of self insurance we undertake.
- We do have a good driver behaviour policy, which means lower premiums too.

Updated Future Work Plan

## Agenda Item 7.4

The report was received [A&R2204/01] and taken as read. The following discussion was held:

- On track to hold a zero harm site visit in June.
- Strategic Risk Deep Dives programme are referenced by “TBC” in the work programme.

Register of Interests – Elected and Appointed Members

## Agenda Item 7.5

The report was received [A&R2204/01] and taken as read. No further discussion was held.

**EXCLUSION OF THE PUBLIC**

## Agenda Item 8

**Resolved: (Mr Stubbs/Cr Church)****THAT the Audit and Risk Committee:****a) exclude the public 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
<p><b>Item number PEX 1 Confirmation of Minutes</b></p> <p><b>Item PEX 2 Action Register</b></p> <p><b>Item PEX 3.1 Fraud Declaration</b></p> <p><b>Item PEX 3.2 Risk Assessment of Council Controlled Organisations Statements of Intent</b></p> <p><b>Item PEX 3.3 Comply With Legal Compliance Survey Results</b></p> <p><b>Item PEX 3.4 Cyber Security - 360 Degree Security Review &amp; Threat Assessment</b></p> <p><b>Item PEX 3.5 Register of Members' Interests – Senior Staff</b></p> <p><b>Item PEX 3.6 Committee Time with Audit New Zealand</b></p>	<p><b>Good reason to withhold exists under Section 6 or Section 7 Local Government Official Information and Meetings Act 1987</b></p>	<p><b>Section 48(1)(a)</b></p>

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 2.1 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—  (ii) would be likely otherwise to damage the public interest.
Item 2.2 Risk Assessment of Council Controlled Organisations Statements of Intent	7(2)(f)(i)	To maintain the effective conduct of public affairs through free and frank expression of opinion
Item 2.3 Comply With Legal Compliance Survey Results	6(a)	To protect the maintenance of the law.
Item 2.4 Cyber Security - 360 Degree Security Review & Threat Assessment	7(2)(c)(ii)	To protect information that is subject to an obligation of confidence and to protect the public.
	7(2)(j)	To prevent use of the information for improper gain or advantage.

Item No.	Section	Interest
Item 2.5 Register of Members' Interests – Senior Staff	7(2)(a)	Protect the privacy of natural persons, including that of deceased natural persons.
Item 2.6 Committee time with Audit NZ (management excluded)	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.

- b. THAT Ms Macown and Mr Susan from Audit NZ 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.

**CARRIED**

**A&R2204/04**

Resolutions A&R2204/05 – A&R2204/09 are contained in the public excluded section of these minutes.

There being no further business the meeting was declared closed at 11.50am.

Minutes approved and confirmed this \_\_\_\_\_ day of \_\_\_\_\_ 2022.

Peter Stubbs  
**CHAIRPERSON**



<b>To</b>	<b>Audit and Risk Committee</b>
<b>Report title</b>	<b>Actions Register – June 2022</b>
Date:	29 June 2022
Report Author:	Tony Whittaker, Chief Operating Officer

### **1. Purpose of the report** **Te Take moo te puurongo**

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To update the Audit and Risk Committee on the actions arising from the previous meeting.

### **2. Staff recommendations** **Tuutohu-aa-kaimahi**

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**That the Audit and Risk Committee receives the report.**

### **3. Attachments** **Ngaa taapirihanga**

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Attachment 1 – Audit and Risk Committee Actions Register June 2022

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### Audit & Risk Committee: Action Register – June 2022

#	Action	Owner	Date Assigned	Date Due	Status
1	<p><b>Strategic Risk Register and Emerging Risks</b></p> <p>Reporting mechanisms to be refined to highlight the issues the committee need to be abreast of, with the balance of issues on track being in the attachment report.</p> <p>Reports to make it clear whether Committee action required.</p> <p>Full analysis underpinning Risk Assessment Graphs to be provided annually to provide opportunity for committee discussion on assessments.</p>	Risk Advisor	December 2021	December 2022	<b>In progress.</b> Dashboard provided for key strategic risks comparing residual risk to risk appetite. The trending dashboard used for the Zero Harm risk will now be rolled out to other risks as part of the risk mitigation review and update.
2	<p><b>Audit &amp; Risk Committee Maturity</b></p> <p>Chair to consider the measurement of progress regarding the effectiveness and maturity of committee.</p>	Chair / Chief Operating Officer	September 2021	March 2022	<p><b>Complete</b></p> <ul style="list-style-type: none"> <li>• 360-degree survey included in agenda</li> <li>• Chair and COO to participate in LASS organized session on A&amp;RC effectiveness, what works well etc. (have requested Colab CE to organise)</li> <li>• KPMG to observe an A&amp;RC meeting for assessment of effectiveness (in work programme for December)</li> </ul>
3	<p><b>Reform – RMA and Three Waters</b></p> <p>Committee to be kept informed between meetings where early involvement re impact risk is required</p>	Chief Operating Officer	December 2021	Ongoing	<b>Noted.</b>

#	Action	Owner	Date Assigned	Date Due	Status
5	<b>Internal Audit</b> Consider internal audit of process mitigating future financial impact of development agreements	Chief Financial Officer	December 2021	December 2022	<b>In progress.</b> A series of workshops (including developer representation) are planned with Councillors as a first step.
6	Zero Harm Annual Internal Audit complete by March to support review of framework.	Zero Harm Manager	March 2022	March 2022	<b>Completed.</b> The Internal audit of the ISO framework will be undertaken in December to inform the framework review and reporting in March.
7	Six monthly updates on the communications strategic risk and mitigations/plan	Communications, Marketing & Engagement Manager	March 2022	September 2022	<b>Completed.</b> Included update in Committee work plan.
8	Social media training as part of councillor induction programme	Democracy Manager	March 2022		<b>Completed.</b> Included in Councillor induction programme post elections.
9	Innovation & Ideas forum presentation to committee	Projects & Innovation Manager	March 2022		<b>Completed.</b> Included as September Committee Agenda item.

<b>To</b>	<b>Audit &amp; Risk Committee</b>
<b>Report title</b>	<b>Chief Financial Officer Report</b>
Date:	29 June 2022
Report Author:	Alison Diaz, CFO

## **1. Purpose of the report**

### **Te Take moo te puurongo**

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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 items raised in the March quarter report regarding geopolitical considerations are expected to continue to impact inflation, interest rate increases, supply chain and associated contract pricing.

## **2. Executive summary**

### **Whakaraapopototanga matua**

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#### **Three Waters Reform update**

The Water Services Entities Bill was introduced to parliament on 9 June 2022. The Bill aims to give effect to the policy direction from the three waters reform process to date. It will cover the establishment of the four entities, their legal form and ownership, governance arrangements, Te Tiriti o Waitangi and Te Mana o Te Wai provisions, engagement, reporting and monitoring requirements.

If this Bill is passed, a second Bill will be submitted around September 2022 to transfer asset, liabilities, powers and functions to the Water Services Entities so that they may begin operations from 1 July 2024. The second Bill would also consider economic regulation, the links to land use planning and any Local Government Act 2002 related amendments.

The first Bill is supported by Labour and the Green Party, with National and Act in strong opposition. This lack of alignment could result in considerable wasted effort. Local Government staff across New Zealand are investing significant time populating Department of Internal Affairs information requests to support the transition to the new entities. If there is a change in government in the 2023 elections, there is a risk that the waters reform legislation would be repealed.

Submissions on the Bill close on 22 July 2022.

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### **Covid wage subsidy**

The covid wage subsidy was established to support businesses to retain staff during changing covid alert levels and mandated shutdowns. The Raglan Holiday Park Papahua, which is a self-funding operation, utilised the wage subsidy in 2020 based on the criteria in place at that time. The camp was one of four local government owned operations that received wage subsidy payments.

Despite the camps eligibility, the Ministry of Social Development has recently approached Council with a payback request. Once we receive the formal request, we will follow the stipulated review process. If the review results in repayment this will come directly from the camp.

### **Finance Team Resourcing**

Council's Finance department, led by Colin Bailey, consists of three teams;

- Finance Operations (accounts payable, payroll, bank management and sundry debtor management),
- Planning & Reporting (management and financial accounting functions), and
- Rates (property creation, rating information database management and credit control)

Over the last month we have received three staff resignations, two at the Team Leader level which is expected to increase the risk of operational service delays and decreased staff morale while we recruit.

### **Finance Transformation Project**

An end-to-end financial system review (processes and tools) has been undertaken, to identify pain points and improvement opportunities. The roadmap, which is nearing completion, will establish a three year + improvement programme.

Over the next six months we will be migrating the financial system from its current version to Technology One's CiAnywhere platform as part of the migration to the cloud. The transformation programme will include a restructure of the chart of accounts to enable us to utilise Technology One's best practice suite of templates and reports (One Council), implementation of the enterprise budgeting module and the reporting and analytics module.

## **3. Staff recommendations**

### **Tuutohu-aa-kaimahi**

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**That the Audit & Risk Committee receives the Chief Financial Officer's report for June 2022.**

## **4. Attachments**

### **Ngaa taapirihanga**

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The Water Services Entities Bill with explanatory notes can be found at:

<https://www.legislation.govt.nz/bill/government/2022/0136/latest/096be8ed81c2922d.pdf>

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<b>To</b>	<b>Audit &amp; Risk Committee</b>
<b>Report title</b>	<b>Strategic Risk Register and Emerging Risks June 2022</b>
Date:	29 June 2022
Report Author:	David Tisdall, Risk Advisor Kelly Newell, Resilience Manager
Authorised by:	Tony Whittaker, Chief Operating Officer

## **1. Purpose of the report**

### **Te Take moo te puurongo**

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To update Audit and Risk Committee (“the Committee”) on the current risk activity and strategic and emerging risks.

## **2. Executive summary**

### **Whakaraapopototanga matua**

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This report details:

- Strategic Risk Activity Update
- Strategic Risk Gap Analysis
- Emerging Risks

It is noted that the review of mitigations for the strategic risks is still in progress. This will include preparation of the residual risk graphs which shows trending of the expected trajectory of residual risk over time and how that compares to Council risk appetite. The intention is these will provide the Committee with information to inform a governance-based conversation with management regarding the timeliness of residual risk transition to compliance with Council’s risk appetite.

## **3. Staff recommendations**

### **Tuutohu-aa-kaimahi**

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**That the Audit and Risk Committee receives the Strategic Risk Register and Emerging Risks report for June 2022.**

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## 4. Discussion Matapaki

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### 4.1 STRATEGIC RISK ACTIVITY UPDATE

Since the March Committee we have:

- onboarded the new Risk Advisor into the business
- added the following to the risks to the strategic risk register:
  - Project Delivery: Council is unable to deliver key capital projects due to a lack of capacity and or project capability.
  - Workplace Culture: Business outcomes are significantly impacted due to a lack of change readiness and or poor internal culture within the workforce.
  - Technical Capability: Council is unable to meet key business needs, including customer engagement, business resilience, and optimal service level requirements due to a lack of technical capability (people and systems)
- undertaken a review of the existing strategic risk mitigations for effectiveness. This provides a base to consider their quality and the need for further or amended mitigations. This is work in progress.
- commenced a review of our Organisation-wide Business Continuity Plan, which includes our Disaster Recovery Plan. The outcome of the review is to ensure best practice. A gap analysis has been completed and the roadmap will be complete by the end of June.
- identified further opportunities to combine certain people-based strategic risks. In the interim however they will remain separate to support the specific focus intended by Council.

### 4.2 STRATEGIC RISK GAP ANALYSIS

Council is currently managing eleven Strategic Risks. Tables 1 and 2 summarise those risks and their alignment with Councils Risk Appetite. This quarter:

- Seven risks are assessed to be outside of Councils risk appetite.
- Four risks are within appetite.

This month the table shows a trend of residual risk over time. The intention is to refine this such that clarity can be provided to the committee on when the residual risk will be within appetite. It is expected this will be available for some of the risks at the next meeting. This forward-looking focus will enable conversations that challenge timing and or investment to deliver risk outcomes.

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Table I. Strategic Risks assessed as outside of Council Risk Appetite.

Title	Residual Rating			Risk Appetite	Comment
	Last Quarter	This Quarter	Next Quarter		
<b>Zero Harm:</b> 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.	Moderate	Moderate	Moderate	Low	The residual risk rating has improved since the December 2021 quarter when it was high. "Low" residual risk being targeted for December 2022 underpinned by the current work programme.
<b>Cyber Security:</b> 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).	High	High	High	Moderate	No change in residual risk rating. However, the disaster recovery plan has been reviewed and aligned with business continuity plans. A forward works programme is being implemented. Employee cyber awareness training programme underway.
<b>Community Expectations:</b> Council experiences significant public scrutiny due to being unable to meet key community expectations due to increasing cost and resources.	High	High	High	Moderate	No change
<b>Affordability:</b> Community needs are not met due to Council being unable to deliver new and or appropriately maintain existing infrastructure due to disparity between funding and cost.	High	High	High	Low	Risk Appetite changed from Medium to low reflecting a lower appetite for discretionary spend given financial capacity constraints to meet LTP obligations.
<b>Project Delivery:</b> Council is unable to deliver key capital projects due to a lack of capacity and or project capability.	High	High	High	Moderate	A high-level risk assessment has been undertaken as an interim step to identify known risks and treatments. An independent review has been commissioned to challenge these assessments and identify improvements to the project delivery framework.
<b>Climate Resilience:</b> Council experiences significant public scrutiny and or financial impact caused by Council being unable to effectively support Communities to adapt to climate impacts.	High	High	High	Moderate	Risk appetite changed from high to moderate to reflect Councils commitment to climate change and adaptation
<b>Technical Capability:</b> Council is unable to meet key business needs, including customer engagement, business resilience and optimal service level requirements due to a lack of technical capability (people and systems)		High	High	Moderate	A high-level risk assessment has been carried out as an interim step to identify known risks and treatments. There are significant work programmes planned across systems with change management resource secured to support the business.



Table 2. Strategic Risks assessed as within Council Risk Appetite.

Title	Residual Rating			Risk Appetite	Comment
	Last 1/4	This 1/4	Next 1/4		
<b>People &amp; Culture:</b> Business outcomes are significantly impacted due to an inability to attract and or retain suitable personnel.	Moderate	Moderate	Moderate	Moderate	Risk treatments to be amended to address the added pressures from the significant Information technology system upgrades on the internal training programme.
<b>Workplace Culture:</b> Business outcomes are significantly impacted due to lack of change readiness and or poor internal culture within the workforce		Low	Low	Low	A high-level risk assessment has been carried out as an interim step to identify known risks and treatments. There are significant work programmes underway with change management resource secured to support the business. Recent staff pulse surveys have been positive and recent feedback from reconnection week reinforces this.
<b>Business Resilience:</b> Business function is significantly disrupted due to a lack of organisational resilience.	Moderate	Moderate	Moderate	Moderate	A review of Business Continuity planning to deliver a roadmap for business continuity and disaster recovery planning.
<b>Regional &amp; National Strategic Planning &amp; Legislative Reform;</b> Council is financially disadvantaged and or experiences significant disruption due to being unable to effectively adapt to structural and legislative changes by central government and or national / regional strategic planning exercises.	Moderate	Moderate	Moderate	Moderate	Risk Appetite changed from Low to Moderate.

### 4.3 EMERGING RISKS

The emerging risks outlined below are areas where considerable change is forecast and for which management wish to keep the Committee abreast of activity:

#### 4.3.1 Government reform – Future of local government

Impact: **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.*

Central government has initiated a review of local government. This work is being led by a government-appointed independent review panel. The Review is looking at roles, functions, and partnerships; representation and governance; and funding and financing.

Until the completion of this review there are elevated levels of uncertainty regarding potential impacts on council functions. A draft report is due in September at which time we will be clearer on the breath of intended impact.

Council is keeping connected to the process having met with the Panel to provide input and feedback. A formal submission is being prepared for Council approval. We are also keeping staff informed and have an internal project focused on preparing staff for the future of local government. This is intended to mitigate the risk of staff movement in this employment climate.

The following past emerging risks have been added to the operational risk register. Staff are now focussed on carrying out risk assessments and identifying risk treatments. Some work already undertaken is captured in appendix one.

#### 4.3.2 Inflationary & Affordability Pressures

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

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

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

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

Staff are monitoring ratepayer payments as a test of affordability. Payment arrangements are offered where requested. The Rates Postponement Policy has not been required. We will continue to monitor and work with inflationary pressures. Floating lines and reprioritisation are tools Councillors can use. This is an area of further current work.

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#### 4.3.3 Local government elections

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

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

The upcoming Local Government elections will deliver significant change to Council Governors, being delivered by councillor retirements and new seats (Maaori Wards).

A comprehensive induction programme is being developed to connect the new council into the current council strategy and work focus as quickly as possible, enabling the business of council to continue efficiently. It is accepted that significant change could lead to a change in direction or focus over time.

#### 4.3.4 Government reform (Inc. RMA, Three waters)

Impact: **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.*

The relevant technical teams remain closely involved in the Three Waters reform. This is supporting and enabling appropriate political engagement in the process.

The Better Off funding work programme is in progress with Iwi involvement in project assessment. Council is however better prepared than other Council's given the business change analysis undertaken in implementing the arrangement with Watercare.

#### 4.3.5 Global Supply Chain Interruptions

Impact: **Project Delivery:** *Council is unable to deliver key capital projects due to a lack of capacity and or project capability.*

Impact: **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.*

The impact of COVID-19 on procurement remains a significant emerging risk with ongoing delays in key supply areas including engineering components, electronics, and construction materials. Council implements procurement strategies to optimise opportunities and identify alternate solutions. Suppliers and project staff are aware of the impacts and working within the constraints and availability of resources. This impacts both delivery of Council projects and the building activity within the district.

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#### 4.3.6 Climate change

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

The risks presented by climate change on the business are broad and complex. Recent legislation changes, such as the Emissions Reduction Plan and the National adaptation plan (in consultation) have direct implication on our business.

Led by our Senior Advisor for climate action, we are developing our strategy and roadmap for internal consultation, to implement our climate action plan and track and deliver the government requirements.

## 5. Next steps Ahu whakamua

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Planned activities for the next quarter include:

- An independent internal audit into the Project Delivery risk has been commissioned.
- Continue to develop and refine the strategic risk assessments and mitigations (modelled on the Zero Harm mitigation effectiveness and timeline).

## 6. Attachments Ngaa taapirihanga

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There are no attachments for this report.

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<b>To</b>	<b>Audit and Risk Committee</b>
<b>Report title</b>	<b>WDC Zero Harm Report</b>
Date:	29 June 2022
Report Author:	Lynn Shirley, Zero Harm Manager
Authorised by:	Tony Whittaker, Chief Operating Officer

## **1. Purpose of the report**

### **Te Take moo te puurongo**

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To inform the Audit and Risk Committee on the progress of initiatives underway to improve health, safety, and wellbeing, as well as current key performance indicators covering the period March 2022 to May 2022.

## **2. Executive summary**

### **Whakaraapopototanga matua**

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- Over the last three months good progress has been made on getting activities detailed in the Zero Harm Strategic Improvement Plan back on track.
- In April a sub-contractor of Watercare Services Ltd (WSL) sustained a severe laceration to their finger. The event was notified to WorkSafe and an investigation was undertaken by the main contractor with support from WSL.

## **3. Staff recommendations**

### **Tuutohu-aa-kaimahi**

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**That the Audit and Risk Committee receives the Zero Harm Report for June 2022.**

## **4. Background**

### **Koorero whaimaarama**

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Council is committed to pursuing a culture of Zero Harm by eliminating or managing health, safety, and wellbeing risks. This report provides commentary and a range of indicators on the performance of health, safety and wellbeing systems and programmes at Council. The intention of this report is to enable the Committee to provide assurance to Council on the adequacy and functioning of Council's health, safety and wellbeing risk management system and associated programmes.

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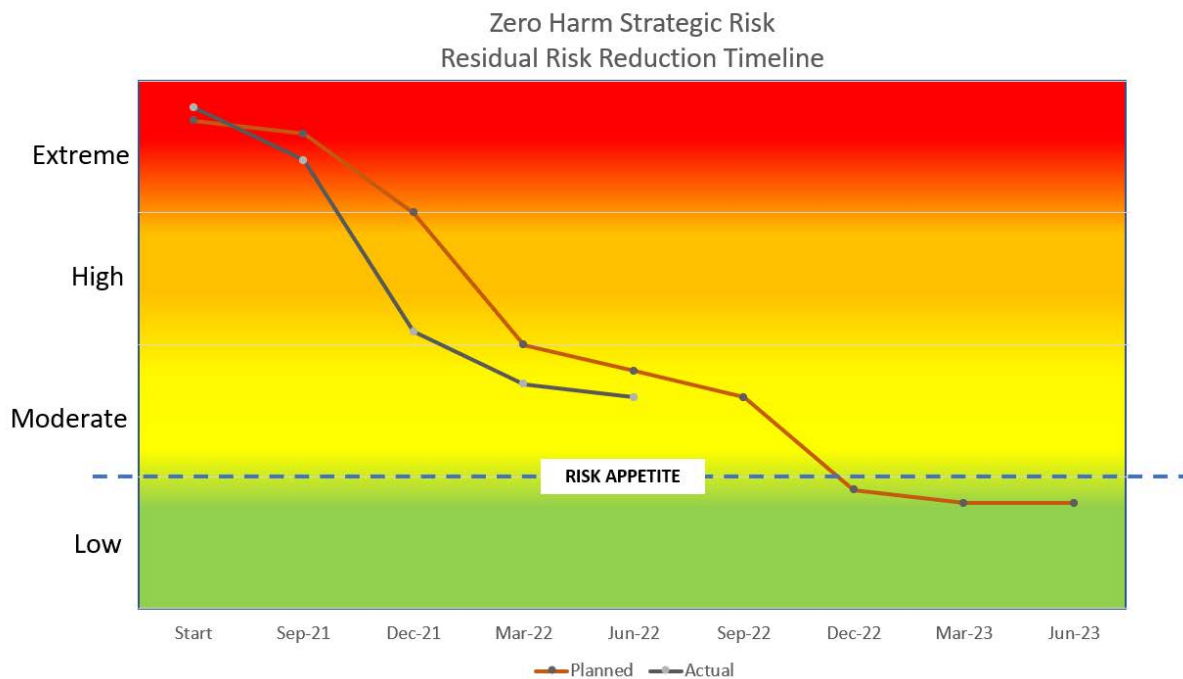
## 5. Discussion Matapaki

### Zero Harm Strategic Risk Management Progress

Following the last quarters activity a further review of progress against the Zero Harm strategic risk control plan has been undertaken. Since the last risk review in March, the following treatments have either been implemented or partially implemented;

- **Operational Planning and Controls** – fifteen Standard Operating Procedures (SOPs) have been developed for the Woodlands gardening operations. Gap analysis is still to be completed at Wainui Farm and SOP development support is also being provided to Raglan Holiday Park.
- **Procurement and Contractor Safety Management** – Contractor Management Promapp processes are being updated following integration with Procurement and Contract Lifecycle project.
- **Internal Audit** – Corrective actions are being progressed from the December 2021 audit and development of audit tool for 2022 has commenced.
- **Management of Change** – the Management of Change Standard and the associated risk identification tool have been developed and are currently being reviewed by the Executive Leadership Team (ELT).
- **Emergency Preparedness and Response** – work on updating Council's existing emergency response procedures has been steadily progressing. In April 2022, it was identified that thirty Council facilities do not have approved evacuation schemes in place. This risk has been escalated and a work programme has been established to close this gap.

The updated Zero Harm Strategic Risk Reduction Timeline is illustrated below.



## **Zero Harm Strategic Improvement Plan FY21/22**

An end of year review of improvement activities detailed in the FY21/22 Zero Harm Strategic Plan will be undertaken by mid-June. The outcome of this review in conjunction with analysis of Council's health and safety performance will be used to develop the FY22/23 Zero Harm Strategic Improvement Plan.

The FY21/22 plan contains 88 action items. To date 35 are completed, 27 are underway and 26 are overdue.

Overdue actions are related to the following activities:

- Contractor H&S Management training
- Critical Risk Bowtie for Working on or Near Roadways
- Critical Risk Bowtie for Mental Wellbeing
- Emergency response procedures

Priority over the next three months will be given to developing the FY22/23 strategic plan and completing activities related to the management of critical risks or legislative compliance.

### **Disciplined Management Systems**

#### ***Contractor WorkSafe Notifiable Event***

In April, a sub-contractor of Watercare Services Ltd (WSL) sustained a severe laceration to their finger. The worker's finger was caught between a piece of dropped concrete pumping pipework and the outrigger on the concrete truck. Event escalations were completed by WSL as per the Contract Health & Safety Framework, including WorkSafe notification. An investigation was undertaken by the main contractor with support from WSL. The investigation report has been provided to the Council Contract Manager and Zero Harm Manager for review and feedback.

#### ***Performance Reporting and Corrective Actions Management***

Council's zero harm performance across several health and safety metrics for the period July 2021 to May 2022 is shown below. The results for the period July 2020 to June 2021 are included for comparison.



Measures	July 20 to June 21	July 21 to May 22 (annualised)	Trend	Commentary
Events reported in BWare Safety Manager ( <i>Lead</i> )	203	165 (180)		Change made to event reporting with the introduction of uncontrolled hazard classification in July 2022.
Total Recordable Injuries (TRIs) e.g., Lost Time Injury, Restricted Work Injury or Medical Treatment Injury ( <i>Lag</i> )	4	2 (2)		
WorkSafe NZ Notifiable Events ( <i>Lag</i> )	1	1(1)		
First Aid Injury events ( <i>Lag</i> )	19	16 (17)		
Serious Near Miss events ( <i>Lead</i> )	4	0		
Near Miss events ( <i>Lead</i> )	107	82 (89)		
New Uncontrolled Hazards ( <i>Lead</i> )	17	157 (171)		New category added to event reporting in BWare
Safety Engagement Conversations ( <i>Lead</i> ) KPI is >150 conversations per month.	2872	1911 (2085)		KPI is 2 conversations per People Leader per month. This equates to a minimum annual total of 1800 conversations.

The timely closure of corrective and preventative actions from health and safety incidents, hazard and risk identification activities, audits and continual improvement activities continue to be monitored on a weekly basis by the Executive Leadership Team (ELT).

### ***Auditing, Governance and Assurance Activities***

Council has received the report from the independent gap analysis (audit) undertaken on the Raglan Holiday Park's health and safety systems and their alignment with Council's Zero Harm Safety Management System (ZHSMS). The report has been shared with the Raglan Holiday Park Board and an action plan has been developed to address the gaps and improvement opportunities identified. All actions have been loaded into BWare Safety Manager for tracking. One of the recommendations identified was to deliver health & safety governance training to the Board. This is currently being arranged.

### **Critical Safety Risk Management**

#### ***Working with Animals***

A risk review was recently completed for the critical risk of Working with Animals. Significant progress continues to be made on implementing or strengthening the controls in this bowtie. The risk control plan is now 69% implemented. This is an 11% increase since the last risk review in December 2021. The bowtie contains 18 "critical controls". Of these, 12 are fully implemented, 5 are partially implemented and 1 is yet to be implemented.



Controls that have been implemented or further strengthened since the last review include:

- Workplace violence and aggression (CERT) training
- Workplace hazard identification and risk assessment training
- Personal Protective Equipment (PPE) checks, certification, and maintenance
- Enhanced first aid kits
- Emergency response procedure testing

Focus for the next six months remains on fully implementing all critical controls.

### ***Workplace Violence***

A workshop was held last week with all Customer Support People Leaders to review the bowtie control plan for the critical risk of workplace violence and aggression. The objectives of the workshop were to:

- Develop awareness and understanding of the controls in place to manage the risk of workplace violence
- Determine what critical controls in the bowtie People Leaders should be regularly monitoring

Inputs into the workshop also included a recently published Social Sector Safety Forum report from the Government Health and Safety Lead. This provided insights on how the risks from violence and aggression are currently managed in a similar sector.

Key outcomes from the workshop included the need to further document the additional controls that we have in place for managing this risk, and the risk elimination options that exist as part of the Customer Experience Strategy.

We have also scheduled the delivery of six training days in July and August to provide our staff with knowledge and skills to manage the risk of workplace violence and aggression. This training had previously been cancelled due to Covid-19 lockdowns.

A cross functional working group has also been formed to define risk and tolerance thresholds in relation to violence and aggression, and then develop a worker and customer education campaign.

### ***Covid-19 Risk Management***

Following the changes to vaccines mandates that took effect from 4<sup>th</sup> April 2022, a review of Council's Covid-19 role-based exposure risk assessments was requested by the Executive Leadership Team (ELT) as planned when the policy was adopted. The review took into consideration the newly published public health advice regarding workplace vaccination requirements. The revised risk assessment showed that no roles within the organisation were now at a higher level of exposure to Covid-19 in the workplace than that in the community. A recommendation was made to ELT to consider reviewing (removing) the ongoing use of vaccination as a control for managing the risk of Covid-19 infection and/or transmission within the workplace. This recommendation was adopted.

## **6. Attachments**

### **Ngaa taapirihanga**

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There are no attachments to this report.

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<b>To</b>	<b>Audit and Risk Committee</b>
<b>Report title</b>	<b>2021/2022 Annual Report Preparation</b>
Date:	29 June 2022
Report Author:	Colin Bailey, Finance Manager
Authorised by:	Alison Diaz, Chief Financial Officer

## **1. Purpose of the report**

### **Te Take moo te puurongo**

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To update the Audit and Risk Committee on the preparation and audit of the 2021/2022 Annual Report.

## **2. Executive summary**

### **Whakaraapopototanga matua**

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The Audit Plan for 30 June 2022 received from Audit New Zealand is attached. The plan details the areas of focus and lays out the proposed timetable for the completion of the Annual and Summary Reports and Audit Opinion.

Work is underway to prepare for the audit and particular focus is placed on the areas of focus and risk. The overall level of risk associated with the annual audit is deemed low.

## **3. Staff recommendations**

### **Tuutohu-aa-kaimahi**

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**That the Committee receives the 2021/22 Annual Report Risk Assessment report.**

## **4. Discussion**

### **Matapaki**

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### **4.1 Audit areas of focus**

Audit NZ have identified five main audit risks and issues.

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#### **4.1.1 Revaluation of land, buildings and infrastructure assets (measured by fair value)**

Council-owned land and buildings were last valued as at 30 June 2020 and infrastructure assets at 20 June 2021. Land was valued using a market-based approach (with reference to the price paid for comparable assets in the market) and, due to the specialised nature of the buildings and infrastructure assets, these were valued at optimised depreciated replacement cost (ODRC).

The carrying value of these assets as at 30 June 2021 in the group and parent financial statements was \$156 million, \$52,4 million and \$1.576 billion, respectively. Valuations are required to be conducted with sufficient regularity to ensure that the carrying value does not differ materially from fair value. Independent valuers have been engaged to perform valuations of these asset classes as at 30 June 2022.

Audit NZ consider this to be an audit risk due to the significance of the carrying value and the judgements and estimates involved in determining fair value.

#### **4.1.2 The risk of management override**

Audit NZ will be testing the appropriateness of journal entries and other adjustments, reviewing accounting estimates for biases and evaluating any unusual or one-off transactions.

#### **4.1.3 Software as a Service (SaaS)**

Audit NZ will investigate if the Council has considered whether or not the accounting policy in respect of costs relating to SaaS are correctly accounted for and appropriate disclosures are included in the financial statements.

#### **4.1.4 Major capital projects**

Audit NZ will review the accounting for costs incurred on capital projects, including:

- the correct classification of costs as either capital or operational in nature;
  - the appropriate capitalisation points for completed assets, including transfers from work in progress;
  - the reasonableness of depreciation rates and useful lives applied to asset components; and
  - the disclosures included within the financial statements, including those relating to capital commitments.
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#### 4.1.5 Three waters reforms

Audit NZ will ensure the Council's annual report disclosures appropriately reflect any changes or developments during the year. An emphasis of matter paragraph will be included within the audit reports to draw readers' attention to the Council's disclosure about the three waters reform programme.

#### 4.1.6 Issues and risks

Management has identified two areas of risk.

#### 4.1.7 Major capital projects

The value of Capital Work in Progress has increased during the year due to projects completed in the current and prior financial years not capitalised and delays in completing projects in progress. The following is the summary of the Capital WIP account for the eleven months to May 2022:

	<b>\$ millions</b>
Opening Capital WIP balance	46.0
Capital expenditure	49.2
Completed projects capitalised	-25.6
<b>Closing Capital WIP balance</b>	<b>69.7</b>

Included in the closing balance are projects completed before 30 June 2021 and not capitalised amounting to \$21.1 million. Management is focussed on completing the project close-out process for as many completed projects as possible.

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#### **4.1.8 Timeline**

Audit work has commenced for the 2021/22 financial year with the final audit for the Annual Report running from 22 August to 9 September 2022. Verbal Audit clearance is planned for 23 September 2022 with the audit opinion to be issued on 4 October 2022.

Management have plans in place to meet the above dates. Risks have been identified, based on previous experience concerning the quality and timeliness of the asset valuation data. Management has put in place a robust process with asset owners and valuers to ensure this situation does not arise again.

Audit NZ advise due to the ongoing impact of the Covid-19 pandemic on delayed prior year audits and the acute shortage of auditors, there may be some flow on effects that impact the timeline. Where this arises, Audit NZ will discuss a revised timetable with Council.

## **5. Attachments**

### **Ngaa taapirihanga**

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Attachment 1 – Waikato District Council 2022 Audit Plan

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<b>To</b>	<b>Audit &amp; Risk Committee</b>
<b>Report title</b>	<b>Independent Internal Audit Programme and Framework</b>
Date:	29 June 2022
Report Author:	Kurt Abbot – Projects and Innovation Manager
Authorised by:	Tony Whittaker, Chief Operating Officer

## **1. Purpose of the report**

### **Te Take moo te puurongo**

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To inform the Audit and Risk Committee of our Independent Internal Audit Programme and Framework.

## **2. Executive summary**

### **Whakaraapopototanga matua**

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This paper focuses on the development of a forward work programme for independently provided internal audit. The programme is based on activity considered to have impact on Council's key strategic risks, those risks determined as capable of undermining Councils' strategy.

Management have identified areas considered worthy of internal audit focus based on the above risk approach.

A work programme is suggested for the 2022/23 year, but the later year focus areas will be prioritised once the residual risk review has been completed. This will enable priority to be given to activities in higher residual risk areas or those out of Council's risk tolerance. An update of years two and three of the programme will be provided to the Committee once the residual risk review has been completed, expected in time for the December meeting.

## **3. Staff recommendations**

### **Tuutohu-aa-kaimahi**

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**That the Audit & Risk Committee approves the Independent Internal Audit Programme and Framework.**

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## 4. Background

### Koorero whaimaarama

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Council has previously mainly undertaken independent internal audits where known issues existed and/or areas of key focus of the Office of the Auditor General. The intention has always been to develop a forward looking and systematic internal audit programme based on Councils residual risk versus appetite of its key strategic risks.

This paper proposes several independently provided internal audit focus areas informed by Council's risk framework. Although it is accepted focus areas might change following the annual strategic risk review and or changes to Council's risk appetite, the process used is agile enough to add, delete or reprioritise in the future based on those issues relevant to Council.

## 5. Discussion

### Matapaki

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The independent Internal Audit Framework has been developed to provide assurance that Council is taking a systematic and planned approach to evaluate and improve the effectiveness of our internal audit; a framework designed to provide assurance that the key strategic risks are managed with appropriate controls in place and recommendations for improvement.

The Internal Audit Framework details the purpose, benefit to the business and deliverables of Internal Audit and explains the approach used to achieve independent assurance outcomes.

The three-year programme will be reviewed once the risk mitigations have been updated and residual risk refined.

It is acknowledged that the value of internal audit is twofold; to provide assurance that controls are in place to mitigate risk in processes or frameworks in operation, or to be used to identify controls when developing new processes or frameworks. In both cases any control weakness will be identified, and improvement recommendations made. If the frameworks or processes suggested for audit are immature or being developed, management propose these are audited at a time when such have been embedded and have some history.

It is intended that this internal audit programme is delivered by independent providers. However, Council has internal auditors in our staff who can support such audits, in addition to the internally provided audit programme.

The independent internal audit programme is included within the attached framework.

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## **6. Next steps**

### **Ahu whakamua**

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Implementation of audit programme for year one and confirmation of programme for outer years once the residual risk and mitigations update has been completed.

## **7. Attachments**

### **Ngaa taapirihanga**

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Attachment 1 – Independent Internal Audit Framework & Programme

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# Internal Audit Framework

JUNE 2022

## Internal Audit Framework

### Purpose

Waikato District Council's Internal Audit Framework is designed to support the creation of a three-year Internal Audit Programme. The Framework, developed in consultation with the Executive Leadership Team, considers essential business requirements, including strategic planning, risk management, and community outcomes, and assists in understanding the balance between risk and reward (protection and enhancement).

The Internal Audit Framework provides a consistent approach for developing a relevant Internal Audit Programme. Implementing the Internal Audit Programme offers opportunities for improvement in the delivery of Waikato District Council's vision of liveable, thriving, and connected communities, and provides confidence that strategic risks are being appropriately managed.

The Internal Audit Framework includes four components:

1. A Protection and Enhancement Structure which demonstrates business areas that will gain most benefit from an Internal Audit.
2. A Key Stakeholders List which outlines consultation requirements to determine and prioritize proposed Internal Audit areas.
3. An Internal Audit Programme that documents timeframes and focus for Internal Audits, and links Internal Audit to key strategies, risks, and or identified vulnerabilities, and,
4. An Internal Audit History that records previous Internal Audits conducted.

### Protection and Enhancement Structure

The Protection and Enhancement Structure outlines the key areas of the business that benefit from Internal Audit and how they provide value to the organisation.

**Diagram 1: Protection and Enhancement Structure**



## Key Stakeholders

Engaging with Key Stakeholders helps to gain insight into areas of the organisation that would benefit from Internal Audit to achieve maximum value from the Audit process. The following stakeholders are consulted on Audit focus areas prior to updating or amending the Schedule:

- Waikato District Council’s Audit and Risk Committee
- Waikato District Council’s Risk Advisor
- The Executive Leadership Team
- Risk Experts e.g., KPMG, Deloitte (where appropriate)
- A representative for Waikato District Council’s Incident Management Team

## Internal Audit Programme

The Internal Audit Programme provides a high-level audit plan for a rolling three-year period. The schedule includes:

- The area of Engagement
- Links to Waikato District Council’s strategic risks
- Links to Waikato District Council’s Strategy
- The annual timeframe for the Internal Audit to take place
- The relevant audit area Sponsor
- An outline of the high-level audit focus

To ensure the Internal Audit Programme remains relevant, it is reviewed annually in consultation with the key stakeholders.

The programme will remain dynamic and flexible to respond to potential changes in our business and the local government environment. Shifts in priority areas, initiatives or disruptions may impact the planned programme activities.

## Internal Audit History

An overview record of previous Internal Audits is kept informing subsequent Internal Audit Schedules. The list of historic audits provides an overview of previous audits and helps to determine briefly which areas have been subject to Internal Audit, and when. It can also help to understand appropriate periodic Audit requirements to enable continuous improvement.

**Diagram 2: Internal Audit History**



## ATTACHMENT 1 – Internal Audit Programme

Engagement	Strategic risk link (see risk register for detail)	Strategic Link	Year	Sponsor	Audit Focus
<b>Development Agreements</b>	<ul style="list-style-type: none"> <li>Affordability</li> </ul>	Our information & data is available to our people & customers – right information right time Our financial investments are based on sound info and clear cost and benefits -financial stewardship	2022-2023	GM Growth	To assess the effectiveness of the creation and implementation of developer agreements that meets the needs of both developer and community
<b>Cyber security</b>	<ul style="list-style-type: none"> <li>Cyber Security</li> </ul>	We continue to evolve our capabilities and frameworks – A culture of innovation	2022-2023	Chief Information Officer	Utilise an industry recognised framework derived from the CIS Critical Security Controls which are a concise and prioritised set of cyber security practices created to stop today's most pervasive and dangerous cyber risks. The assessment considers major areas where operational and systems failure have been shown in international studies to result in loss, leakage, corruption, fraud, or intentional damage to information
<b>Project Management</b>	<ul style="list-style-type: none"> <li>Affordability</li> <li>Community expectations</li> <li>Project delivery</li> </ul>	We continue to evolve our capabilities and frameworks – A culture of innovation	2022 - 2023	GM Infrastructure	Identify and assess how project management practices at Council allow for effective and efficient delivery of project objectives and outcomes.
<b>Contract Management</b>	<ul style="list-style-type: none"> <li>Affordability</li> <li>Community expectations</li> <li>Project delivery</li> </ul>	Growing key partnerships – <i>Partnering</i> Our financial investments are based on sound info and clear cost and benefits - <i>financial stewardship</i>	2023-2024	GM Infrastructure	Identify and assess how contract management practices at Council allow alignment with its partners to successfully deliver community outcomes and ensure the full benefit from contractual arrangements is obtained.
<b>Procurement</b>	<ul style="list-style-type: none"> <li>Affordability</li> <li>Community expectations</li> <li>Project delivery</li> </ul>	We continue to evolve our capabilities and frameworks – A culture of innovation Our financial investments are based on sound info and clear cost and benefits - <i>financial stewardship</i>	2023-2024	Chief Financial Officer	Assess how procurement practices deliver best value for money to the ratepayer and enable innovative delivery of services
<b>Asset Management</b>	<ul style="list-style-type: none"> <li>Community expectations</li> <li>Affordability</li> </ul>	Our financial investments are based on sound info and clear cost and benefits - <i>financial stewardship</i> Our information & data is available to our people & customers – right information right time Our teams have the customers insight and data – <i>Understand our customers &amp; community</i>	2023-2024	GM Infrastructure	Identify and assess how asset management practices at Council allow for effective and efficient management of Council assets in align with community expectations
<b>Records and Information management</b>	<ul style="list-style-type: none"> <li>Cyber Security</li> </ul>	Our information & data is available to our people & customers – right information right time	2023-2024	Chief Information Officer	Assessment framework to assess areas of non-compliance relative to recognised best practice and the Councils obligations under the; Public Records Act 2005, Archives NZ Information and Records Management Standard 2016, & Physical storage and preservation of protected information and records Instruction to Local Authorities
<b>Organisational Risk Management Culture</b>	<ul style="list-style-type: none"> <li>Regional &amp; National Strategic planning &amp; Legislative reform</li> </ul>	We remain relevant and responsive to change – Culture of innovation	2023-2024	Projects & Innovation Manager	To assess how business units are managing their operational level risks and the risk culture. Is the risk culture preventing the right strategies, decisions, and actions from occurring
<b>Forecasting &amp; Modelling</b>	<ul style="list-style-type: none"> <li>Regional &amp; National Strategic planning &amp; Legislative reform</li> </ul>	Our information & data is available to our people & customers – right information right time	2023-2024	GM Growth	Maturity assessment of the quality and ability of growth forecasting and modelling used to enable sustainable growth and wellbeing for the community
<b>External Penetration Test / Vulnerability Scan</b>	<ul style="list-style-type: none"> <li>Cyber Security</li> </ul>	We continue to evolve our capabilities and frameworks – A culture of innovation Our information & data is available to our people & customers – right information right time	2024-2025	Chief Information Officer	Penetration Test to identify any weaknesses in the architecture of IT network and determine the degree to which a malicious attacker could gain unauthorised access to your assets (systems and/or information).
<b>Zero Harm</b>	<ul style="list-style-type: none"> <li>Zero Harm</li> <li>People &amp; Culture</li> </ul>	We look after ourselves and each other – <i>Employee experience</i>	2024-2025	Chief Executive	To assess maturity and effectiveness of safety management systems
<b>Diversity &amp; inclusion</b>	<ul style="list-style-type: none"> <li>People &amp; culture</li> </ul>	Build a diver and inclusive organisation – Employer of choice	2024-2025	People & Capability Manager	An assessment of the diversity and inclusion maturity of the organisation
<b>Resource management act</b>	<ul style="list-style-type: none"> <li>Regional &amp; National Strategic planning &amp; Legislative reform</li> </ul>	We continue to evolve our capabilities and frameworks – A culture of innovation	2024-2025	GM Customer Support	An assessment of the effectiveness and effectiveness of processes implemented as a result of RMA reform
<b>Economic &amp; Social Development</b>	<ul style="list-style-type: none"> <li>Regional &amp; National Strategic planning &amp; Legislative reform</li> </ul>	We empower communities and stakeholders – <i>Customer &amp; Community</i>	TBC	GM Growth	To assess community funding effectiveness and the development and effectiveness of social partnerships
<b>Strategic Planning frameworks and documents</b>	<ul style="list-style-type: none"> <li>Regional &amp; National Strategic planning &amp; Legislative reform</li> </ul>	We continue to evolve our capabilities and frameworks – A culture of innovation	TBC	GM Growth	An assessment of the effectiveness and innovation in preparing planning documents the integration and linkages between them. An assessment of strategic planning frameworks and linkages between them including futureproof, district plan etc.
<b>Regulatory Functions</b>	<ul style="list-style-type: none"> <li>Regional &amp; National Strategic planning &amp; Legislative reform</li> </ul>	We continue to evolve our capabilities and frameworks – A culture of innovation	TBC	GM Customer Support	An assessment of the efficiency and effectiveness of processes and structures implemented as a result of organisational redesign

<b>To</b>	<b>Audit &amp; Risk Committee</b>
<b>Report title</b>	<b>Committee Performance Evaluation Survey Results</b>
Date:	29 June 2022
Report Author:	Gaylene Kanawa, Democracy Team Leader
Authorised by:	Tony Whittaker, Chief Operating Officer

## **1. Purpose of the report**

### **Te Take moo te puurongo**

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Informing the Committee of the feedback received from the recent survey on the Committee's performance.

## **2. Executive summary**

### **Whakaraapopotanga matua**

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At the April 2022 meeting of the Audit & Risk Committee it was agreed to send out a survey to all Councillors and both internal/external partners of the Committee to gauge their views on the performance of the Committee.

A total of 40 links to the survey were sent out on Tuesday, 24 May 2022 to Councillors and key internal/external stakeholders, for which 20 responses were received.

Most of the responses were that the Committee was effective and had strong leadership by having an independent chairperson. There is also a number of references to the composition of the Committee, i.e. should it have more independent members and should there be a Maaori representative on the committee.

Improvements for the Committee to consider that specifically stand out in the survey results are:

- Improved reporting to Council
- Induction and training for members of the Committee
- Composition of the Committee membership

The Committee could implement some changes immediately, i.e. improved reporting to Council and others could be recommended for consideration by the new Mayor and Councillors when implementing the governance structure following the elections in October.

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### **3. Staff recommendations** **Tuutohu-aa-kaimahi**

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**That the Audit & Risk Committee receives the survey results on their performance and provide staff feedback on any issues they would like addressed based on the survey responses.**

### **4. Next steps** **Ahu whakamua**

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Once the Audit & Risk Committee have determined any changes they would like to see in the Terms of Reference or processes for the Committee staff will report to the next Committee meeting in September for recommendation to the new Mayor and Council when determining a governance structure following the elections.

### **5. Attachments** **Ngaa taapirihanga**

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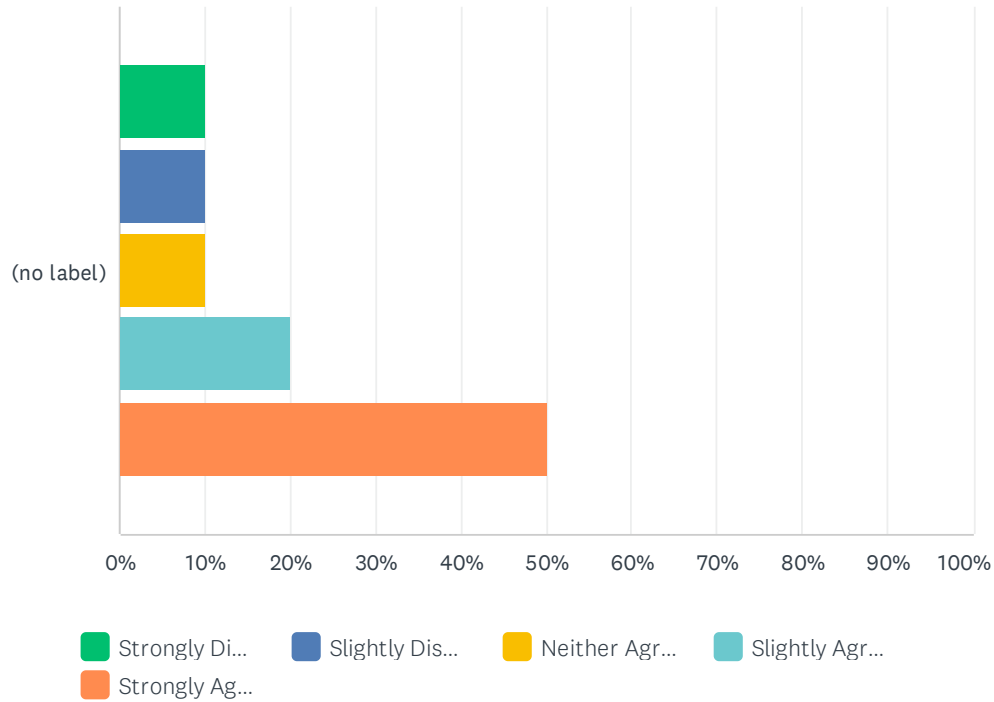
Attachment 1 – Graphs of survey results

Attachment 2 – Comments to Audit & Risk Performance Evaluation Survey

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### Q1 The Committee is effective and reports regularly on its activities, key issues and major recommendations to Council.

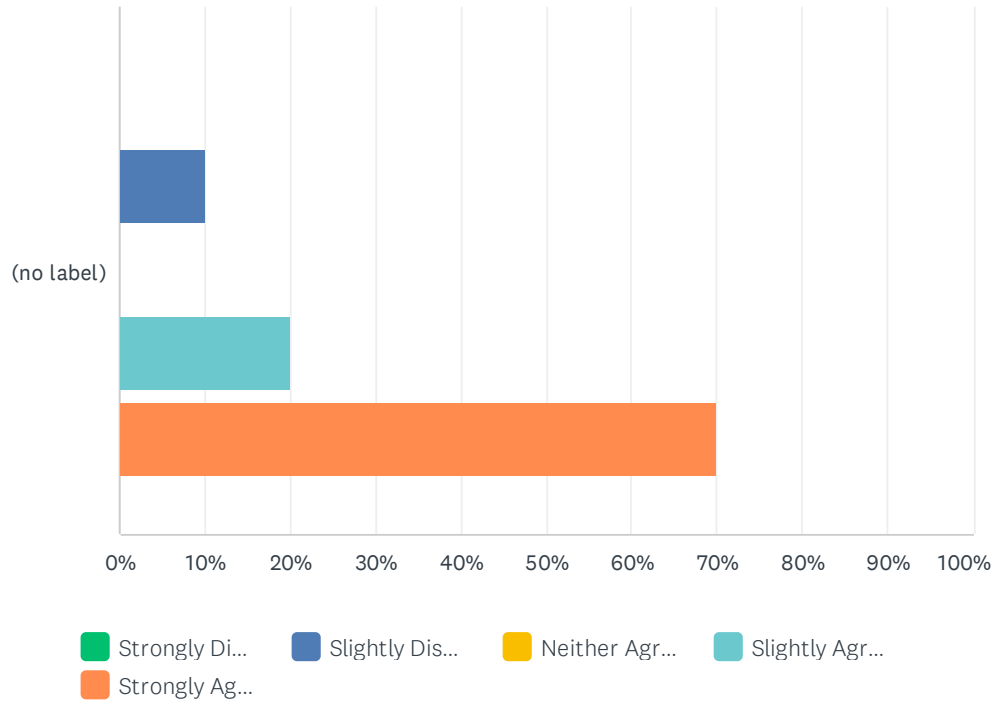
Answered: 20 Skipped: 0



	STRONGLY DISAGREE	SLIGHTLY DISAGREE	NEITHER AGREE OR DISAGREE	SLIGHTLY AGREE	STRONGLY AGREE	TOTAL	WEIGHTED AVERAGE
(no label)	10.00% 2	10.00% 2	10.00% 2	20.00% 4	50.00% 10	20	3.90

## Q2 The Committee’s scope and mandate is clear in relation to the Council and other Committees.

Answered: 20 Skipped: 0

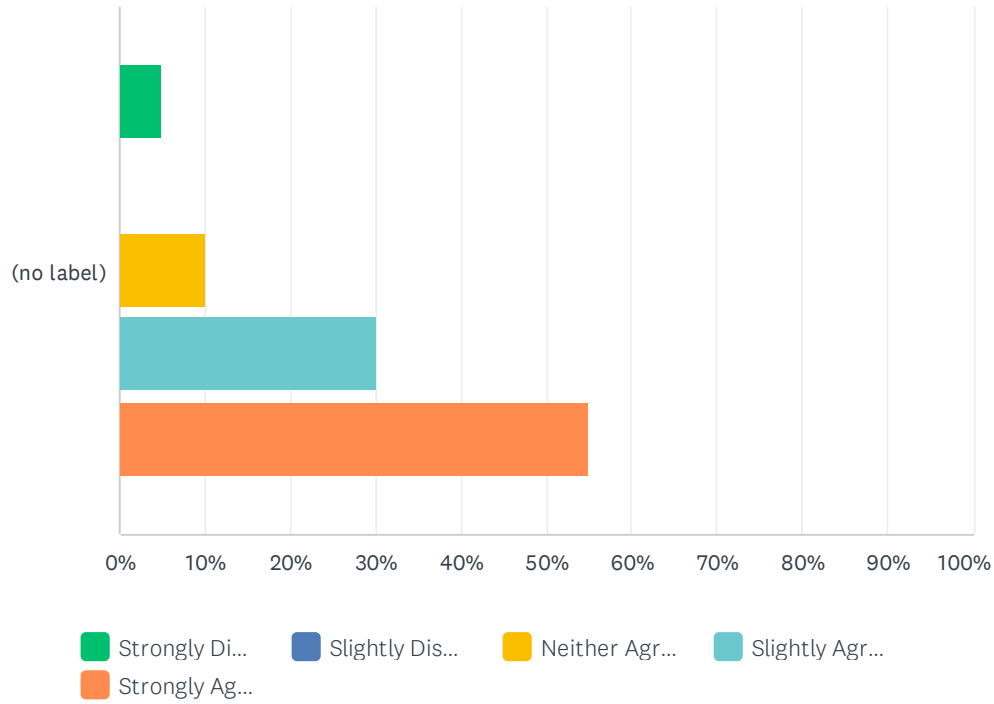


	STRONGLY DISAGREE	SLIGHTLY DISAGREE	NEITHER AGREE OR DISAGREE	SLIGHTLY AGREE	STRONGLY AGREE	TOTAL	WEIGHTED AVERAGE
(no label)	0.00% 0	10.00% 2	0.00% 0	20.00% 4	70.00% 14	20	3.70



### Q3 The Committee confronts the real issues relevant to Council within its scope.

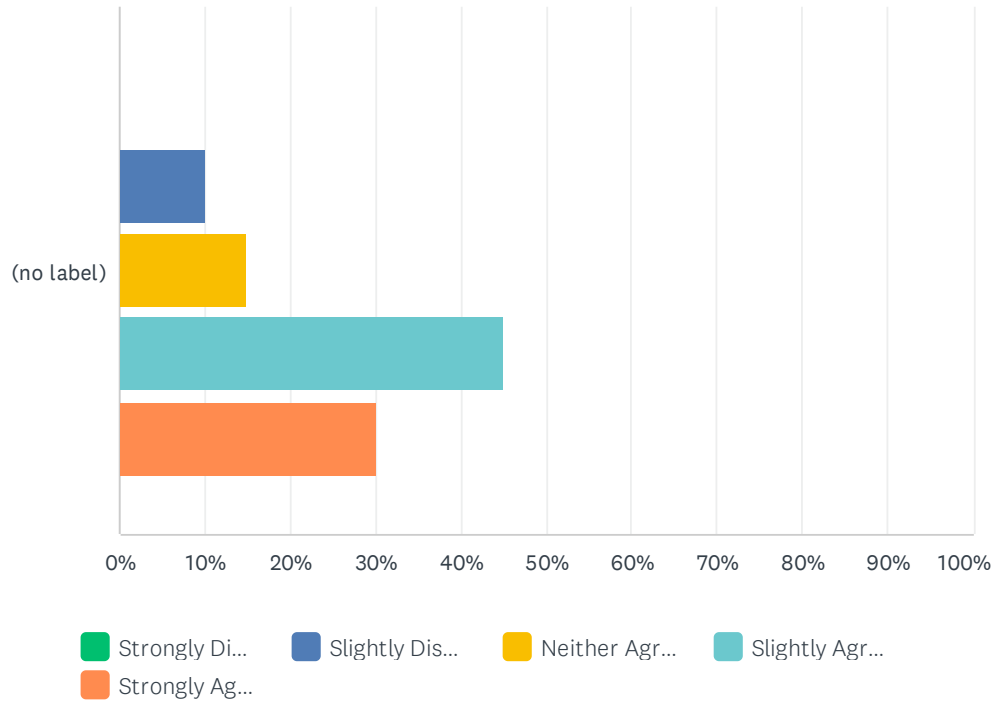
Answered: 20 Skipped: 0



	STRONGLY DISAGREE	SLIGHTLY DISAGREE	NEITHER AGREE OR DISAGREE	SLIGHTLY AGREE	STRONGLY AGREE	TOTAL	WEIGHTED AVERAGE
(no label)	5.00% 1	0.00% 0	10.00% 2	30.00% 6	55.00% 11	20	4.30

### Q4 The composition of the Committee is appropriate with a broad base of relevant skills and experience represented.

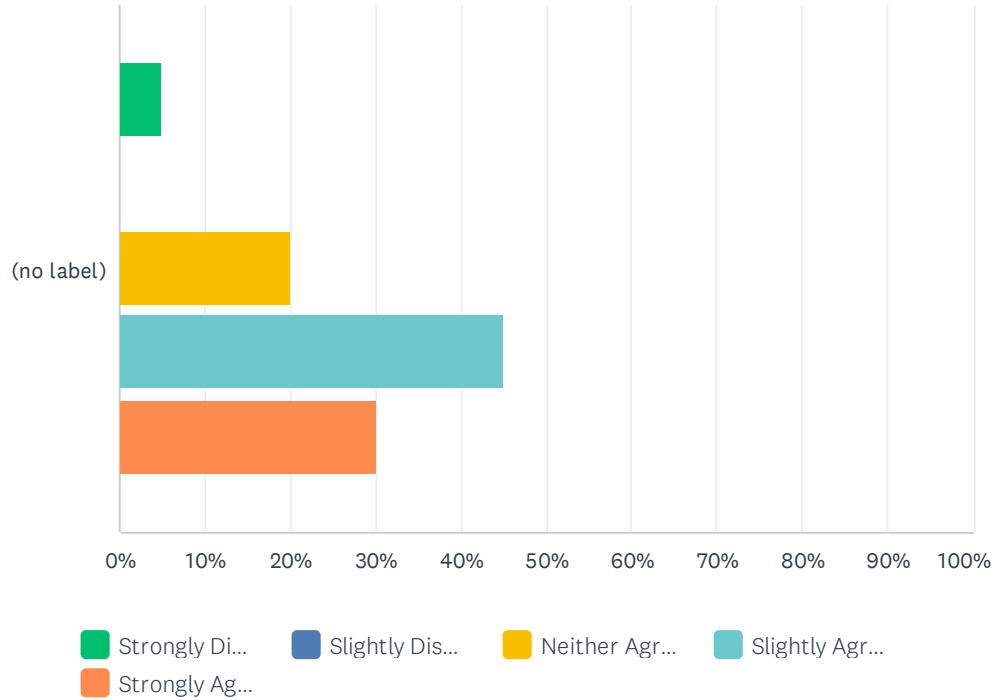
Answered: 20 Skipped: 0



	STRONGLY DISAGREE	SLIGHTLY DISAGREE	NEITHER AGREE OR DISAGREE	SLIGHTLY AGREE	STRONGLY AGREE	TOTAL	WEIGHTED AVERAGE
(no label)	0.00% 0	10.00% 2	15.00% 3	45.00% 9	30.00% 6	20	3.95

## Q5 Members are up to date with developments in the areas relevant to the work of the Committee.

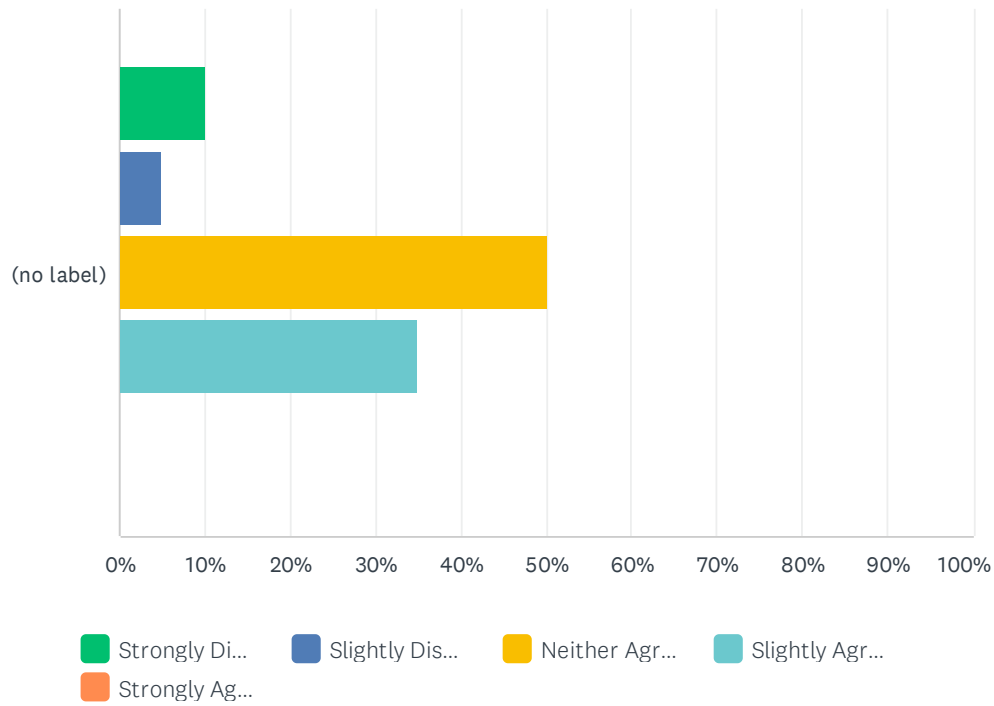
Answered: 20 Skipped: 0



	STRONGLY DISAGREE	SLIGHTLY DISAGREE	NEITHER AGREE OR DISAGREE	SLIGHTLY AGREE	STRONGLY AGREE	TOTAL	WEIGHTED AVERAGE
(no label)	5.00% 1	0.00% 0	20.00% 4	45.00% 9	30.00% 6	20	3.95

### Q6 Members are adequately supported in terms of self development.

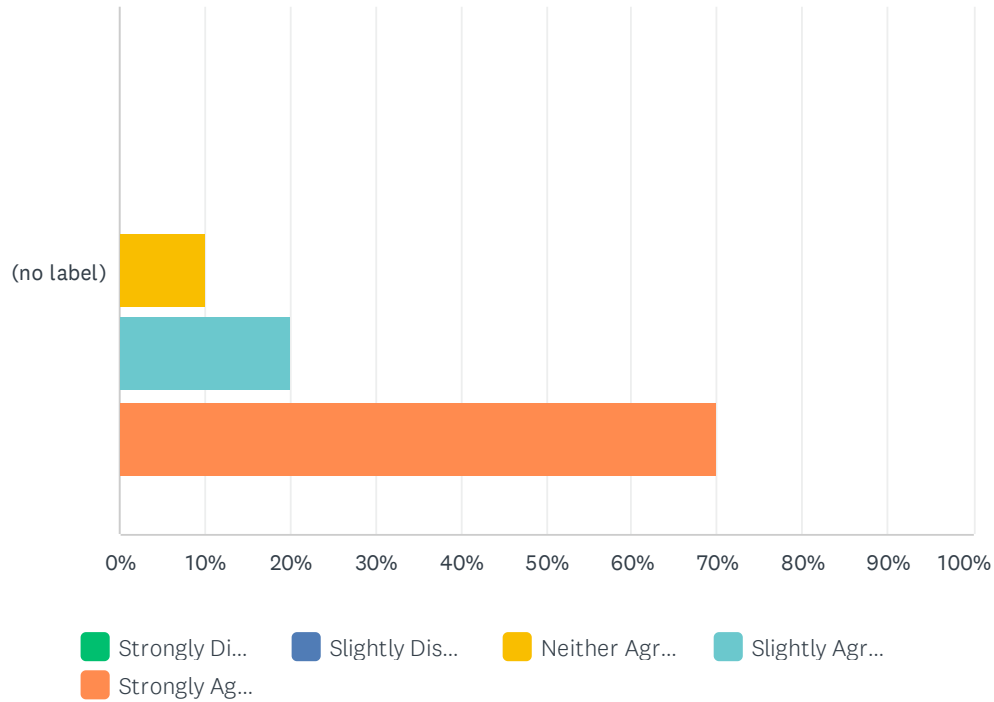
Answered: 20 Skipped: 0



	STRONGLY DISAGREE	SLIGHTLY DISAGREE	NEITHER AGREE OR DISAGREE	SLIGHTLY AGREE	STRONGLY AGREE	TOTAL	WEIGHTED AVERAGE
(no label)	10.00% 2	5.00% 1	50.00% 10	35.00% 7	0.00% 0	20	3.10

### Q7 The Committee and members act in accordance with Council’s code of conduct.

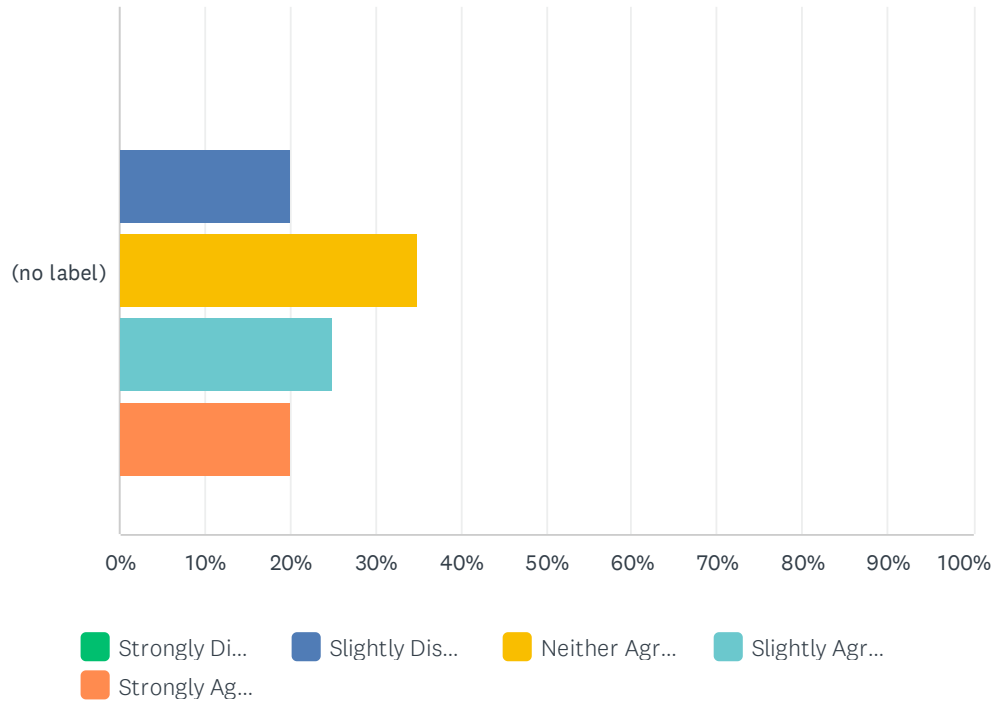
Answered: 20 Skipped: 0



	STRONGLY DISAGREE	SLIGHTLY DISAGREE	NEITHER AGREE OR DISAGREE	SLIGHTLY AGREE	STRONGLY AGREE	TOTAL	WEIGHTED AVERAGE
(no label)	0.00% 0	0.00% 0	10.00% 2	20.00% 4	70.00% 14	20	4.60

### Q8 New members to the Committee are effectively inducted.

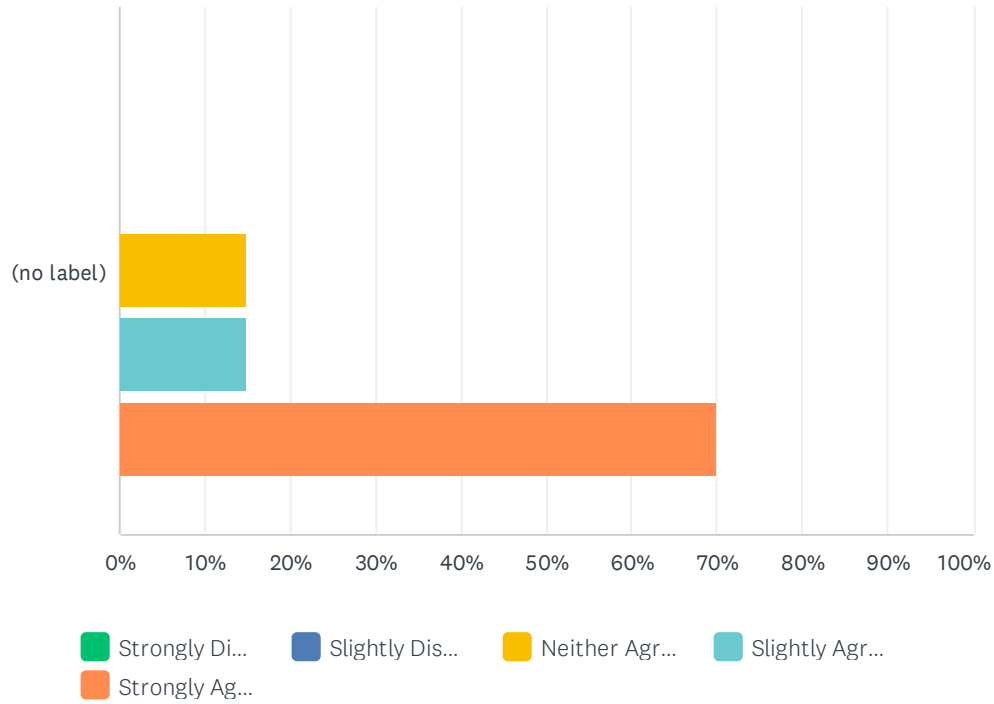
Answered: 20 Skipped: 0



	STRONGLY DISAGREE	SLIGHTLY DISAGREE	NEITHER AGREE OR DISAGREE	SLIGHTLY AGREE	STRONGLY AGREE	TOTAL	WEIGHTED AVERAGE
(no label)	0.00% 0	20.00% 4	35.00% 7	25.00% 5	20.00% 4	20	3.45

### Q9 The leadership of the Committee is effective.

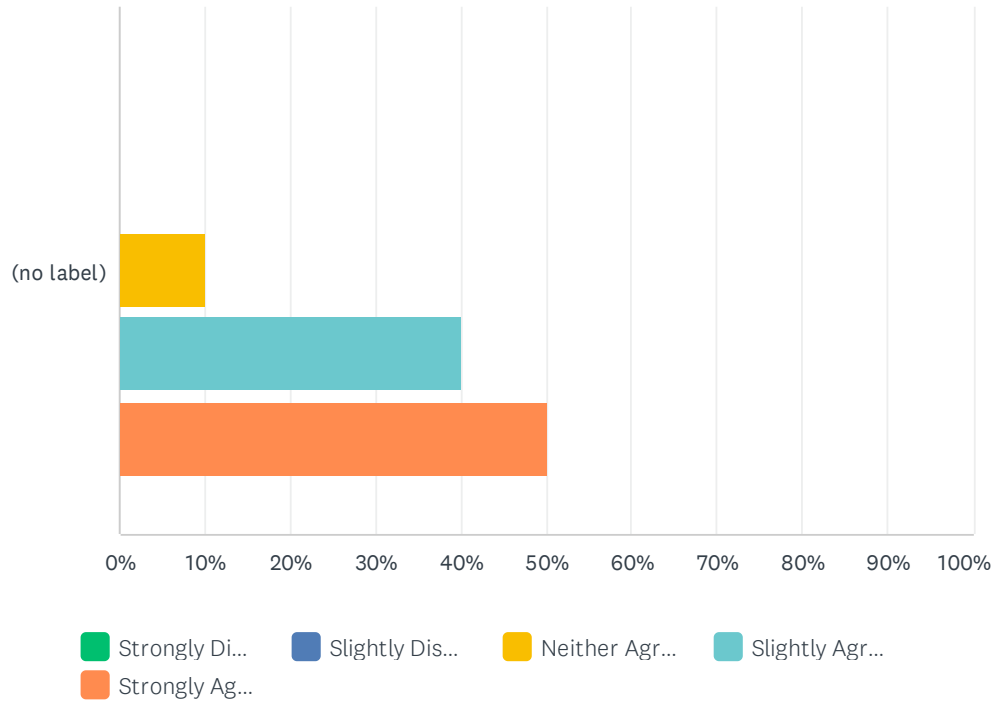
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	STRONGLY DISAGREE	SLIGHTLY DISAGREE	NEITHER AGREE OR DISAGREE	SLIGHTLY AGREE	STRONGLY AGREE	TOTAL	WEIGHTED AVERAGE
(no label)	0.00% 0	0.00% 0	15.00% 3	15.00% 3	70.00% 14	20	4.55

### Q10 The Committee appropriately challenges Management and provides them with candid, decisive and actionable feedback.

Answered: 20 Skipped: 0

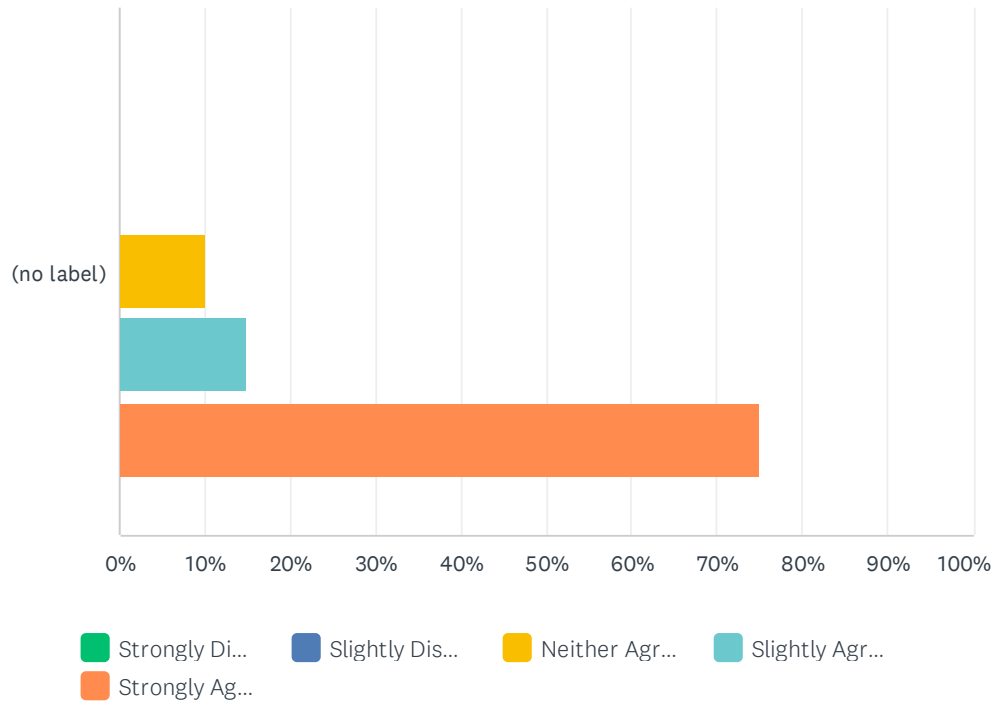


	STRONGLY DISAGREE	SLIGHTLY DISAGREE	NEITHER AGREE OR DISAGREE	SLIGHTLY AGREE	STRONGLY AGREE	TOTAL	WEIGHTED AVERAGE
(no label)	0.00% 0	0.00% 0	10.00% 2	40.00% 8	50.00% 10	20	4.40



### Q11 The Committee's feedback accurately reflects the views of the majority of Committee members and the Committee makes effective and timely collective judgements.

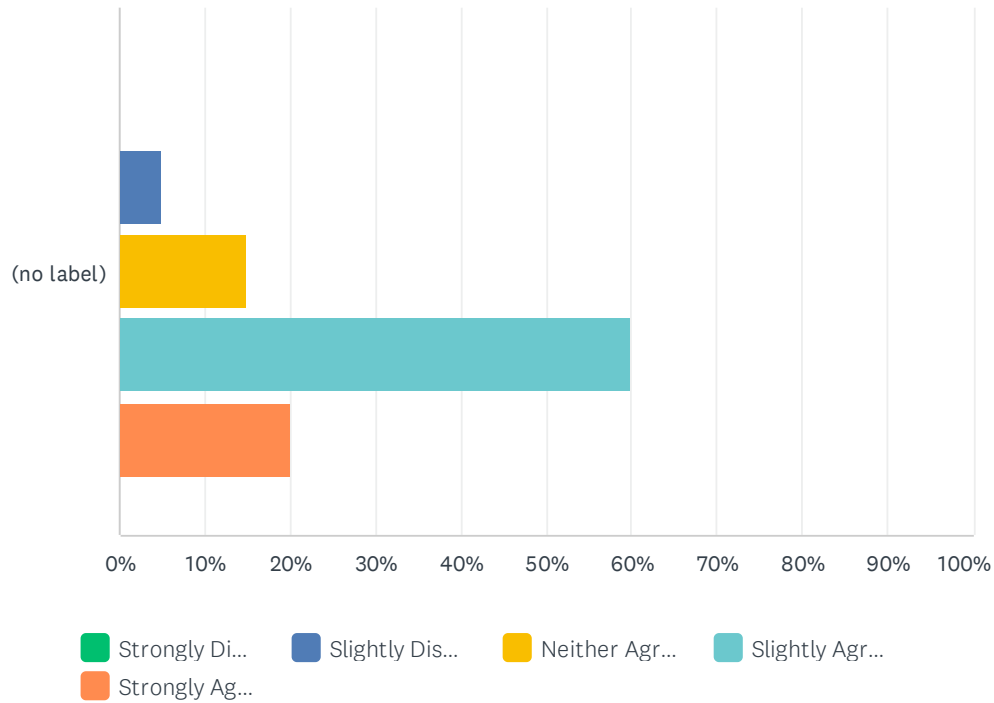
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	STRONGLY DISAGREE	SLIGHTLY DISAGREE	NEITHER AGREE OR DISAGREE	SLIGHTLY AGREE	STRONGLY AGREE	TOTAL	WEIGHTED AVERAGE
(no label)	0.00% 0	0.00% 0	10.00% 2	15.00% 3	75.00% 15	20	4.65

### Q12 The agenda of the Committee meetings allow the Committee to sufficiently consider important matters relevant to the remit of the Committee.

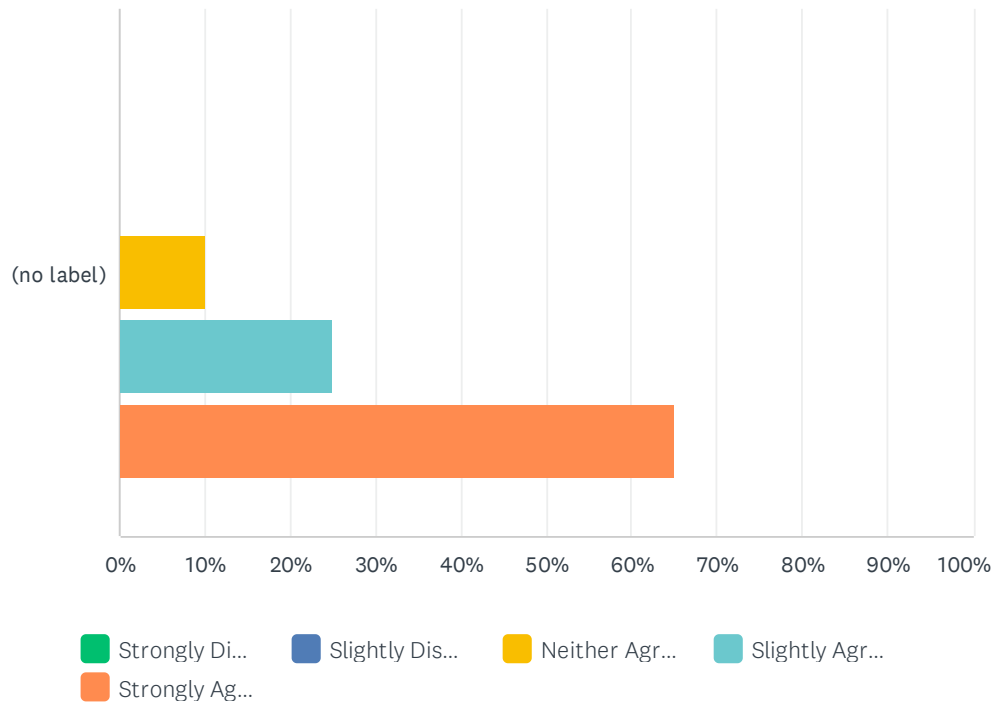
Answered: 20 Skipped: 0



	STRONGLY DISAGREE	SLIGHTLY DISAGREE	NEITHER AGREE OR DISAGREE	SLIGHTLY AGREE	STRONGLY AGREE	TOTAL	WEIGHTED AVERAGE
(no label)	0.00% 0	5.00% 1	15.00% 3	60.00% 12	20.00% 4	20	3.95

### Q13 Committee meetings are run effectively.

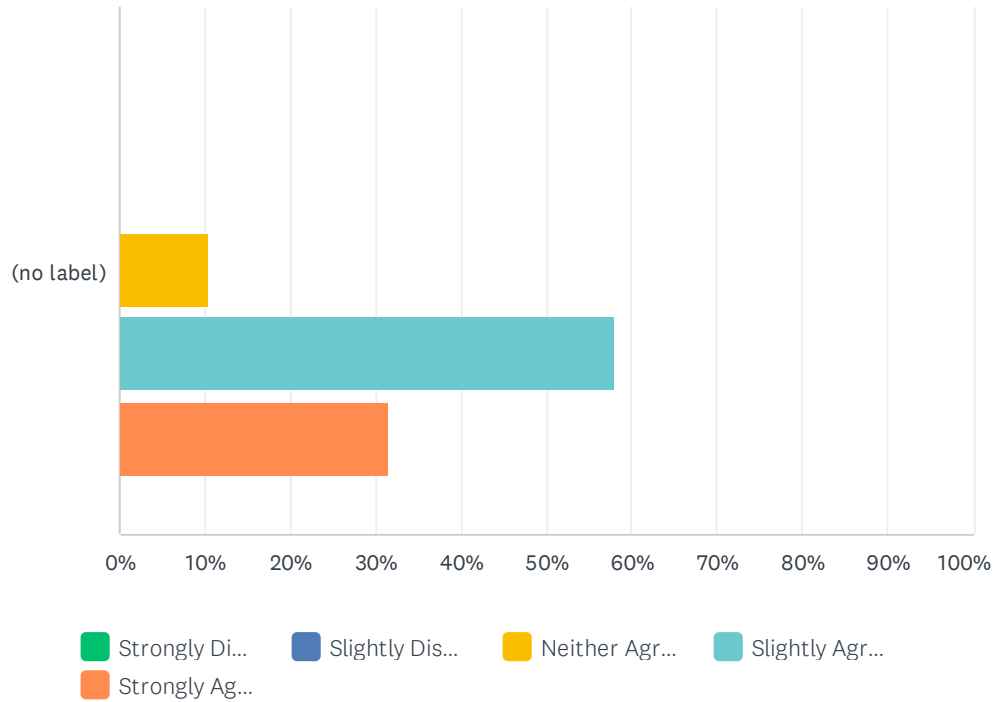
Answered: 20 Skipped: 0



	STRONGLY DISAGREE	SLIGHTLY DISAGREE	NEITHER AGREE OR DISAGREE	SLIGHTLY AGREE	STRONGLY AGREE	TOTAL	WEIGHTED AVERAGE
(no label)	0.00% 0	0.00% 0	10.00% 2	25.00% 5	65.00% 13	20	4.55

### Q14 The Committee receives reliable and timely information necessary for it to perform its role (i.e. nature, clarity, quality and timeliness).

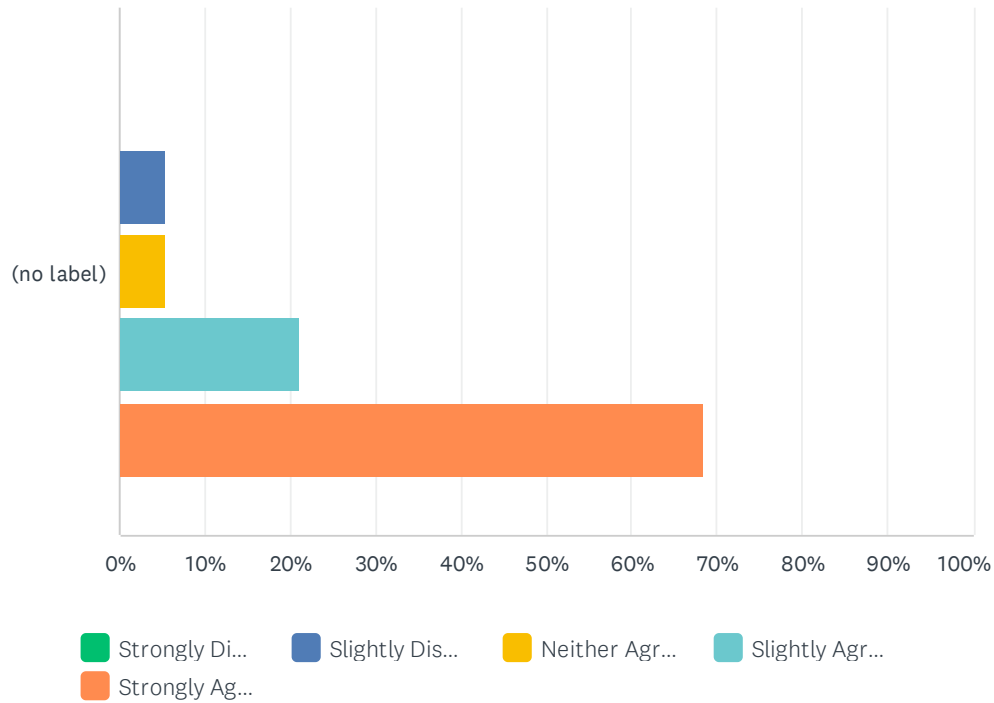
Answered: 19 Skipped: 1



	STRONGLY DISAGREE	SLIGHTLY DISAGREE	NEITHER AGREE OR DISAGREE	SLIGHTLY AGREE	STRONGLY AGREE	TOTAL	WEIGHTED AVERAGE
(no label)	0.00% 0	0.00% 0	10.53% 2	57.89% 11	31.58% 6	19	4.21

### Q15 Executive risk governance, via the Executive Leadership Team and Risk Adviser, is effective and appropriately supports and interacts with the Audit & Risk Committee.

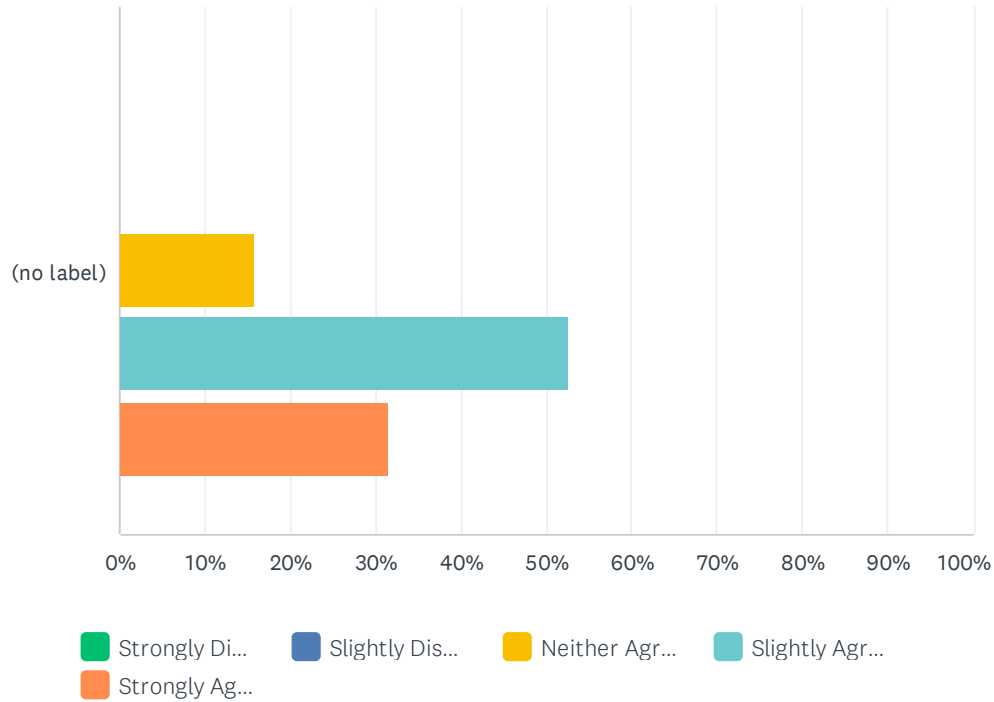
Answered: 19 Skipped: 1



	STRONGLY DISAGREE	SLIGHTLY DISAGREE	NEITHER AGREE OR DISAGREE	SLIGHTLY AGREE	STRONGLY AGREE	TOTAL	WEIGHTED AVERAGE
(no label)	0.00% 0	5.26% 1	5.26% 1	21.05% 4	68.42% 13	19	4.53

### Q16 The Committee allocates the right amount of time for its work and the Committee allocates the right amount of time to risk issues.

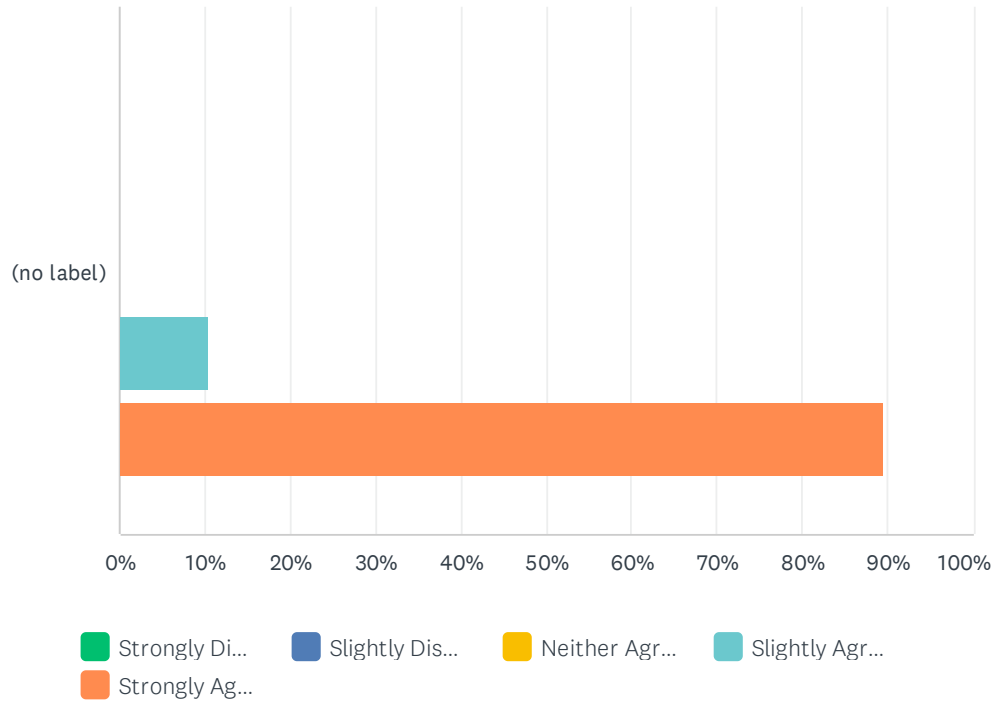
Answered: 19 Skipped: 1



	STRONGLY DISAGREE	SLIGHTLY DISAGREE	NEITHER AGREE OR DISAGREE	SLIGHTLY AGREE	STRONGLY AGREE	TOTAL	WEIGHTED AVERAGE
(no label)	0.00% 0	0.00% 0	15.79% 3	52.63% 10	31.58% 6	19	4.16

### Q17 The Committee maintains constructive professional relationships with the internal and external auditors.

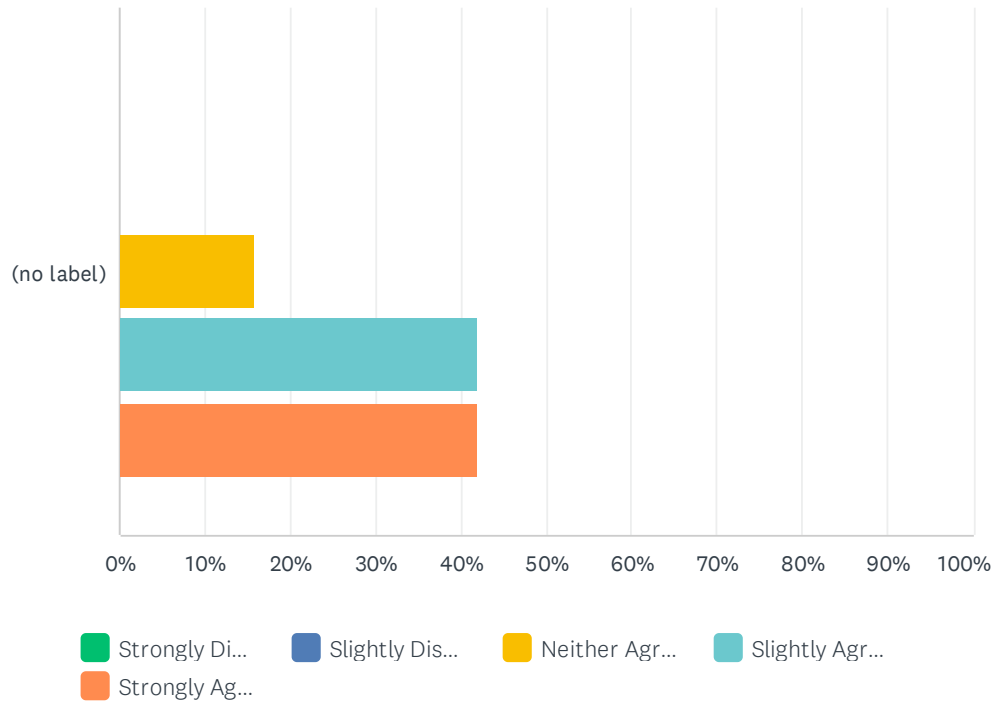
Answered: 19 Skipped: 1



	STRONGLY DISAGREE	SLIGHTLY DISAGREE	NEITHER AGREE OR DISAGREE	SLIGHTLY AGREE	STRONGLY AGREE	TOTAL	WEIGHTED AVERAGE
(no label)	0.00% 0	0.00% 0	0.00% 0	10.53% 2	89.47% 17	19	4.89

### Q18 The Committee appropriately discusses, challenges and oversees the reporting process in order to be able to make a risk based recommendation to the Council on adoption of the Annual Report.

Answered: 19 Skipped: 1



	STRONGLY DISAGREE	SLIGHTLY DISAGREE	NEITHER AGREE OR DISAGREE	SLIGHTLY AGREE	STRONGLY AGREE	TOTAL	WEIGHTED AVERAGE
(no label)	0.00% 0	0.00% 0	15.79% 3	42.11% 8	42.11% 8	19	4.26



## Q19 Overall, are there any other aspects of the operation of the Committee that could be improved?

Answered: 11 Skipped: 9

## COMMENTS TO AUDIT &amp; RISK PERFORMANCE EVALUATION SURVEY

<b>Q1</b>	<b>The Committee is effective and reports regularly on its activities, key issues and major recommendations to Council.</b>
	Slightly Disagree - No reporting ever been done to council that I'm aware of
	Neither Agree or Disagree -Council receives committee minutes as a matter of process and prepares an annual paper on what has been achieved
	Slightly Agree - There's no visibility of when/if the Committee meets with Council
	Slightly Disagree - The minutes go to Council and we complete an annual report of committee activities - we intend to commence a summary of Committee activity for Council after each meeting.
	Strongly Disagree - No formal regular reporting to any committee or council
	Strongly Disagree - The committee does not report other than minutes which do not capture the discussion behind the resolutions.
	Slightly Agree - Not sure what regularly means. Do we meet often enough? Does full council become aware of any significant items or do they expect A&R members to deal with it on their behalf?
	Strongly Agree - The Committee is led well and functions well.
	Strongly Agree
	Slightly Agree
	Strongly Agree
	Strongly Agree
	Strongly Agree
	Strongly Agree
	Strongly Agree
	Strongly Agree
	Neither Agree or Disagree - As the committee has a new chair, its difficult to assess effectiveness at present - the last committee chair was effective. I am unsure of what cascade reporting occurs to Council so cannot comment on this apart from saying high level reporting to Council would keep the rest of the Councilor's better informed.
	Strongly Agree
	Strongly Agree
	Strongly Agree
	Slightly Agree - The Committee is definitely effective and escalates key issues it becomes aware of to Council but not all Councillors are aware of the meetings to sit in should they wish to do so.

<b>Q2</b>	<b>The Committee's scope and mandate is clear in relation to the Council and other Committees.</b>
	Slightly Agree - Clear in respect of delegation but probably too inwards focused ie: are our ratepayers aware of whose responsibility it is for a&r?
	Slightly Agree
	Strongly Agree
	Strongly Agree - Clear terms of reference and alignment of activity to this
	Slightly Disagree - We have not discussed with them. Delegated @ the beginning of the tri they aware of the committee minutes available in iPads & occasional reference to Audit or an issue has gone / come from A&R. Some big issues progress to all council briefing
	Slightly Agree

	Strongly Agree - Members need to ensure they understand the terms of reference
	Strongly Agree - I think the Terms of Reference are clear.
	Strongly Agree
	Strongly Agree
	Strongly Agree
	Strongly Agree
	Strongly Agree
	Strongly Agree
	Strongly Agree
	Slightly Agree
	Slightly Disagree - both the A&R and INF Committee get info on CAPEX programme delivery (including financial information which goes to Strat & Finance. Better clarity on the scope /purpose of some reporting would therefore be helpful
	Strongly Agree
	Strongly Agree
	Strongly Agree
	Strongly Agree - The review of terms of reference has greatly assisted in this.

<b>Q3</b>	<b>The Committee confronts the real issues relevant to Council within its scope.</b>
	Neither Agree or Disagree - Unsure because limited reporting. Would only know this if attending the meetings. I've personally had issues not receiving an invite to meetings therefore lost knowledge/info
	Slightly Agree
	Strongly Agree
	Slightly Agree
	Slightly Agree
	Strongly Disagree - Dont know due to lack of real feedback to Councillors
	Strongly Agree
	Strongly Agree - The Committee has a clear workplan.
	Strongly Agree
	Strongly Agree
	Strongly Agree
	Strongly Agree
	Strongly Agree
	Neither Agree or Disagree
	Slightly Agree
	Slightly Agree
	Slightly Agree - The Committee are tuned into the topical business issues and ask the hard questions
	Strongly Agree
	Strongly Agree
	Strongly Agree
	Strongly Agree - A work programme has been developed to ensure that areas of the business are on a cyclical review, but it does not limit them in considering additional issues as they arise.

<b>Q4</b>	<b>The composition of the Committee is appropriate with a broad base of relevant skills and experience represented.</b>
	Neither Agree or Disagree - Only ever been furnished with credentials of chair as part of reporting for employment by CE. Have no knowledge of others skills
	Neither Agree or Disagree - Mainly councillors and one independent - perhaps opportunity to have more balance? Strong LG and governance experience.
	Strongly Agree
	Slightly Agree - Could have one or two more independent members
	Slightly Disagree - Although the committee has strong local government and governance experience you dont get the luxury of recruiting members with specific skillsets to 'plug' gaps. Training to be mitigatory of this issue.
	Slightly Agree - Generally agree except no Mana Whenua member /representation
	Neither Agree or Disagree
	Slightly Agree - The makeup of the committee is determined by what skills are available among the councillors.
	Strongly Agree - The Independent Chair brings a commercial approach to the table
	Strongly Agree
	Slightly Agree
	Slightly Disagree - Most have minimal fin experience.
	Slightly Agree
	Strongly Agree
	Slightly Agree - Requires Maori representatives
	Slightly Agree
	Slightly Agree - having an independent chair with director skills is good soem of the Councillors are too operational and need to become more strategic / audit focussed
	Strongly Agree - Good mix of Elected Members and Staff SME's
	Strongly Agree
	Strongly Agree
	Slightly Agree - Assisted by the appointment of the Independent Chair.

<b>Q5</b>	<b>Members are up to date with developments in the areas relevant to the work of the Committee.</b>
	Neither Agree or Disagree - As per above... unable to comment as this info has never been furnished.
	Neither Agree or Disagree – Not known
	Slightly Agree
	Slightly Agree - Members will relate to the business of Council well.
	Neither Agree or Disagree - No training. Skills assumptions. Developments in areas – rely on staff expertise.
	Strongly Disagree - lack of feedback as discussed above
	Slightly Agree - Are the meetings regular enough? Should we have briefings in between scheduled meetings
	Slightly Agree - I think understanding risk and risk appetite could be enhanced
	Slightly Agree
	Strongly Agree
	Neither Agree or Disagree - There is minimal training other than self directed
	Slightly Agree



	Strongly Agree
	Slightly Agree
	Slightly Agree
	Neither Agree or Disagree
	Strongly Agree - I am unaware of any breaches
	Slightly Agree - Generally all members are treated fairly and evenly
	Strongly Agree
	Strongly Agree
	Strongly Agree

<b>Q8</b>	<b>New members to the Committee are effectively inducted.</b>
	Neither Agree or Disagree - As per above - also unaware if there is any succession planning in place to allow for this
	Neither Agree or Disagree - Not sure what process has been with councillors, however chair is 'inducted'
	Strongly Agree
	Slightly Disagree - We have assumed the Council Induction process is sufficient. The Chair received a limited amount of briefing but probably could be more focused.
	Slightly Disagree
	Neither Agree or Disagree dont know. no feedback.
	Slightly Disagree - I have been on this committee now for over 8 years. I do not recall any induction.
	Strongly Agree - The only recent change was the Independent Chair and I think the induction was satisfactory.
	Neither Agree or Disagree
	Slightly Agree
	Neither Agree or Disagree
	Strongly Agree
	Slightly Agree
	Slightly Agree
	Slightly Agree
	Neither Agree or Disagree - I'm unaware of the induction provided
	Strongly Agree
	Strongly Agree
	Slightly Agree
	Slightly Disagree - Refer above ... The best person to answer this would be the Chair who was appointed last year.

<b>Q9</b>	<b>The leadership of the Committee is effective.</b>
	Neither Agree or Disagree - As per above
	Slightly Agree - Meetings are managed efficiently, opportunities for training highlighted to committee members, streamlined TOR etc.
	Strongly Agree
	Slightly Agree - This is WIP - The Chair has led process re brevity and effectiveness of papers. The intention of this is to create space for relevant discussion rather than having got rush items.
	Strongly Agree
	Neither Agree or Disagree - Previous chair did so but no feedback on new chair.
	Strongly Agree - An independent Chair is a positive. A new chair has brought a different focus. Council management are strong in this area.
	Strongly Agree
	Strongly Agree
	Strongly Agree
	Strongly Agree
	Strongly Agree
	Strongly Agree
	Strongly Agree
	Strongly Agree
	Strongly Agree
	Strongly Agree
	Strongly Agree
	Neither Agree or Disagree - We are still getting to know the new Chairs style /effectiveness
	Strongly Agree – Effective Chair
	Strongly Agree
	Strongly Agree
	Strongly Agree - Both this Chair and the previous Chair, along with the executive team demonstrate clear direction and leadership.

<b>Q10</b>	<b>The Committee appropriately challenges Management and provides them with candid, decisive and actionable feedback.</b>
	Neither Agree or Disagree - As per above - have no knowledge due to lack of reporting allow would like to know more
	Neither Agree or Disagree As per above
	Slightly Agree
	Slightly Agree - Relationship between the Committee and Management is such that the right conversations are had both ways. The safety of the environment to do this is critical.
	Slightly Agree - Can always improve. 'Actionable feedback' not so sure this is thoroughly clear & best practice.
	Slightly Agree - based on adhoc informal discussions between councillors
	Slightly Agree - This occurs when we have enough background and information about an issue.
	Strongly Agree - The tough questions get asked when needed.
	Strongly Agree
	Slightly Agree
	Strongly Agree
	Strongly Agree
	Neither Agree or Disagree
	Strongly Agree

	Strongly Agree
	Strongly Agree - As noted earlier, the Committee asks the right questions and zeros in on issues
	Strongly Agree
	Strongly Agree
	Strongly Agree
	Slightly Agree - This would be a strongly agree if based on the Chairperson -all members provide candid feedback but at times the Chair needs to summarise what some members are trying to say prior to achieving an action/direction.

<b>Q11</b>	<b>The Committee's feedback accurately reflects the views of the majority of Committee members and the Committee makes effective and timely collective judgements.</b>
	Neither Agree or Disagree
	Slightly Agree - yes I think there is general alignment, however sometimes note discrepancy between formal risk appetite and actual appetite.
	Strongly Agree
	Slightly Agree - The meetings are run such that all members have the opportunity to contribute.
	Slightly Agree
	Neither Agree or Disagree - dont know as nothing is produced to support statement other than minutes which dont have discussion details
	Strongly Agree - We discuss matters together well and are usually all on the same page with our feedback.
	Strongly Agree - The meetings are well run and the action points and feedback summarised by the Chair.
	Strongly Agree
	Strongly Agree
	Strongly Agree
	Strongly Agree
	Strongly Agree
	Strongly Agree
	Strongly Agree - Some items are discussed too much, but a clear collective feedback is provided
	Strongly Agree
	Strongly Agree
	Strongly Agree
	Strongly Agree



<b>Q12</b>	<b>The agenda of the Committee meetings allow the Committee to sufficiently consider important matters relevant to the remit of the Committee.</b>
	Neither Agree or Disagree - Would only be aware if in attendance.
	Neither Agree or Disagree - Work in progress - moving from large agendas to more streamlined papers
	Slightly Agree – meeting papers are too long
	Slightly Agree - There is a continuing need to ensure agenda and papers are focused to enable this.
	Slightly Agree
	Neither Agree or Disagree - Staff drive agendas so how do I know that committee is inputting in to the agenda sufficiently to give me that surety.
	Slightly Agree - We have reduced some BAU and have more time to consider important matters. I still wonder whether we need an extra meeting or in between briefings to go into more depth.
	Slightly Agree - I believe the agendas are too detailed and long. I think the reports should be streamlined. This requires staff to be clear in fewer words what the Committee needs to know and the Committee to remain focused on the key aspects of the matter and the decision that is required.
	Strongly Agree
	Slightly Agree
	Slightly Agree
	Slightly Agree
	Strongly Agree
	Slightly Agree
	Slightly Agree
	Slightly Disagree - I dont have enough of an oversight of the agenda (across meetings) to confirm this - a clear reporting frameworks would clarify this
	Slightly Agree - Significant pre reading required to actively and efectively engage in all agenda items
	Strongly Agree
	Slightly Agree
	Strongly Agree

<b>Q13</b>	<b>Committee meetings are run effectively.</b>
	Slightly Agree - With streamlined agendas there is an opportunity to take papers as read to focus on in-depth discussion.
	Strongly Agree
	Slightly Agree
	Strongly Agree
	Neither Agree or Disagree - previous chair yes. unknown for new chair.
	Strongly Agree - Good chairing and staff reporting with exec summaries help with this.
	Strongly Agree
	Strongly Agree
	Strongly Agree
	Slightly Agree
	Strongly Agree
	Strongly Agree

	Slightly Agree
	Slightly Agree - the meetings are generally run well - some items / issues are discussed too much or are re-litigated when they shouldn't be by some members
	Strongly Agree
	Strongly Agree
	Strongly Agree
	Strongly Agree - This is assisted by the pre-meetings with key staff and the Chairperson.

<b>Q14</b>	<b>The Committee receives reliable and timely information necessary for it to perform its role (i.e. nature, clarity, quality and timeliness).</b>
	Slightly Agree
	Slightly Agree
	Slightly Agree - Committee meetings are quarterly however if need be discussions/papers are circulated out of cycle.
	Slightly Agree
	Neither Agree or Disagree - informal feedback from members would suggest not always
	Slightly Agree - Timeliness may be an issue due to the length of time between the meetings.
	Strongly Agree
	Slightly Agree - Generally, I think this is true.
	Neither Agree or Disagree
	Slightly Agree
	Strongly Agree
	Strongly Agree
	Strongly Agree
	Slightly Agree
	Slightly Agree
	Strongly Agree - the agenda is prepared well in advance of the meeting so there should be sufficient time to review prior to the meeting
	Strongly Agree - Some variance
	Slightly Agree
	Strongly Agree
	Slightly Agree - As the meetings are quarterly, there may be times when issues are raised with the Chairperson out of the meeting cycle but I am not necessarily kept in this loop and learn that these discussions have happened at the next meeting - perhaps other members feel the same and the other committee members should be kept informed if out of cycle events/issues occur.

<b>Q15</b>	<b>Executive risk governance, via the Executive Leadership Team and Risk Adviser, is effective and appropriately supports and interacts with the Audit &amp; Risk Committee.</b>
	Slightly Agree
	Strongly Agree
	Slightly Agree - Management have a framework around reports that are open to revisiting if needed by the committee.
	Strongly Agree
	Slightly Disagree
	Strongly Agree
	Strongly Agree
	Strongly Agree
	Strongly Agree
	Strongly Agree
	Strongly Agree
	Slightly Agree
	Slightly Agree
	Strongly Agree
	Neither Agree or Disagree - a clear governance / reporting framework would help ELT focus on the right things and support the committees work better
	Strongly Agree
	Strongly Agree
	Strongly Agree

<b>Q16</b>	<b>The Committee allocates the right amount of time for its work and the Committee allocates the right amount of time to risk issues.</b>
	Neither Agree or Disagree
	Strongly Agree
	Slightly Agree - This is WIP as we work to get balance right. Papers to be taken as read to facilitate good risk base conversation.
	Slightly Agree
	Neither Agree or Disagree
	Slightly Agree - Again - are we meeting enough? The agenda is a full morning each time and then we rush off.
	Slightly Agree - The meetings have to be tightly managed because of the number of agenda items and the detail provided.
	Neither Agree or Disagree
	Slightly Agree
	Slightly Agree
	Strongly Agree
	Slightly Agree
	Slightly Agree
	Strongly Agree
	Slightly Agree - timing of the meeting and items seems appropriate
	Slightly Agree - Under pressure as with all aspects of Council programme at this time but generally prioritised accordingly
	Strongly Agree
	Strongly Agree
	Strongly Agree

<b>Q17</b>	<b>The Committee maintains constructive professional relationships with the internal and external auditors.</b>
	Slightly Agree
	Strongly Agree
	Slightly Agree
	Strongly Agree
	Strongly Agree - my observations suggest so.
	Strongly Agree - Excellent and transparent relationship.
	Strongly Agree
	Strongly Agree
	Strongly Agree
	Strongly Agree
	Strongly Agree
	Strongly Agree
	Strongly Agree
	Strongly Agree
	Strongly Agree Relationship is effective
	Strongly Agree
	Strongly Agree
	Strongly Agree

<b>Q18</b>	<b>The Committee appropriately discusses, challenges and oversees the reporting process in order to be able to make a risk based recommendation to the Council on adoption of the Annual Report.</b>
	Slightly Agree - Understanding the audit process, the risk/issues highlighted by Audit NZ Slightly Agree what actions staff have taken means this committee has the 'under-the-hood' view of annual report risk.
	Slightly Agree
	Slightly Agree - Limited reporting to the Council at this stage which is being reviewed to improve the connection with Council.
	Neither Agree or Disagree
	Neither Agree or Disagree- insufficient feedback to comment
	Strongly Agree - At a high level and any issues are raised in a timely manner.
	Strongly Agree
	Neither Agree or Disagree
	Strongly Agree
	Strongly Agree
	Strongly Agree
	Slightly Agree
	Slightly Agree
	Slightly Agree
	Slightly Agree - the new chair is questioning the committees remit /information presented to ensure it operates at the right level / can make appropriate decisions
	Strongly Agree Core competency
	Strongly Agree
	Strongly Agree
	Slightly Agree

Q19	<b>The Committee maintains constructive professional relationships with the internal and external auditors.</b>
	Without a doubt - transparency and accountability to council. Regular reporting to council on all matters they are and have considered ought be shared through regular reports
	Audit processes - clarity Practical functionality - it was valuable to visit the Huntly Pool complex. However unfortunately no precise of feedback nor expansion of solutions nor implementation.
	Verbal briefings by the councillor members to their colleagues without staff present would allow greater testing of the feedback
	My theme throughout the survey is to question whether we should consider breaking down the agenda content and adding one extra meeting through the year. It would be more work from a staff perspective but would be more timely and relevant to many topics and give the members more time to discuss any issues rather than rush to finish in the allotted time. Would be interested on thoughts from others on this.
	I believe the Committee is functioning well.
	Reduce overall number of pages in agendas, more summaries highlighting important facts
	More training for members. Possibly a separate deep dive meeting on critical items, not as part of regular A\$R
	The new chair is questioning the committees remit /information presented to ensure it operates at the right level / can make appropriate decisions
	Work plan, Agenda and papers (format and length) are a work in progress
	Works extremely well, challenging the staff and keeping an open mind to a changing environment.
	As a person that always believes in continuous improvement - the committee should undertake regular reviews, i.e. mid term and just prior to the next term to ascertain how it is performing and what it can do to improve performance to achieve the objectives in the terms of reference.

<b>To</b>	<b>Audit &amp; Risk Committee</b>
<b>Report title</b>	<b>Quality and Governance Assurance</b>
Date:	15 June 2022
Report Author:	Madelina Baena-Escamilla, Continuous Improvement Analyst Bessie Clarke, Corporate Planner Lynn Shirley, Zero Harm Manager
Authorised by:	Tony Whittaker, Chief Operating Officer

## **1. Purpose of the report**

### **Te Take moo te puurongo**

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The purpose of this report is to update the Audit and Risk Committee on the status of those activities within the programmes designed to provide quality improvement and assurance at Council. It covers:

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

## **2. Executive summary**

### **Whakaraapopototanga matua**

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- The Building Consent Authority (IANZ Special Monitoring Audit) identified nine General Non-Compliances (GNC's), four of which were addressed during the audit. The remaining five were resolved in the statutory 3-month timeframe.
  - There are three major non-conformances outstanding from the completed audits in 2021, all of which are planned to be addressed by the end of the 2022 financial year. All other non-conformances have been addressed.
  - The Internal Audit Schedule for 2022/2023 has been created, prioritising the processes that impact the strategic risks with low and moderate appetite.
  - Four policies have been published and/or reviewed. 28 policies are currently being reviewed, and 11 policies have been revoked.
-

- There are 189 issues that various audits have raised across the organisation, 169 of which are complete.
- The Zero Harm team have completed one further action, so now 28 (97%) of the 29 actions received from the KPMG Health & Safety Governance Audit have been addressed.

### 3. Staff recommendations Tuutohu-aa-kaimahi

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**That the Audit and Risk Committee receives the Quality & Governance Assurance report for June 2022.**

### 4. Discussion Matapaki

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#### 4.1 Business Process Improvement Programme

##### *4.1.1 Internal Audit Schedule (2022)*

The Internal Audit Schedule for 2022/2023 has been created. The selection of processes for audit have been prioritised based on the strategic risk appetite. Where Council has a low or moderate appetite for risk, process groups aligned with that risk portfolio have been prioritised for Internal Audit.

Other processes added to the schedule are those included in the Quality Management System (QMS) for verification of food operations that allow Council to be a recognised agency, and the Management of Customer Feedback processes, that comprise the management of customer complaints, compliments, and suggestions.

The Process Audit Schedule 2022/2023 has been attached to this report.

Internal auditor capacity has reduced significantly due to staff resignations and current staff workload. We currently only have 12 trained internal auditors. We are currently working through options for building capacity again.

##### *4.1.2 Internal Audit Schedule (2021)*

The internal audit of the Zero Harm management system against ISO45001 was completed last November. The audit identified nine non-conformances; 2 minor and 7 major; 5 opportunities for improvement and 16 Auditor recommendations. The Zero Harm Manager has identified 11 actions to address the non-conformances. As of this date, 5 actions have been fully implemented, 3 are due to be complete by the end of the 2022 financial year, and 3 are due to be completed by the end of the 2022 calendar year.

A dashboard summary of internal audit outcomes for 2021 is presented in Table 1, including the number of internal audits planned and undertaken, the findings, and the number of outstanding non-conformances.

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**Table 1 - Outcome of the 2021 Internal Audit schedule**

Team	Internal Audits - Planned	Internal Audits - Undertaken	Major Non-Conformances	Minor Non-Conformances	Recommendations	Outstanding Non-conformances
<b>Total</b>			<b>9</b>	<b>5</b>	<b>39</b>	<b>3</b>
Customer Support - Consents	1 Audit 2 Processes	1 Audit 2 Processes	0	2	4	0
Community Safety - Environmental Health	5 Audits 16 Processes	5 Audit 16 Processes	0	0	9	0
Risk Management Processes	1 Audit 5 Processes	1 Audit 5 Processes	2	1	5	0
Zero Harm	1 Audit All ZH Management System	1 Audit All ZH Management System	7	2	5	3
Projects & Initiatives	1 Audits 7 Processes	1 Audits 7 Processes	0	0	16	0
<b>Red</b>	Major Non-conformances haven't been addressed					
<b>Orange</b>	Minor Non - Conformances haven't been addressed					
<b>Green</b>	All Non - Conformances have been addressed / There were no Non - Conformances					

#### 4.1.3 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:

- Dog Control Policy
- Sensitive Expenditure Policy
- Treasury Risk Management Policy (including Liability and Investment Policies)
- Staff Remuneration and Employment Policy now known as the Remuneration Policy.

Other policies currently being created or reviewed are:

- Activity Management Policy
  - Appointments to Community Boards and Other Committees Policy
  - Appointing Directors and Trustees to Council Controlled Organisations Policy
  - Cellular Network Site Policy
  - Conferences and Seminars Policy – Attendance and Payment of Expenses (including Local Government NZ Conferences)
  - District Tree Policy
  - Funding for Road Closures for Community Events Policy
-



- Grass Verge Policy
- Heritage Policy
- Leases to Individuals and Commercial Organisations Policy
- Leasing of Reserve Land Policy
- Licences/Grazing Policy
- Local Alcohol Policy
- Notable Tree Policy
- Plaques, Memorial and Monuments Policy
- Procurement, Entitlement and Disposal of Council Vehicles Policy
- Property Management Policy
- Reimbursement of Expenses Policy (Staff)
- Reimbursements for Elected Members Policy
- Relocatable Home Parks and Camping Grounds Policy
- Road Closure for Motor Sport Events Policy
- Road Naming Policy
- Sponsorship of and Advertising on Council Properties and Assets Policy
- Staff Involvement in Local Government Elections Policy
- Strategic Land Acquisition and Disposal Policy
- Te Reo Maaori Policy
- Vehicle Entrance Policy
- Visitor Management Policy

The following policies have been revoked:

- Control of Business Advertising Signs/Displays in Public Places Policy
  - Conversion of Overhead to Underground Services Policy
  - District Minor Improvement Programme Policy
  - Equal Employment Opportunity Policy
  - Firearms Policy
  - Livestock Movement Policy
  - Lump Sum Payment Policy (Rates)
  - Stock Underpass Policy
  - Stock Underpasses – Financial Assistance Policy
  - Time in Lieu Policy
  - Vehicle Crossings Policy
-

#### 4.1.4 Improvement Forum

The Continuous Improvement Agents continue to promote Continuous Improvement (CI) and help process owners and experts manage and review their business processes. We are working towards our objective for 2022 to keep our processes 'current' to focus on improvement and reduce the number of draft processes to a minimum.

The Continuous Improvement Agents have completed the Lean Six Sigma Yellow Belt online training course. This course has provided our CI Agents with an understanding of the core fundamentals of Lean Six Sigma and the Define, Measure, Analyse, Improve, Control (DMAIC) roadmap. To date we have three CI Agents certified.

Process mapping training continues to be delivered online. In the past three months, 22 new starters have been trained as part of their induction, and three process authors have been trained in process creation training.

The Innovation and Ideas Forum (IIF) is well established and meets monthly to review and select ideas worth pursuing using rigorous criteria detailed in the Improvement and Ideas framework. Amongst those the IIF is reviewing are:

- To streamline the travel booking process to reduce processing time and generate better quality data for the calculation Council's Emission Stocktake.
- Proactively contacting ratepayers for which we have email addresses to transition their rates and water invoices to email. The first batch of 2,000 emails resulted in 731 email opt ins resulting in estimated savings of \$10,965 per annum.
- The possibility of 'one dog tag for life'. In 2021 some Councils stopped sending new plastic dog tags to owners when dogs were registered. These were replaced by an aluminium dog tag that will last the lifetime of the dog. If adopted savings to Council over 5 years could be between \$118,000 and \$171,000 over that period.

## 4.2 Independent Audit Activities

The table below outlines the areas and status of issues – either completed or in progress since the last report in March 2022.

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

**Table 3 - Areas of audit issues- June 2022**

	Pending	Work in progress	Complete	Total
Audit New Zealand	0	2	42	44
Cyber security	0	7	36	43
Internal audit	0	0	5	5
Procurement and contract management	0	0	15	15
Risk management	0	0	37	37
Project management	0	0	33	33
Information and Record Management	4	7	1	12
<b>Total</b>	<b>4</b>	<b>16</b>	<b>169</b>	<b>189</b>

There are a total of 189 issues that have been raised by various audits across the organisation, 169 of which are now complete.

### 4.3. 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 97% (28 actions) have been actioned. The following table provides an update on the latest action completed and the remaining action.

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.	December 2022	This activity has now been captured as part of the Zero Harm Strategic Improvement Plan for FY22/23.	Lynn Shirley
Develop assurance plan for health and safety management system and where possible integrate into existing audit programme.	June 2022	Completed – Another Internal ISO 45001 has been scheduled for December 2022. Audit has been added to Audit Schedule for next three years. Audit tool currently being reviewed in preparation for next audit.	Lynn Shirley

### 4.4. External Audits carried out in Customer Support Group

#### 4.4.1 Building Consent Authority IANZ Special Monitoring Audit

IANZ carried out a special audit of the Waikato District Council Building Consent Authority from the 8th to the 11th of February 2022. The purpose of the special audit was to check if matters raised at our previous audit in February 2021 had been addressed.

The findings were that all had been addressed except for Compliance Schedules. There were no further Serious Non-Compliances (SNC's) identified and nine General Non-Compliances (GNC's) were identified, four of which were addressed during the audit. The remaining five were resolved in the statutory 3-month timeframe so there are no further outstanding actions resulting from this audit.

The GNCs raised were around Compliance Schedules; starting and stopping clocks for RFIs; Code Compliance Certificates; extensions of time. These last three items have not been identified as issues in the past. What we observed in this audit was that IANZ are drilling into more detail in our processes and procedures.

Processes and procedures that have not been identified as issues in the past (since 2007) are now being questioned. Several GNCs were around our Compliances Schedules and how they were structured in terms of references to Codes and Standards. This is an ongoing issue with councils across the country and there is real pressure on MBIE to get an exemplar that councils can use.

#### 4.4.2. Food Premises verification JAZANZ Audit

An audit of Councils Quality Management System (QMS) for verification of food operations was carried out by JAS-NZ in May 2022. The audit assesses the delivery of service against the QMS. A positive assessment is required by the Ministry of Primary Industries (MPI) to enable continuation of verification services. While we are awaiting the formal audit report, verbal feedback by the assessor at the time of audit was very positive and supportive of our systems and staff when viewed against other providers nationally. We will provide an update on this audit for the September Audit and Risk meeting.

## **5. Attachments**

### **Ngaa taapirihanga**

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Attachment 1 - Process Audit Schedule - 2022-2023

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## Audit Schedule 2022/2023

STRATEGIC RISK	RISK LEVEL	RISK APPETITE	Risk Owner	PROCESSES	OWNERS AND EXPERTS	AUDITORS	DUE DATE
<b>Affordability:</b> Community needs are not met due to Council being unable to deliver new and or appropriately maintain existing infrastructure due to disparity between funding and cost. (R00235)	High	Low	Alison Diaz	<ul style="list-style-type: none"> <li><a href="#">Blue Prints Processes</a></li> <li><a href="#">Procurement Processes</a></li> <li><a href="#">Revenue/Rates Processes</a></li> <li><a href="#">Prepare Treasury Risk Management Policy Compliance Report</a></li> </ul>	Jim Ebenhoh Donna Tracey  Jackie Bishop Everard Whangapirita  Alison Diaz Colin Bailey  Colin Bailey Jean de Abreu	Evonne Miller  Reece Turner  Sharlene Jenkins	30 September 2022
<b>Project Delivery:</b> Council is unable to deliver key capital projects due to a lack of capacity and or project capability. (R00238)	High	Moderate	Roger MacCulloch	<ul style="list-style-type: none"> <li>To be audited in conjunction with the Project Mangemet Framework ( 6 projects to be audited. 3 Large, 3 small)</li> </ul>	Peter Clark Reuben Rink	Debbie Dalbeth	14 October 2022
<b>Community Expectations:</b> Council experiences significant public scrutiny due to being unable to meet key community expectations due to increasing cost and resources. (R00233)	High	Moderate	Tony Whittaker	<ul style="list-style-type: none"> <li><a href="#">Project Management Framework Processes</a> (already listed in Risk R00235)</li> <li><a href="#">Long Term Plan (LTP) Processes</a></li> <li><a href="#">Communications, Marketing &amp; Engagement</a>. Confirm with Process Owner</li> </ul>	Kirsty Wellington Joy Ndarowa  Jim Ebenhoh Sandra Kelly  Emma Edgard	Debbie Dalbeth  Taljit Singh-Sandhu  Terrence Hayes	14 October 2022
<b>Cyber Security:</b> Council is exposed to significant business disruption caused by unauthorized access or damage to privileged information and or reduced data resulting from cyberattack or employee behaviour	High	Moderate	Geoff King	<ul style="list-style-type: none"> <li>Information Management Response Processes to detect and respond to cyber threats. Not in Promapp, check with Risk Owner</li> </ul>	Geoff King	Phyllis Hefang	23 December 2022

STRATEGIC RISK	RISK LEVEL	RISK APPETITE	Risk Owner	PROCESSES	OWNERS AND EXPERTS	AUDITORS	DUE DATE
(externally or internally initiated). (R00128)							
<b>People &amp; Culture:</b> Business outcomes are significantly impacted due to an inability to attract and or retain suitable personnel. (R00190)	Moderate	Moderate	Vanessa Jenkins	<ul style="list-style-type: none"> <li>• <a href="#">Manage Staff Recruitment Processes</a></li> </ul>	Vanessa Jenkins	TBC	17 March 2023
<b>Regional &amp; National Strategic Planning &amp; Legislative Reform:</b> Council is financially disadvantaged and or experiences significant disruption due to being unable to effectively adapt to structural and legislative changes by central government and or national/ regional strategic planning exercise. (R00189)	Moderate	Moderate	Vishal Ramduny	<ul style="list-style-type: none"> <li>• <a href="#">Long Term Plan (LTP) Processes</a> (already listed in Risk R00233)</li> </ul>	Jim Ebenhoh Sandra Kelly	TBC	28 April 2023
<b>Business Resilience:</b> Business function is significantly disrupted due to a lack of organisational resilience. (R00053)	Moderate	Moderate	Kurt Abbot	<p><b>Incident Management Processes</b></p> <ul style="list-style-type: none"> <li>• <a href="#">Respond to a Pandemic Event Significantly Impacting Levels of Service</a></li> <li>• <a href="#">Notify - Escalate an Incident to Management (Staff)</a></li> <li>• <a href="#">Assess - Understand the significance and impact of the incident</a></li> <li>• <a href="#">Plan - Understand how we are going to resolve the incident</a></li> <li>• <a href="#">Resolve the incident</a></li> <li>• <a href="#">Notify an Incident to Waikato District Council (Contractors)</a></li> <li>• <a href="#">EM - Planning - Create an Action Plan (Incident &amp; Emergency Management)</a></li> </ul> <p><b>Business Continuity</b></p> <ul style="list-style-type: none"> <li>• <a href="#">Create a Business Continuity Plan</a></li> </ul>	Kurt Abbot Kelly Newell	TBC	16 June 2023

STRATEGIC RISK	RISK LEVEL	RISK APPETITE	Risk Owner	PROCESSES	OWNERS AND EXPERTS	AUDITORS	DUE DATE
<b>Zero Harm:</b> 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 PCBU's. (R00184)	Moderate	Low	Gavin Ion	<ul style="list-style-type: none"> <li><a href="#">Zero Harm Management System Processes</a></li> </ul>	Lynn Shirley Kylie Anderson	Madelina Baena  Debbie Dalbeth	18 July 2023
<b>Climate Resilience:</b> Council experiences significant public scrutiny and or financial impact caused by Council being unable to effectively support Communities to adapt to climate impacts. (R00234)	High	Moderate	Jim Ebenhoh	<ul style="list-style-type: none"> <li>There are no processes in Promapp, just the <a href="#">Climate Response &amp; Resilience Policy 2020</a>. Confirm with Risk Owner.</li> </ul>	Jim Ebenhoh	TBC	18 August 2023

Group/Team	Processes	Owners and experts	Auditors	Due date
<b>Community Safety - Environmental Health</b>	<ul style="list-style-type: none"> <li>Regulation 110(2)(a-b) - Recognised Agency: Conflicts of interest</li> <li>Regulation 110(2)(c) - Recognised Agency: Confidential Information</li> <li>Regulation 110(2)(n) - Recognised Agency: Contractual Arrangements</li> </ul>	Tony Pipe Sudhir Kumar	Shelley Woollett	TBC
	<ul style="list-style-type: none"> <li>Regulation 110(2)(d) - Recognised Agency: Staffing</li> <li>Regulation 110(2)(e) - Recognised Agency: Resourcing</li> <li>Register Template Food Control Plan (FCP)</li> </ul>	Tony Pipe Sudhir Kumar	Helen Kirby	TBC
	<ul style="list-style-type: none"> <li>Regulation 110(2)(f) - Recognised Agency: Reporting</li> <li>Regulation 110(2)(g-h) - Recognised Agency: Records</li> <li>Process Application to Register Health Premises</li> </ul>	Tony Pipe Sudhir Kumar	Taljit Singh-Sandhu	TBC
	<ul style="list-style-type: none"> <li>Regulation 110(2)(i-j) - Recognised Agency: Non Compliance and Corrective Actions</li> <li>Regulation 110(2)(k) - Recognised Agency: Complaints</li> <li>Verify Template Food Control Plan (FCP)</li> </ul>	Tony Pipe Sudhir Kumar	Terrence Hayes	TBC
	<ul style="list-style-type: none"> <li>Regulation 110(2)(l) - Recognised Agency: Internal Management</li> <li>Regulation 110(2)(m) - Recognised Agency: Review of Performance</li> <li>Recognised Agency: Continuous Improvement</li> <li>Recognised Agency: Internal Audit</li> </ul>	Tony Pipe Sudhir Kumar	Kay Warren	TBC
<b>Customer Support – Customer Feedback</b>	<ul style="list-style-type: none"> <li>Customer Feedback Processes</li> </ul>	Reece Turner Shelby Spain	Tracey Oakes	TBC



<b>To</b>	<b>Audit &amp; Risk Committee</b>
<b>Report title</b>	<b>Future Work Plan</b>
Date:	Wednesday, 29 June 2022
Report Author:	Gaylene Kanawa, Democracy Team Leader
Authorised by:	Tony Whittaker, Chief Operating Officer

### **1. Purpose of the report** **Te Take moo te puurongo**

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To provide the Committee’s work programme for information.

### **2. Staff recommendations** **Tuutohu-aa-kaimahi**

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**THAT the Audit and Risk Committee receives the Future Work Plan update for June 2022.**

### **3. Attachments** **Ngaa taapirihanga**

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Attachment 1 – A&R Future Work Plan 2022

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## Audit &amp; Risk Committee: Future Work Plan

	March 2022	June 2022	September 2022	December 2022	Standing items for all meetings
<b>Risk</b>	<b>Health &amp; Safety Framework Review</b>  <b>Risk Assessment of Council Controlled Organisations Statements of Intent</b>		<b>Update on Communications risk and mitigations plan</b>	<b>Risk Management Framework review</b>  <b>Strategic Risk Register Review (workshop)</b>  <b>Annual Risk Appetite Review (workshop)</b>	<ul style="list-style-type: none"> <li>▪ <b>Chief Financial Officer Report</b> Update on risks and issues that could impact council and its stakeholders from a financial perspective, including insurance and procurement matters.</li> <li>▪ <b>Strategic Risk Register and Emerging Risks</b> Update on key strategic risks and associated management actions, including trajectory of risk assessment.  Opportunity to discuss emerging risks with potential for strategic impact.</li> <li>▪ <b>Risk Conversations</b> Opportunity for Committee to dialogue with key staff to obtain assurance that appropriate controls and culture are in place.</li> <li>▪ <b>Strategic Risk Deep Dive</b> Detailed inspection of a key risk for the purpose of assurance.</li> <li>▪ <b>Zero Harm Update</b> Health &amp; Safety performance update against agreed targets, systemic issues identified which can be fed into the risk control framework. To include monthly statistics.</li> <li>▪ <b>Quality Governance and Assurance</b> Progress against audit issues and rolling review of bylaw &amp; policies: <ul style="list-style-type: none"> <li>- Anti-fraud and corruption framework (and related policies)</li> <li>- Health &amp; Safety Policy</li> <li>- Risk Management Policy</li> <li>- Treasury Risk Management Policy</li> </ul> </li> <li>▪ <b>Post Implementation Reviews and/or Incident Debrief Reports</b> Post project appraisals on key investments.</li> <li>▪ <b>Zero Harm Site Visits</b> Six monthly and separate day to meeting</li> </ul>
<b>Internal Audit</b>	<b>Internal Audit TBC</b>	<b>Internal Audit Framework Review</b>  <b>Internal Audit Work Programme</b>	<b>Internal Audit TBC</b>		
<b>Insurance</b>	<b>Insurance Policy / Premium Confirmation</b>				
<b>Annual Report</b>	<b>Annual Report Risk Assessment (Deferred as delays by Audit NZ)</b>	<b>Annual Report Risk Assessment (Deferred as delays by Audit NZ)</b>	<b>Annual Report Process Review</b>	<b>Final Audit Management Report</b>	
<b>Other</b>			<b>Audit &amp; Risk Committee Key Achievements</b> Review of Audit & Risk Committee performance against Terms of Reference  <b>Committee Terms of Reference review</b>  <b>Innovation &amp; Ideas Form presentation</b>	<b>Fraud and corruption risk management update</b>  <b>KPMG attendance to observe effectiveness of Committee meeting</b>	

**Strategic Risk Deep Dives**

- People and Culture
- Zero Harm
- Cyber Security
- Community Expectations
- Project Delivery
- Climate Resilience
- Affordability
- Technical Capability
- Workplace Culture
- Business Resilience
- Regional & National Strategic Planning & Legislative Reform

<b>To</b>	<b>Audit &amp; Risk Committee</b>
<b>Report title</b>	<b>Register of Interests – Elected and Appointed Members</b>
Date:	Wednesday, 29 June 2022
Report Author:	Gaylene Kanawa, Democracy Team Leader
Authorised by:	Gavin Ion, Chief Executive

## **1. Purpose of the report**

### **Te Take moo te puurongo**

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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.

## **2. Staff recommendations**

### **Tuutohu-aa-kaimahi**

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**THAT the Register of Interests for Elected and Appointed Members to June 2022 be received.**

## **3. Attachments**

### **Ngaa taapirihanga**

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- 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)
-

<b>Financial Interests</b>	
<b>Statement Reference</b>	
<b>1</b>	I am, or my spouse or partner is, a party to a contract with Waikato District Council
<b>2</b>	I, or my spouse or partner, individually or together own(s) 10% or more of the shares in a <b>contracting company</b> or <b>controlling company</b> .
<b>3</b>	I am, or my spouse or partner is, a shareholder in a <b>contracting company</b> or <b>controlling company</b> , <b>AND</b> either I am, or my spouse/partner is, also a shareholder of the <b>controlling company</b> .
<b>4</b>	I am, or my spouse or partner is, a managing director or a general manager of a <b>contracting company</b> <b>AND</b> either I am, or spouse/partner is, also a shareholder of the <b>controlling company</b> .
<b>5</b>	I, or my spouse or partner, individually or together, has/have an <b>indirect concern or interest in a contract</b> with Waikato District Council not already disclosed above.
<b>6</b>	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"> <li>• Synthase Biotech (Enzyme Company)</li> <li>• NDA Engineering (Stainless Steel Manufacturing)</li> <li>• Wing Acoustics (Audio Driver Manufacturing)</li> <li>• Heilala Vanilla (Vanilla Producer)</li> <li>• Rua Biosciences (Medical Cannabis Company - formally Waiapu Investments)</li> <li>• Spoke Network Ltd ( Telecom Software)</li> <li>• Mighty River Power (Electricity Generator)</li> <li>• Genesis Energy (Electricity Generator)</li> <li>• James Street Ltd. (Property Investment)</li> <li>• Snell Street Ltd (Property Investment)</li> <li>• Mastaplex (Animal Welfare Co.)</li> <li>• Beany (Accounting Software Co)</li> <li>• Inhibit Coatings Ltd. (Anti-microbial Surface Coating)</li> <li>• Toto Investments LP (Property)</li> <li>• UBCO (Electric Motorcycles - minor holder of convertible note)</li> <li>• EasyCrypto (minor holder of convertible note)</li> <li>• Foundry Lab, Inc (minor holder of convertible note)</li> </ul>	<ul style="list-style-type: none"> <li>• Synthase Biotech (Director)</li> <li>• St. Peters Trust (Board Trustee)</li> </ul>	<ul style="list-style-type: none"> <li>• St. Peters School &amp; Foundation (Trustee/Chair)</li> <li>• Jepsen Family Trust (Trustee)</li> <li>• A.B. Jepsen Trust (Trustee)</li> <li>• Feline Adventure Trust (Trustee)</li> </ul>	<ul style="list-style-type: none"> <li>• Coastguard (Northern) - (Ordinary Member)</li> <li>• Kerikeri Cruising Club (Ordinary Member)</li> <li>• Waikato Lacrosse Association (Chairperson)</li> </ul>	1x Tamahere (Beneficiary of Trust)	<ul style="list-style-type: none"> <li>&gt;Complimentary access to Promoter's Lounge at Sevens tournament with +1 7 (Donor- 37 South Ltd) Waikato Business Awards (13 Nov 2020) \$219.50</li> <li>&gt;Hospice Bucket-List Dinner (4 May 2021). Value \$160.</li> <li>&gt;Complimentary access to corporate lounge at FMG Stadium for Chiefs rugby game, hosted by Mayor of HCC (9 April 2022)</li> <li>&gt;Big Buddy charity fundraiser 2 June 2022. Host = Montana Food &amp; Events. Value = \$150.</li> </ul>	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)	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"> <li>• Fonterra</li> <li>• Balance</li> <li>• LIC</li> </ul>	• 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"> <li>• Pukekohe Lions (Member)</li> <li>• Franklin &amp; Districts Justices of the Peace Association (Member)</li> <li>• BPW Franklin – Business &amp; Professional Women Franklin (Member)</li> <li>• Port Waikato Pink Breakfast (Committee Chair)</li> <li>• Tuakau Cleanup &amp; Planting (Member)</li> <li>• Franklin &amp; North Waikato [FAWN] Trails Forum (Member)</li> <li>• Onewhero Golf Club (Colin Church – Husband – Member &amp; on Match Committee)</li> <li>• Port Waikato Blue Breakfast (Colin Church – Husband – committee member)</li> </ul>	•2xTuakau (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
Jan Sedgwick	No	N/A		N/A	<ul style="list-style-type: none"> <li>• Auckland Airport</li> <li>• Contact Energy</li> <li>• AMP</li> <li>• Methven</li> <li>• Cochlear</li> <li>• Telstra</li> <li>• Wherescape</li> <li>• CBA</li> <li>• Bank of Queensland (public shareholder in all above)</li> </ul>	N/A	<ul style="list-style-type: none"> <li>• Holbrook Family Trusy (beneficiary)</li> <li>• Carrara Wharf Trust (Beneficiary)</li> <li>• Harvey S'pore Trust (Beneficiary)</li> <li>• WWF NZ - Trustee (Board Member)</li> <li>• Te Araroa Trail Trustee (Board Member)</li> </ul>	N/A	• Te Kauwhata (Shareholder in company)	N/A	N/A	N/A
Janet Gibb	No	N/A		<ul style="list-style-type: none"> <li>• JMG Ltd (Rental Properties)</li> <li>• Ede Investments Ltd (Farming)</li> </ul>	N/A	• Ede Investments Ltd (Farming)	<ul style="list-style-type: none"> <li>• Janet Gibb Family Trust (Trustee/Settlor/Beneficiary)</li> <li>• Rarangiri Trust (Trustee/Beneficiary)</li> <li>• Mangatokatoka Trust (Trustee/Beneficiary)</li> <li>• Tironui Trust (Trustee/Beneficiary)</li> </ul>	• Business + Professional Women NZ (Advocacy + Education – Member/Past Executive)	<ul style="list-style-type: none"> <li>• 2x Taupiri (Owner)</li> <li>• 4x Taupiri (Trustee or Director)</li> <li>• 2x Taupiri (Trustee/Beneficiary/Director)</li> </ul>	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"> <li>• ASB (mortgages Rental Properties)</li> <li>• ASB (Farm Mortgages + Overdrafts)</li> </ul>

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"> <li>Raglan Area School (Board of Trustees &amp; Administrator)</li> <li>Trade Aide Importer (Retail)</li> </ul>	<ul style="list-style-type: none"> <li>Raglan Event &amp; Multi Sport Trust (Event Coordinator/Trustee)</li> </ul>	<ul style="list-style-type: none"> <li>Whaingaroa Raglan Affordability Project/Affordable Housing/Council</li> <li>Raglan Naturally (Community Organisation)</li> <li>Raglan Business Chamber (Local Business Development)</li> <li>Council &amp; Community Board</li> </ul>	1x Raglan (owner)	N/A	N/A	N/A
Noel Smith	No	N/A	N/A	<ul style="list-style-type: none"> <li>National Australian Bank (Bank)</li> <li>Farmlands Loop Ltd (Farm Supplies)</li> </ul>	<ul style="list-style-type: none"> <li>Self Employed (Farming)</li> </ul>	N/A	<ul style="list-style-type: none"> <li>Waikato JP Assn Inc (JP Duties – Senior Vice President)</li> <li>Huntly JP Assn (JP Support – IPP)</li> </ul>	x2 Ngaruawahia (owner)	N/A	N/A	N/A
Rob McGuire	No	N/A	N/A	<ul style="list-style-type: none"> <li>Fonterra (Shareholder)</li> </ul>	<ul style="list-style-type: none"> <li>Self-employed (Farming)</li> </ul>	<ul style="list-style-type: none"> <li>McGuire Family Trust (Beneficiary)</li> </ul>	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	<ul style="list-style-type: none"> <li>AM &amp; PA Sanson Family Trust (Trustee)</li> </ul>	N/A	x3 Huntly (owner)	<ul style="list-style-type: none"> <li>January 2020 Return Airfare to Guangzhou (China) from Yashili International Holdings, including 3 nights accommodation.</li> </ul>	N/A	N/A
Stephanie Henderson	No	N/A	N/A	N/A	N/A	N/A	N/A	1x Te Kohanga (owner)	N/A	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"> <li>Huntly Rotary (Charity) – Organisation has received, or applied to receive, funding from Council/Community Board/Community Committee</li> <li>BPW Huntly (Dinner meetings)</li> <li>Huntly &amp; Ngaruawahia RSA (Dinner)</li> </ul>	x3 Huntly (owner)	N/A	N/A	N/A

## Register of Elected Members Interests

Name	Financial Interests <i>Please refer to Statement Reference</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				
Brendon John Green	No	No	<ul style="list-style-type: none"> <li>Peak 2 Peak limited</li> <li>Advanced biotech</li> </ul>	n/a	n/a	n/a	<ul style="list-style-type: none"> <li>Watercare (director)</li> <li>Ministry of Education (taumata aronui)</li> <li>Waikato Tainui (member)</li> <li>Maitiaki Advisory limited (director)</li> <li>Tainui Kawhia Inc (director)</li> <li>Manukau Institute of Technology (Runanga)</li> </ul>	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"> <li>Te Whakakitenga o Waikato (Marae representative)</li> <li>Koheroa 39D1B and 39D2 Trust (trustee)</li> <li>Te Aho o Te Kura Pounamu (Trustee)</li> </ul>	<ul style="list-style-type: none"> <li>Haukura Hauora o Tainui (director)</li> <li>Kiwi Rail Holdings (director)</li> </ul>	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 (Accommodation)	• Riverbed Motel (Accommodation)	• Trust Waikato (Community Trust)	• Ngaruawahia High School Board of Trustee (Board Member)	N/A	N/A	N/A	N/A	N/A
Dianne Firth	Ngaruawahia	No	N/A	N/A	• Soalchemy (Soap Making) • Shipits (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	N/A	• 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 2021) • Waikato Tree Crops (Committee Member)	2x Ohinewai (Owner) 2x Huntly (Owner) 2x Ngaruawahia (Owner)	2x Complimentary tickets to Huntly Wearable Art Show	N/A	• Westpac (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	5. GM of WEA who hold a contract for iSITE delivery services for Raglan. Contract will end possibly in June 2020 (value of contract 142k)	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	No	No	HW & JE Lovell Ltd			• Kildore Development (Director) • Mountain View Developments (Director) • Taupiri School Board of Trustees (Trustee)		6x Taupiri	N/A	N/A	
Rudy Van Dam	Taupiri	No	N/A	• St. Isadore Co Ltd. (Farming)	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

Name	Community Committee	Financial Interests <a href="#">Please refer to Statement Reference here.</a>		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
Angela Dobby	Meremere	No	6 - No answer entered	N/A	N/A	N/A	N/A	N/A	1x Meremere (Beneficiary of Trust)	N/A	N/A	N/A
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	N/A	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
Carolyn Berney	Te Kauwhata	No	N/A	N/A	N/A	• Te Kauwhata Primary School (Teaching)	N/A	N/A	1 x Te Kauwhata (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

Name	Community Committee	Financial Interests <a href="#">Please refer to Statement Reference here.</a>		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				
Ric Odom	Pokeno	No	N/A	Franklin Hospice Charitable Trust (Provision of palliative care)	Jeneric Investments Ltd. (Investment)	Franklin Hospice Charitable Trust (Provision of palliative 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
Lance Straker	Pokeno											
Allen Grainger	Pokeno	No	N/A	•Waikato Rugby Union •Frankton Rugby Sports Club Inc	N/A	N/A	N/A	• Waikato Rugby Union (Director) • Frankton Rugby Sports Club (Board Member)	N/A	N/A	N/A	N/A
Peter Koizumi	Pokeno											
Todd Miller	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	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Doug Rowe	Pokeno	No	N/A	N/A	N/A	N/A	N/A	Pokeno Community Patrol Member Pokeno Hall Committee Member	1x Pokeno (Owner)	N/A	N/A	N/A
Helen Johnson	Pokeno	No	N/A	N/A	N/A	NZ Police (Intelligence Analyst & Support)	N/A	Pokeno Tennis & Rec Club (Committee Member-rebuilding a community facility)	N/A	N/A	N/A	N/A
James McRobbie	Pokeno											

YELLOW INDICATES THAT THE MEMBER DID NOT SUBMIT A COMPLETED FORM

## Register of Elected Members Interests

Name	Committee	Financial Interests <a href="#">Please refer to Statement Reference here.</a>		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

<b>To</b>	<b>Audit and Risk Committee</b>
<b>Report title</b>	<b>Exclusion of the Public</b>
Date:	29 June 2022
Report Author:	Gaylene Kanawa, Democracy Team Leader
Authorised by:	Gavin Ion, Chief Executive

## 1. Staff recommendations Tuutohu-aa-kaimahi

**THAT the Audit and Risk Committee:**

- a. exclude the public 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 PEX 1 Confirmation of Minutes Item PEX 3 Action Register Item PEX 4.1 Fraud Declaration Item PEX 4.2 Register of Members' Interests – Senior Staff Item PEX 4.3 Audit NZ Time with Committee	Good reason to withhold exists under Section 6 or Section 7 Local Government Official Information and Meetings Act 1987	Section 48(1)(a)

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
<p>Item number PEX 2 Confirmation of Minutes</p> <p>Item PEX 3 Action Register</p>		<p>Refer to the previous Public Excluded reason in the agenda for this meeting.</p>
<p>Item PEX 4.1 Fraud Declaration</p>	<p>7(2)(a)</p> <p>7(2)(c)(ii)</p>	<p>To protect the privacy of natural persons, including that of deceased natural persons.</p> <p>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—</p> <p>(ii) would be likely otherwise to damage the public interest.</p>
<p>Item PEX 4.2 Register of Members' Interests – Senior Staff</p>	<p>7(2)(a)</p>	<p>Protect the privacy of natural persons, including that of deceased natural persons.</p>
<p>Item PEX 4.3 Committee Time with Audit New Zealand</p>	<p>7(2)(c)(ii)</p>	<p>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</p>

- b. **THAT Ms Macown and Mr Susan from Audit NZ 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.**

## Attachments

### Ngaa taapirihanga

There are no attachments for this report.