

Notice of Meeting:

I hereby give notice that an ordinary Meeting of the Strategic Risk and Assurance Committee will be held on:

Date: Tuesday 10 December 2024
Time: 1:00pm
Meeting Room: Council Chamber and Audio-Visual Link
Venue: Municipal Building, Garden Place, Hamilton

Lance Vervoort
Chief Executive

Strategic Risk and Assurance Committee

Komiti Whakamauru Tuararu

OPEN AGENDA

Membership

Chairperson Mr Bruce Robertson
Heamana

Deputy Chairperson Ms Carol Bellette
Heamana Tuarua

Members Mayor Paula Southgate
Deputy Mayor Angela O’Leary
Cr Maxine van Oosten
Cr Moko Tauariki
Cr Kesh Naidoo-Rauf
Cr Ewan Wilson
Cr Mark Donvoan
Cr Sarah Thomson

Quorum: Four members (including one external appointee)

Meeting frequency: As required – no less than four times a year

Amy Viggers
Mana Whakahaere
Governance Lead

2 December 2024

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Purpose:

1. The Strategic Risk and Assurance Committee is responsible for providing objective advice and recommendations to the governing body on the adequacy and functioning of the Council's risk management and assurance framework and external reporting.
2. The committee will review the effectiveness of the following aspects of governance, risk, and resilience management and internal control:
 - risk and resilience management
 - internal and external audit and assurance
 - health, safety, and wellbeing
 - integrity and investigations
 - monitoring of compliance with laws and regulations

Terms of Reference:*Risk and Resilience*

3. Review the effectiveness of the risk control environment established by management to safeguard Council's financial and non-financial assets, including the adequacy and appropriateness of insurance policies in place and management's actions to mitigate risks and report six monthly to Council.
4. To review the Risk Management Policy and recommend to Council revisions to the policy for adoption.
5. Review Council's strategic and organisational risk register and monitor existing controls and treatment actions.
6. Periodic in-depth reviews of specific, significant risks.
7. Monitor emerging risks and recommend to Council or management new strategic and organisational risks to be added to the strategic and organisational risk register.
8. Oversight of risk management and assurance across Council's CCOs and CCTOs with respect to risks that may have a significant impact on Council.
9. Review the adequacy and effectiveness of Council's health, safety and wellbeing and resilience (cybersecurity, protective security, business continuity, crisis, emergency, incident) management programmes.
10. Review the Fraud and Corruption, Protected Disclosure, Conflict of Interest, and Sensitive Expenditure management policies to ensure appropriate guidance and processes are in place.

Internal Audit

11. In conjunction with the Chief Executive, agree the scope of the annual internal audit work programme, having regard to Council's significant risks.
12. Monitor the delivery of the internal audit work programme to ensure the effectiveness of the Council's internal control framework.
13. Assess whether internal audit recommendations have been properly implemented by management.
14. Review the annual internal audit plans to ensure appropriate organisational structures, authority, access, independence, resourcing and reporting arrangements are in place.

External Audit

15. Engage with Council's external auditors regarding the external audit work programme and agree the proposed terms and arrangements of the external audit.
16. Recommend to Council the terms and arrangements for the external audit programme.
17. Review the effectiveness of the Annual Plan audit and Long Term Plan audit.
18. Assess management response to audit reports and the extent to which external audit recommendations concerning internal accounting controls and other matters are implemented.

Statutory Reporting

19. Review and monitor the integrity of the interim and annual report, focusing particularly on:
 - a) compliance with, and the appropriate application of, relevant accounting policies, practices and accounting standards
 - b) compliance with applicable legal requirements relevant to statutory reporting
 - c) the consistency of application of accounting policies as well as changes to accounting policies and practices that may affect the way that accounts are presented
 - d) any decisions involving significant judgment, estimation or uncertainty
 - e) the extent to which financial statements are affected by any unusual transactions and the manner in which these are disclosed
 - f) the disclosure of contingent liabilities and contingent assets
 - g) the clarity of disclosures generally
 - h) the basis for the adoption of the going concern assumption
 - i) significant adjustments resulting from the audit

Other Matters

20. Review the effectiveness of the systems for monitoring the Council's compliance legislation, regulation, policy and guidelines.
21. Engage with internal and external auditors on any specific one-off audit assignments.
22. Conduct and monitor special investigations in accordance with Council policy and approved budget or in response to material matters raised by staff or committee members, including engaging expert assistance, on matters within its Terms of Reference.
23. The Chairperson shall review the travel and other reimbursed expenses of the Chief Executive and confirm compliance with Council policies. This information will be provided to the Chairperson on a six-monthly basis.
24. Such other Matters referred to it by Council.

The Committee is delegated the following recommendatory powers:

- The Committee has no decision-making powers.
- The Committee may make recommendations to the Council and/or the Chief Executive, as appropriate.
- The Committee may request expert external advice through the Chief Executive where necessary.

Special Notes:

- In fulfilling their role on the committee, members shall be impartial and independent at all times.
- Members are appointed for an initial term of no more than three years that aligns with the triennial elections, after which they may be eligible for extension or reappointment.
- Council appoints two external members of the committee, one of whom shall be Chairperson. External members shall have a broad range of skills and experience including risk management, health, safety and wellbeing, accounting or audit experience; the terms of the appointment to be recorded in a contract. External member contracts are to be reviewed and assessed six (6) months after each triennial election with no external members staying on Committee for longer than three (3) trienniums.
- The Chief Executive and any Internal Auditor(s) are required to attend all meetings but are not members and have no voting rights. Other Council officers may attend the committee meetings, as required.
- The Chief Executive and the Principal Advisor shall be responsible for drawing to the committee's immediate attention any material matter that relates to the financial condition of Council, any material breakdown in internal controls, and any material event of fraud, corruption or malpractice.
- The chairperson shall present an annual Audit and Risk Self Review to Council summarising the committee's activities during the year and any related significant results and findings.

Recommendatory Oversight of Policies and Bylaws:

- *Risk Management Council Policy*
- *Fraud and Corruption Management Policy*
- *Protected Disclosure Management Policy*
- *Conflict of Interest Management Policy*
- *Sensitive Expenditure Management Policy*

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1 Apologies – *Tono aroha*

2 Confirmation of Agenda – *Whakatau raarangi take*

The Committee to confirm the agenda.

3 Declaration of Interest – *Tauaakii whaipaaanga*

Members are reminded of the need to be vigilant to stand aside from decision making when a conflict arises between their role as an elected representative and any private or other external interest they might have.

4 Public Forum – *Aatea koorero*

As per Hamilton City Council's Standing Orders, a period of up to 30 minutes has been set aside for a public forum. Each speaker during the public forum section of this meeting may speak for five minutes or longer at the discretion of the Chair.

Please note that the public forum is to be confined to those items falling within the terms of the reference of this meeting.

Speakers will be put on a Public Forum speaking list on a first come first served basis in the Committee Room prior to the start of the Meeting. A member of the Council Governance Team will be available to co-ordinate this. As many speakers as possible will be heard within the allocated time.

If you have any questions regarding Public Forum please contact Governance by telephoning 07 838 6699.

Council Report

Item 5

Committee: Strategic Risk and Assurance Committee
Date: 10 December 2024
Author: Charlotte Mitchell
Authoriser: Michelle Hawthorne
Position: Graduate Governance Support
Position: Governance and Assurance Manager
Report Name: Confirmation of the Strategic Risk and Assurance Open Minutes 3 September 2024

Report Status	Open
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Staff Recommendation - *Tuutohu-aa-kaimahi*

That the Strategic Risk and Assurance Committee confirms the Open Minutes of the Strategic Risk and Assurance Meeting held on 3 September 2024 as a true and correct record.

Attachments - *Ngaa taapirihanga*

Attachment 1 - Strategic Risk and Assurance Committee Unconfirmed Open Minutes - 3 September 2024



Strategic Risk and Assurance Committee
Komiti Whakamauru Tuuraru
OPEN MINUTES

Minutes of a meeting of the Strategic Risk and Assurance Committee held in Council Chamber and Audio-Visual Link , Municipal Building, Garden Place, Hamilton on Tuesday 3 September 2024 at 12:30 pm.

PRESENT

Chairperson	Mr Bruce Robertson
<i>Heamana</i>	
Deputy Chairperson	Ms Carol Bellette
<i>Heamana Tuarua</i>	
Members	Mayor Paula Southgate Cr Maxine van Oosten (via Audio Visual Link) Cr Kesh Naidoo-Rauf (via Audio Visual Link)
In Attendance:	Cr Tim Macindoe Cr Louise Hutt Cr Maria Huata
External Presenters:	Bineeta Nand – KPMG representative Clarence Susan – Audit NZ representative

The meeting was opened with a karakia lead by the chair.

- Apologies – Tono aroha**
Resolved: (Mr Robertson/Ms Bellette)
That the full absences from Deputy Mayor O’Leary, Cr Wilson (Council Business), Cr Thompson and Cr Donovan are accepted.
- Confirmation of Agenda – Whakatau raarangi take**
Resolved: (Mr Robertson/Ms Bellette)
That the agenda is confirmed.
- Declarations of Interest – Tauaakii whaipaaanga**
No members of the Council declared a Conflict of Interest.
- Public Forum – AAtea korero**
No members of the public wished to speak

5. Confirmation of the Strategic Risk and Assurance Open Minutes 18 June 2024

Resolved: (Mr Robertson/Mayor Southgate)

That the Strategic Risk and Assurance Committee confirms the Open Minutes of the Strategic Risk and Assurance Meeting held on 18 June 2024 as a true and correct record

6. Chief Executive Report

The Chief Executive spoke to his report in particular the Fast Track Approvals Bill, Maaori Wards and Central Government's Policy position on system improvements for local governments including funding, financing and core services. Staff responded to question from Members concerning the impact of levels of services, Central Government's policy position and Council's relationship with them.

Resolved: (Mr Robertson/Ms Bellette)

That the Strategic Risk and Assurance Committee receives the report.

7. Health & Safety Report - 1 May 2024 to 31 July 2024

The People and Safety Wellness Manager and Health and Safety Manager spoke to their report, in particular that work that has been done around injury management, preparation for 2025 internal audit and work in the wellbeing space. Staff responded to questions from Members concerning the Internal Audit Template that has taken place, the ORA incident app and hierarchy of risk management

Resolved: (Mr Robertson/Mayor Paula)

That the Strategic Risk and Assurance Committee recommends that the Council receives the report

8. Risk Management Report

The Senior Risk and Resilience Advisor spoke to their report, providing an update on changes to residual risk rating for Strategic Risk 2, from medium to high. Staff responded to questions from Members concerning the impact of the Long-Term Plan on risk ratings.

Resolved: (Mayor Paula/Mr Robertson)

That the Strategic Risk and Assurance Committee receives the report.

9. KPMG - Internal Audit Update and Report

Representatives from KPMG spoke to report in particular their Procurement Maturity Assessment. Staff responded to questions from members concerning the recommendations outlined in the report.

Resolved: (Mr Robertson/Ms Carol Bellette)

That the Strategic Risk and Assurance Committee receives the report.

10. Organisational Improvement Report

The report was taken as read.

Resolved: (Mr Robertson/Ms Carol Bellette)
That the Strategic Risk and Assurance Committee receives the report.

11. Audit New Zealand Update

Audit New Zealand Representatives outlined their Interim Management Audit and Long Term Plan Audit reports in particular highlighting the assumptions made in the Long Term Plan that are needing supportable evidence and privileged network access. Staff responded to questions from members concerning inflation assumptions, and recommendations around Long Term Plan documents.

Resolved: (Mr Robertson/Cr van Oosten)
That the Strategic Risk and Assurance Committee receives the report.

12. Compliance Reporting Update

The Governance and Assurance Manager introduced their report noting that there are no instances of fraud and corruption or significant non-compliance of the privacy act to report and updates to the internal and external policies. Staff responded to questions from members concerning compliance with legislation and the impact of deferred policy renewals.

Resolved: (Mr Robertson/Ms Bellette)
That the Strategic Risk and Assurance Committee receives the report.

13. Resolution to Exclude the Public

Resolved: (Mr Robertson/Mayor Southgate)

Section 48, Local Government Official Information and Meetings Act 1987

The following motion is submitted for consideration:

That the public be excluded from the following parts of the proceedings of this meeting, namely consideration of the public excluded agenda.

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 follows.

General subject of each matter to be considered	Reasons for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
C1. Confirmation of the Strategic Risk and Assurance Public Excluded Minutes 18 June 2024) Good reason to withhold) information exists under) Section 7 Local Government) Official Information and) Meetings Act 1987)	Section 48(1)(a)
C2. Organisational Improvement Register - Public Excluded		

- C3. Legal Risks - Committee Update
- C4. SR4 Loss of Information or Access to Systems and Services

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 C1.	to prevent the disclosure or use of official information for improper gain or improper advantage	Section 7 (2) (j)
Item C2.	to prevent the disclosure or use of official information for improper gain or improper advantage	Section 7 (2) (j)
Item C3.	to maintain legal professional privilege	Section 7 (2) (g)
	to enable Council to carry out commercial activities without disadvantage	Section 7 (2) (h)
	to enable Council to carry out negotiations	Section 7 (2) (i)
Item C4.	to protect information which is subject to an obligation of confidence where disclosure would likely damage the public interest	Section 7 (2) (c) (ii)
	to enable Council to carry out commercial activities without disadvantage	Section 7 (2) (h)
	to prevent the disclosure or use of official information for improper gain or improper advantage	Section 7 (2) (j)

The meeting moved into a Public Excluded Session at 2:18pm.

The meeting was declared closed at 2:51 pm.

Council Report

Item 6

Committee: Strategic Risk and Assurance Committee
Date: 10 December 2024
Author: Charlotte Mitchell
Authoriser: Michelle Hawthorne
Position: Graduate Governance Support
Position: Governance and Assurance Manager
Report Name: Confirmation of the Open Minutes of the Extraordinary Strategic Risk and Assurance Committee Meeting 28 November 2024

Report Status	<i>Open</i>
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Staff Recommendation - *Tuutohu-aa-kaimahi*

That the Strategic Risk and Assurance Committee confirm the Open Minutes of the Extraordinary Strategic Risk and Assurance Committee Meeting held on 28 November 2024 as a true and correct record.

Attachments - *Ngaa taapirihanga*

Attachment 1 - Extraordinary Strategic Risk and Assurance Committee Open Unconfirmed Minutes 28 November 2024

Strategic Risk and Assurance Committee

Komiti Whakamauru Tuuraru

OPEN MINUTES

Minutes of a meeting of the Strategic Risk and Assurance Committee held in Council Chamber, Municipal Building, Garden Place, Hamilton on Thursday 28 November 2024 at 8:30 am.

PRESENT

Chairperson Mr Bruce Robertson
Heamana

Deputy Chairperson Ms Carol Bellette
Heamana Tuarua

Members Mayor Paula Southgate
Deputy Mayor Angela O’Leary
Cr Maxine van Oosten
Cr Kesh Naidoo-Rauf (via Audio Visual Link)
Cr Ewan Wilson
Cr Sarah Thompson (Via Audio Visual Link)

In Attendance Cr Tim Macindoe
Cr Maria Huata
Cr Louise Hutt

At the beginning of the meeting the Unit Director for 3 Waters and the Head of Operations & Process spoke to the recent detection of an increased arsenic level in the water supply. They explained the measures that were taking place to identify the cause, and the co-ordinated communications effort that was taking place to ensure residents are up to date with the latest information and health advisories.

19. Apologies – *Tono aroha*

Resolved: (Mr Robertson/ Cr Wilson)

That the Strategic Risk and Assurance Committee accepts the apologies for absence from Cr Tauariki and Cr Donovan are accepted.

20. Confirmation of Agenda – *Whakatau raarangi take*

Resolved: (Mr Robertson/ Cr Wilson)

That the Strategic Risk and Assurance Committee confirms the agenda.

21. Declarations of Interest – *Tauaakii whaipanga*

No members of the Council declared a Conflict of Interest.

22. **Public Forum – Aatea koorero**

No members of the public wished to speak.

23. **Final Approval of the 2023/24 Annual Report, 2023/24 Summary Annual Report and Representation Letters (*Recommendation to the Council*)**

The Accounting Manager and Strategic Policy Advisor presented the Annual Report and highlighted minor changes that had occurred since the initial draft was circulated. Members asked questions concerning subsequent events before the balance date.

Resolved: (Mr Bruce Robertson/ Cr Angela O’Leary)

That the Strategic Risk and Assurance Committee:

- a) receives the report; and
- b) recommends that the Council:
 - i. adopts the Annual Report 2023/24 and the Summary Annual Report 2023/24; and
 - ii. approves the letter of representations to Audit New Zealand be signed by the Chief Executive and the Mayor on behalf of Council.

24. **Approval of 'Our Climate Statement 2023/24' - Council's first climate change disclosure report (*Recommendation to the Council*)**

The Climate and Sustainability Manager and Climate Change and Sustainability Advisor presented the Climate Change Disclosure Report. Members asked questions around financial considerations, opportunities for a peer review and the impact of Local Water Done Well on the findings of the report.

Resolved: (Cr Ewan Wilson/Mr Bruce Robertson)

That the Strategic Risk and Assurance Committee:

- a) receives the report;
- b) recommends that the Council approves ‘Our Climate Statement 2023/24’ – Hamilton City Council’s climate change disclosure report (**Attachment 1**) alongside the 2023/24 Annual Report and;
- c) notes that Council’s climate change disclosure report will be completed annually alongside the Annual Report and made publicly available on Council’s website.

The meeting was declared closed at 9.28am

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Council Report

Item 7

Committee: Strategic Risk and Assurance Committee
Date: 10 December 2024
Author: Lance Vervoort
Authoriser: Lance Vervoort
Position: Chief Executive
Position: Chief Executive
Report Name: Chief Executive Report

Report Status	<i>Open</i>
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Purpose - *Take*

1. To inform the Strategic Risk and Assurance Committee of the key risks faced by Hamilton City Council that the Chief Executive would like to highlight.

Staff Recommendation - *Tuutohu-aa-kaimahi*

2. That the Strategic Risk and Assurance Committee receives the report.

Executive Summary - *Whakaraapopototanga matua*

3. Key areas of interest to be highlighted at this meeting are Central Government Policy Direction and the Long Term Plan Amendment.
4. Other topics including risks, may be included in the verbal update should they become a matter of concern to the Chief Executive following submission of this report.
5. A more detailed review of Council's key risks is included in the Risk Management report and Safety and Wellness report to this Committee meeting.
6. Staff consider the matters in this report have low significance and that the recommendations comply with Council's legal requirements.

Discussion - *Matapaki*

Central Government Policy Direction

7. Central Government policy implementation continues at a rapid pace. Restructuring of Government departments and changes in personnel could impact the speed of some initiatives. Staff continue to work through these changes and the potential risks and opportunities they present.

Local Waters Done Well

8. Staff continue to work through the Local Waters Done Well Programme. On 12 September Hamilton City Council confirmed its preferred response would be a multi-council regional asset-owning waters company which provides stormwater services to its shareholders. The 12 December 2024 Council meeting is where decisions will be made on what options to take to consultation for the future provision of waters and wastewater services. The project team have worked with a number of key stakeholders (including Waikato Tainui and Waikato District Council) to evaluate potential options and understand the effectiveness of the different options. Elected Members have been involved in a number of briefings as part of this process to ensure they are in the best position possible to make an informed decision on December 12.
9. The Local Government Water Services Bill is expected to be introduced into Parliament in December 2024. The proposed Bill will establish the enduring settings for the new water services system including both the delivery and regulatory systems. It is the third and final piece of legislation in the Government's three-stage process for implementing Local Waters Done Well. Staff will continue to keep abreast of the proposed legislation and will work closely with Government partners to understand and respond to these changes.
10. Key focus areas for the programme are delivering the Waters Services Delivery Plan in 2025, retaining key waters staff throughout the reform process, and working closely with our key partners.
11. Local Waters Done Well and its changes will fundamentally impact the form, function and structure of council and present challenges related to financial sustainability, both for waters and for the remaining business units of council. Staff continue to monitor and manage associated risks.

Fast Track Approvals

12. The Government announced the successful Fast-track applicants on 6 October 2024. Five applications are within or on the periphery of the Hamilton City Council territorial authority. The five fast-track projects present opportunities and risks that Council must carefully navigate.
13. Council is now mobilising to respond to the applications and ensure the best outcomes for Council are achieved and its interests – including financial – are best protected. Staff are working to establish a joint Future Proof team for the fast-track areas to ensure a cross-organisational approach is taken. The linkage between Fastrack, the Local Water Done Well work programmes, and our neighbouring councils is crucial to determine how these areas will be serviced and how the costs for this infrastructure is met by the relevant local authority

Regional Deals Strategic Framework

14. Central Government has also released its Regional Deals Strategic Framework. This presents an opportunity for Council to continue to leverage partnerships with Central Government to achieve outcomes for the city.
15. Deals will be long-term commitments, intended to endure, to promote economic growth and productivity, delivering connected and resilient infrastructure, and improving the supply of affordable, quality housing. To better deliver shared objectives and outcomes between Central and Local Government, the deals will align with Local Government 10-year planning cycles rather than central government's three-year planning cycles.
16. Cabinet has agreed to invite all regions to submit proposals for Regional Deals focussing on proposals that boost economic growth and establish a pipeline of infrastructure. The first Regional Deal is to be finalised by December with three further deals established by October 2026.

17. Each region has the opportunity to submit only one evidence-based proposal for consideration. 'Regions' are a configuration of territorial authorities within a defined economic and geographic area and must include the regional council where relevant. Future Proof is close to deal-ready for a couple of initiatives but there remains further work to do. We have already agreed some long-term strategies for actions in our sub-region that will benefit the entire Waikato region. These have previously been discussed with Minister Chris Bishop and meet the criteria outlined. We could either submit as a Future Proof partnership OR as a Future Proof component within a broader Regional Deal. If regional alignment is possible, we need to understand and support how the rest of the region might leverage off an existing Futureproof proposition and clearly illustrate the evidence base behind that wider leveraging.

Annual Plan/Long-Term Plan Amendment

18. Hamilton City Council adopted its 2024-34 Long-Term Plan on 4 July. The Plan seeks to weigh up delivering the essential work residents value, everyday costs being met by everyday revenue, and managing rates increases, given the financial challenges facing Council.
19. The economic outlook, financial pressures, and legislative compliance continue to be key areas of focus as Council now looks to implement Year One.
20. The purpose of the Annual Plan/Long Term Plan Amendment Report coming to the 12 December Council meeting is to approve the overall approach to the Long-Term Plan Amendment/Annual Plan/ Local Water Done Well work programmes and approve the draft budgets for the work programmes.
21. Staff are working with external agencies (including legal advice) as to the most efficient and cost-effective way to communicate and engage with the public on the various work programmes.

Financial Considerations - *Whaiwhakaaro Puutea*

22. There are no financial implications in relation to receiving this report.

Legal and Policy Considerations - *Whaiwhakaaro-aa-ture*

23. Staff consider the matter of this report to be of low significance and that the recommendations comply with Council's legal requirements.
24. Staff have also considered the key considerations under the Climate Change Policy and have determined that an adaptation assessment and emissions assessment is not required for the matter(s) in this report.

Wellbeing Considerations - *Whaiwhakaaro-aa-oranga tonutanga*

25. The purpose of Local Government changed on the 14 May 2019 to include promotion of the social, economic, environmental, and cultural wellbeing of communities in the present and for the future ('the 4 wellbeings').
26. The subject matter of this report has been evaluated in terms of the ('the 4 wellbeings') during the process of developing this report.
27. The recommendations set out in this report are consistent with that purpose.
28. No known social, economic, environmental, or cultural considerations were identified in the development of this report.

Risks - *Tuuraru*

29. There are no known risks associated with the recommendation of this report.

Significance & Engagement Policy - *Kaupapa here whakahira/anganui*

30. Having considered the Significance and Engagement Policy, staff have assessed that the matters in this report have low significance and no engagement is required.

Attachments - *Ngaa taapirihanga*

There are no attachments for this report.

Council Report

Item 8

Committee: Strategic Risk and Assurance Committee

Date: 10 December 2024

Author: Dan Finn

Authoriser: Sean Hickey

Position: People, Safety & Wellness Manager

Position: General Manager People, Performance and Culture

Report Name: Health & Safety Report - 1 August to 31 October 2024

Report Status	Open
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Purpose - *Take*

1. To inform the Strategic Risk and Assurance Committee on safety and wellbeing progress, performance, and activities for the period covering 1 August to 31 October 2024.

Staff Recommendation - *Tuutohu-aa-kaimahi* (Recommendation to the Council)

2. That the Strategic Risk and Assurance Committee recommends that the Council receives the report.

Executive Summary - *Whakaraapopototanga matua*

3. This report is focussed on our continued progress of key strategic activities that are aligned to risks, relationships, and resources. To provide the Committee with a more comprehensive overview of our progress, we have included supplementary updates on wider activities, assurance, and successes.
4. There was a significant reduction in the total number of health and safety events during this quarter, compared to the same period last year (from 242 to 203). However, the number of Lost Time Injuries (LTI's) and medical treatment events remains high at 11 and 12 respectively. There was 1 WorkSafe notifiable event reported by an external contractor during this reporting period.
5. ISO45001 internal audits have been completed across Council's critical high-risk sites, highlighting several improvements, that are currently being rectified. Following assurances and verification of these improvements, Council intend to apply for ISO45001 accreditation in early 2025.
6. Worker injury management continues to be an important focus area, which is evidenced by the high number of LTIs and medical treatment events. The online training module that has been created by our e-learning development unit remains a priority for people leaders to complete.
7. The wellbeing of our people continues to be a priority with support provided by Vitae on a scheduled and regular basis as well as general EAP advice and support. Following our recent employee engagement survey, 88% of employees responded favourably to the question "my manager genuinely cares about my wellbeing".

8. Staff consider the matters highlighted in this report to have low significance, however there are no recommendations of note.

Discussion - *Matapaki*

Strategic Progress – *Te ahunga whakamua rautaki*

9. Workstreams previously presented as part of our ‘Safety Reset’ continue to be embedded through BAU activities. Most importantly, our Safety Management System was designed to align with ISO45001 standards. By adopting this framework, we have been able to apply a more consistent approach to health and safety across the organisation, which is now being evidenced through internal audit and assurance processes.
10. Our strategic programs of work continue to evolve to ensure our obligations and requirements under health and safety legislation continue to be met. To provide the committee with visibility of new and evolving programs the following workstreams have been tabled:

Table 1: Key workstreams

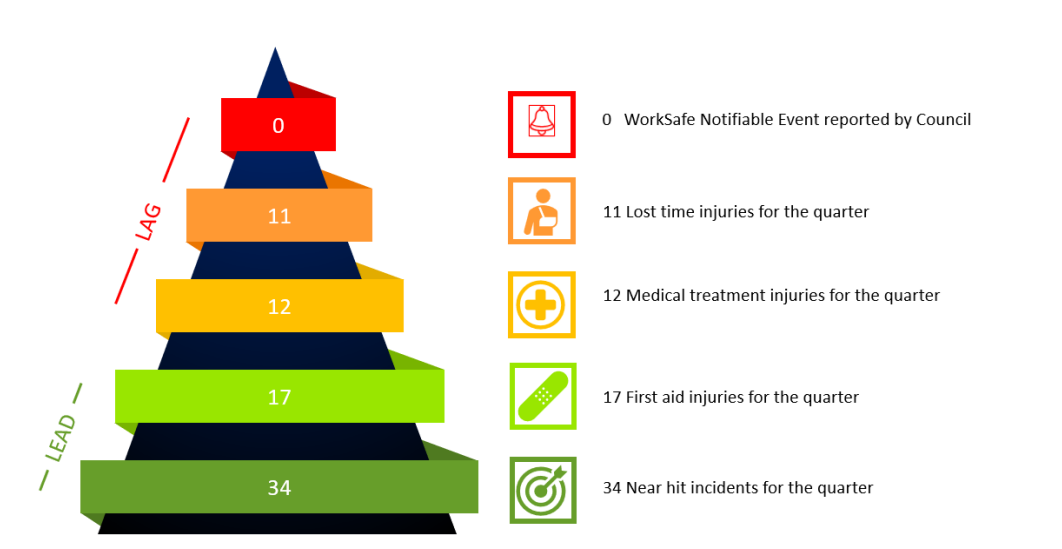
Workstream	Status	Next milestone	Comment
Critical risk management	90%	All 13 critical risk assessments have been completed and the results inputted into the Bowtie Risk Assessment software.	The Health & Safety Team will finalise the critical risk bowties and communication will go out to the business units around how they are to be utilised.
Review Lone Worker Devices	90%	The procurement process is underway to have a new provider supply lone worker devices to those business units exposed to this critical risk.	A Project Team, including frontline employees, was established to progress this program of work, including input into the procurement process as well as trialling new and fit for purpose products.
ISO45001 Internal Audits	60%	Business Units to continue to progress recommendations made, in preparation for an external audit next year	The Health & Safety Team continues to monitor and verify progress, as well as providing advice and support.
Who's on Location	80%	The contractor module has been activated and is being rolled out across a number of our facilities.	This software enables visitors to sign in on our sites through a self-service kiosk. The Who's on Location project of work enables Council to have assurance that contractors have been formally inducted and are being managed correctly.
Review Standard Operating Procedures (SOPs)	10%	To have SOPs located in one central area that can be easily accessed across the organisation.	A review of SOPs will be completed across Council to determine how they are formulated, where they are currently/best stored.

Risks and Incidents – *Ngaa Tuuraru me nga Paanga*

11. Council's Incident Management System (Ora) continues to evolve through employee feedback and continuous improvement, as we look to better leverage data insights to focus efforts and to improve worker safety.
12. The incidents profiled during this reporting period are summarised in the below table, and provides a comparison to the previous quarter and for the same period last year:

	1 Aug to 31 Oct 24 (current quarter)	1 May to 31 July 24 (previous quarter)	1 Aug to 31 Oct 23 (same quarter, previous year 2023)
Total number of events	203	200	242
Injuries	60	64	73
Lost Time Injuries	11	10	11
Medical Treatment Injuries	12	11	11

13. Common themes around the types of injuries that have occurred within this reporting period continues to be 'sprains and strains', 'bruising and crushing' and, 'puncture wound/open wound', which are mostly localised to our frontline areas where manual handling work is more prominent.



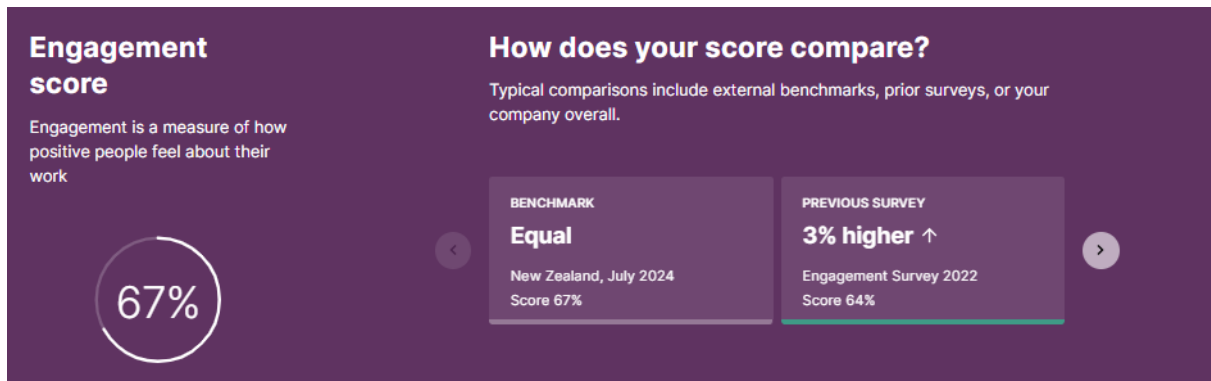
14. Within this reporting period we have continued to promote our online 'Work Injury Management' module positioned towards people leaders. Early intervention and improved injury management can reduce severity and negative impact on employees, as well as affording Council the opportunity to complete appropriate investigations in a timely manner, put in place relevant actions to mitigate reoccurrence and to exercise our due diligence obligations.

Council and Contractor WorkSafe Notifiable Events

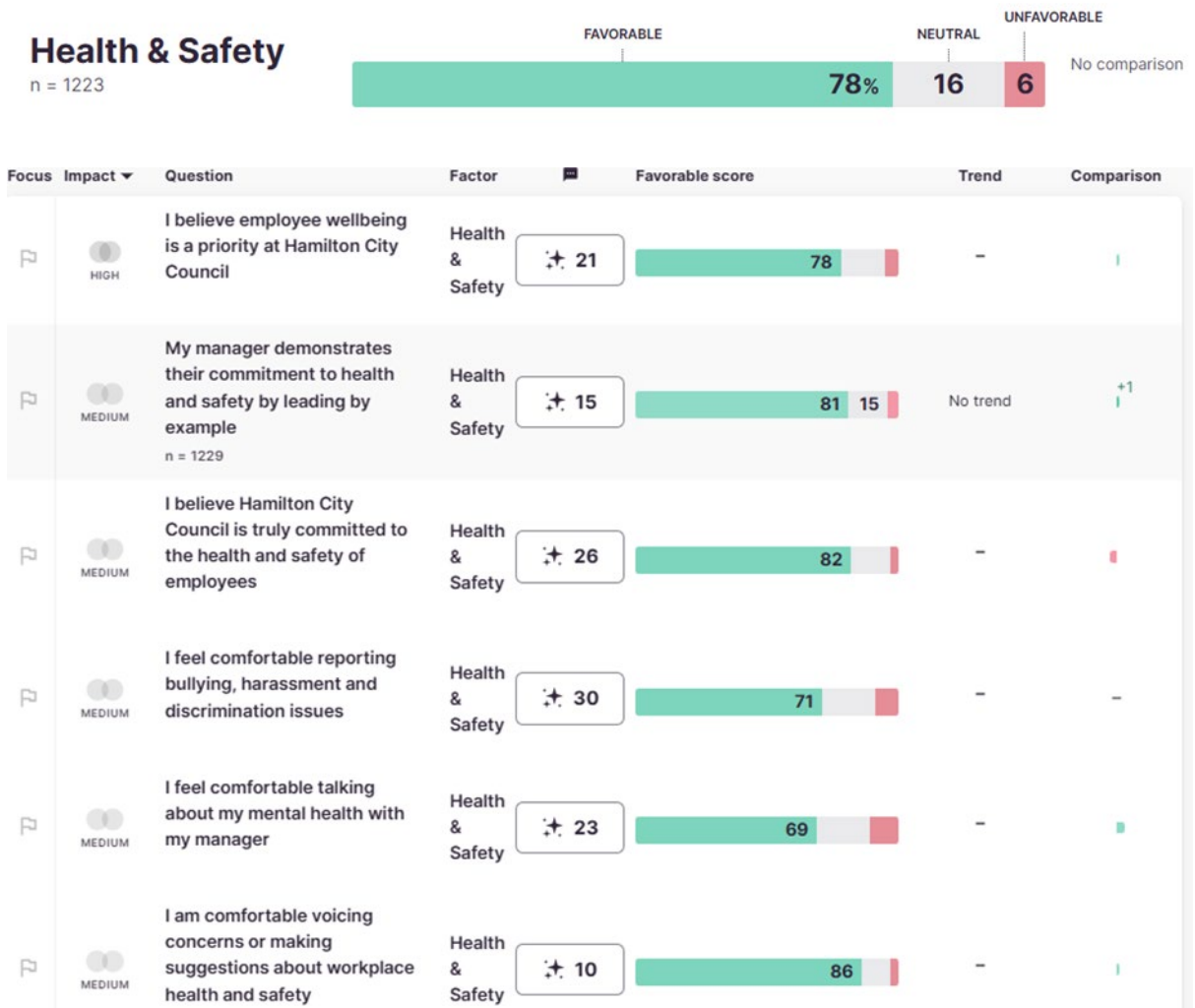
15. There were no WorkSafe notifiable events reported within this period by Council.
16. There was 1 event that was notified to WorkSafe by a Contractor. This was a service strike event where a gas pipe was struck causing gas to be released. Further details of this notifiable event can be found in **Attachment 1**.

Relationships – Whanaungatanga

17. Following a review of some of our key safety programmes, a decision was made to withdraw from the WorkWell Programme provided by Te Whatu Ora Public Health Services.
18. For background, the WorkWell Programme was introduced back in 2018 and has provided an important platform to support many wellbeing initiatives that were being provided. Council's approach and support has continued to mature into a comprehensive suite of wellbeing support available to staff through EAP and Vitae support services, our wellbeing hub and resources, promotions via Moorena Mail and numerous workshops.
19. Benefits such as medical insurance (which include mental health sessions with Clear Head), flexible working for better work life balance, wellbeing days, voluntary free health checks and flu vaccinations are also available.
20. Council recently undertook its annual employee engagement survey between 15 October and 1 November 2024. The survey is intended to provide valuable insights on our strengths, opportunities, and to identify key focus areas to support improvement. Our engagement score was 67%, which is a positive increase of +3% on our previous results.



21. The following survey questions also help to form an overall picture of our health and safety climate, including wellbeing and mental health. It is intended that the survey insights will also be used to form a benchmark wellbeing index, that we will use for future reporting.



22. The Safety Governance Committee (SGC) met on the 30th of August 2024, and the meeting minutes are provided as **Attachment 2**.

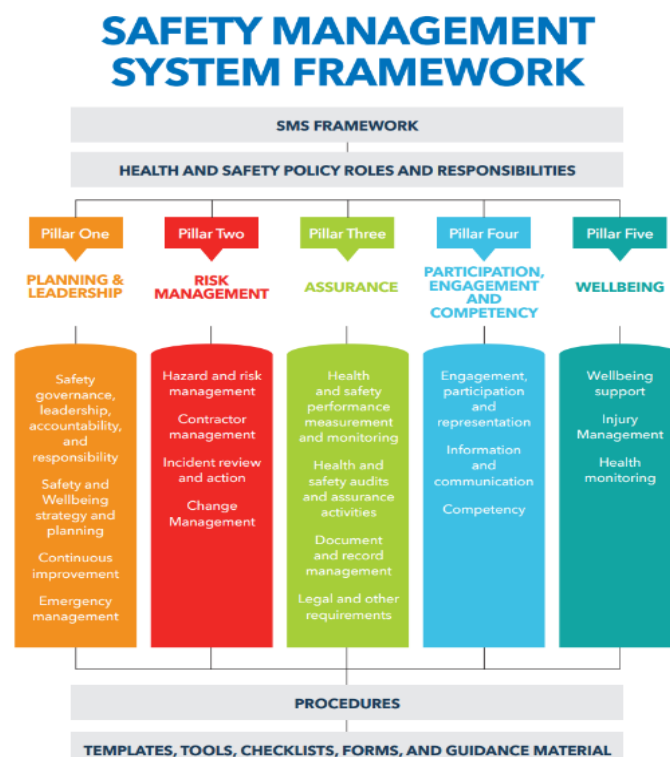
23. The Committee continues to provide important guidance and strategic oversight across all areas of Council. A regular and important agenda topic is learning from the experiences of frontline workers who are exposed to critical risk(s) through the course of their daily duties. Committee members have gained valuable insights from visiting different facilities each quarter, where different critical risk(s) relevant to that facility are profiled.
24. The next Committee meeting scheduled for the 3rd December 2024, has been combined in part with the Strategic Risk Workshop on the 10 December 2024. It is planned to showcase important work undertaken by the team in CitySafe and the types of critical risks they are often exposed too. The critical risks that will be profiled include dealing with aggressive and/or violent people, lone working, and mental health.

Resources – Rauemi

25. The resourcing within the Health & Safety Team remains unchanged with nothing further to update.
26. During this quarter there have been two Health & Safety Representative training courses held involving a total of 26 new representatives from a number of areas across the organisation.
27. Due to the high number of new representatives, a review of the Health & Safety Representative role was undertaken to better understand the value that the role adds, and where management can provide support to ensure that the role continues to be successful.
28. The Health & Safety Team will be getting the Health and Safety Representatives together in the New Year to provide some education around worker engagement as well as to provide an update on the strategic programmes of work being focussed on across the organisation.

Assurance – Kii Taurangi

29. The Safety Management System Framework aligned with ISO45001 underpins Council's approach to Health & Safety. The framework consists of the five pillars below, which is supported by our policies, roles, responsibilities, and procedures.



30. Under the assurance pillar, our Health & Safety Business Partners continue to check in, advise and support business units as we progress and verify recommendations made to prepare the organisation for an ISO45001 audit in the New Year.
31. The key areas where further work and focus is needed includes risk management, accident investigation and follow-up, training records and competencies and Standard Operations Procedures (SOP's). This important work will continue over the coming months.

Successes – *Angituutanga*

32. The Refuse and Recycling Team within the Operate and Maintain Business Unit, which is part of the Infrastructure and Assets Group have been trialling body cameras, as they are at times exposed to aggressive and abusive customers. The trial has proven to be successful, and approval is being sought to purchase cameras for the team as part of their PPE to mitigate risk.
33. Both the Museum and Hamilton Gardens have recently completed major renovations, and it has been great to see the Who's on Location Contractor Induction software being integrated into how projects are managed on site(s). This also forms part of our contractor management framework.

Financial Considerations - *Whaiwhakaaro Puutea*

34. This is a regular operating activity funded through the Long-Term Plan.

Legal and Policy Considerations - *Whaiwhakaaro-aa-ture*

35. Staff confirm that the matters in this report complies with the Council's legal and policy requirements.
36. Staff have also considered the key considerations under the Climate Change Policy and have determined that an adaptation assessment and emissions assessment is not required for the matter(s) in this report.

Wellbeing Considerations - *Whaiwhakaaro-aa-oranga tonutanga*

37. The purpose of Local Government changed on the 14 May 2019 to include promotion of the social, economic, environmental, and cultural wellbeing of communities in the present and for the future ('the 4 wellbeing's').
38. The subject matter of this report has been evaluated in terms of the 4 wellbeing's during the process of developing this report as outlined below.
39. The recommendations set out in this report are consistent with that purpose.

Social

40. The matters highlighted in this report may have the capacity to affect social wellbeing should they materialise. Social wellbeing continues to be prioritised and is considered alongside Council's risk management processes.

Economic

41. The matters highlighted in this report may have the capacity to affect economic wellbeing should they materialise. Identifying and measuring the economic costs of accidents, the relationship between operational requirements and safety and determining the inter-relationship between safety and other organisational goals and priorities. Economic wellbeing continues to be prioritised and is considered alongside Council's risk management processes.

Environmental

42. The matters highlighted in this report may have the capacity to affect environmental wellbeing should they materialise. Environmental protection includes programmes to reduce risks to the environment from contaminants like hazardous materials and waste. Environmental wellbeing continues to be prioritised and is considered alongside Council's risk management processes.

Cultural

43. Staff consider the matters highlighted in this report do not have a direct impact on cultural wellbeing.

Risks - *Tuuraru*

44. There are no known risks associated with the decisions required for this matter.

Significance & Engagement Policy - *Kaupapa here whakahira/anganui*

45. Staff have considered the key considerations under the Significance and Engagement Policy and have assessed that the recommendation(s) in this report has/have a low level of significance.
46. Given the low level of significance determined, the engagement level is low. No engagement is required.

Attachments - *Ngaa taapirihanga*

Attachment 1 - Safety Governance Committee Meeting- Minutes 30 August 2024

Attachment 2 - Contractor Worksafe Notifiable Event

Meeting Minutes

Safety Governance Committee

Time and date:	9.30am, Friday 30 August 2024
Venue:	Te Kaaroro Nature Precinct – Hamilton Zoo
In Attendance:	Greg Dearsly (Independent Chair), Lance Vervoort (Chief Executive), Sean Hickey (GM People Performance and Culture), Sean Murray (GM Destinations), Helen Paki (GM Customer & Community), Louise Lukin, Ewan Wilson (Elected Member), Marie Snowball (Health & Safety Manager), Janet Carson (GM Partnerships), Dan Finn (People, Safety & Wellbeing Manager), Claire Toko (Venues Tourism and Events), Amanda Rochester (First Union) and Michelle Becker (Minutes).
Guests:	Baird Flemming (Zoo – Unit Director), Jesse Golden, and team members.
Apologies:	None received.

1. Welcome and acknowledgment of the passing of Kiingi Tuheitia.

2. Confirmation of previous minutes and review of the Action Register

The minutes of the Safety Governance Committee Meeting held Tuesday 11 June 2024 have been confirmed.

Moved by: Greg Dearsly

Seconded by: Lance Vervoort

3. One action related to Traffic Management from the previous meeting.

Helen Paki discussed the action and advised they had met with the Transportation team and Mike Davey to discuss. General discussion of the issue and agreed to discuss later in the meeting.

4. Presentation from Jesse Golden and Dr Baird Fleming.

- Dr Fleming, Hamilton Zoo Precinct Director discussed his background experience in Zoos and the principles for the way of they work at Hamilton Zoo - Happy, Healthy Safe. This applies to staff, visitors and animals and how they all connect with each other. The challenge is how to make this work. This has proved to be extremely effective over the last four years with visitors, animals and staff feeling safe.
- Discussed the reality of working at the Zoo and the number of risks faced there including the psychosocial risk of losing animals.
- Additional risks at the Zoo include firearms, large calibre shotguns and highly potent narcotics. The Zoo has a team of very highly trained staff.
- Jesse Golden, Asset & Safety Manager talked about risks. Over 50 risks have been identified and assessed. These include organisational and site-specific risks.

Meeting Minutes

Item 8

Attachment 1

- Working with animals as an identified risk was discussed. The different animal categories and ways of controlling the risks associated with working with dangerous animals. These risks are reviewed regularly, and the focus is on building relationships with the animals. There is a thorough training programme. Most dangerous animals have a hierarchy of controls. There are 7-9 layers of protection with the most dangerous animals.
- The importance of safety design was also discussed. Two keeper system etc. Online monitoring system, administrative controls – training, on boarding and inductions.
- Care of duty to visitors, engineering, barriers, hard visual barriers, distance, air locks, padlocks, interlocking system.
- Mental Health is a critical risk for staff. Rest, climate-controlled areas for respite.
- Working with plant and machinery, identified as organisational risk, follow the controls.
- Working at heights, staff trained and skilled.
- Driving for work and moving vehicles in a workplace, frequency of events has increased, bikes on site, not too much of a pattern.
- There is an excellent Vet Programme.
- Manually handling, most frequent reason staff get hurt, very physically demanding job.
- Organisational risks, working over and around moving water, ponds, kayaks.
- Hazardous substances, diesel.
- Radiation, x-ray machine, controls to keep staff safe, mobile machine.
- Lone working, checking in with staff.
- Dealing with aggressive/violent people, increase, construction – increase, monitoring, tracking, working with other units to share information.
- Working in confined spaces.
- Working in and around excavations.
- Working with energy sources.
- Weather has gotten worse, can create risk with trees coming down on fences etc.
- Animal – trained in animal recall, ongoing animal training.

Tour of the Zoo

- Walked through the ACT room (discussion and viewing of specialised firearms and ammunition), and the controls in place were explained. There was a tour of the vet clinic, and there was discussion of staff issues and risks faced within the working environment of the clinic. The group proceeded to walk around the zoo and continued the discussion of risks and controls in place. The group viewed staff at work in animal enclosures and further discussion of risks and controls was had with respect to this and the hazards they can pose to staff and animals.

Meeting Minutes

Group re-convened after Zoo tour

- Jesse explained the training and processes in place for staff at the Zoo after a question was asked about this.
- Zoo staff were asked about support for staff when animals are hurt or have to be put down. Dr Flemming went back to the triangle approach of 'Healthy, Happy, Safe'. The relationship with animals, and that staff are trained in all sections. Baird and Jesse explained the support they have in place to manage the mental health risk to staff.
- Discussion of Contractor management and the unique challenges at the Zoo.
- Discussion of traffic management as agenda item for next meeting and keep an eye on it for the next few months.

The meeting was declared closed at 12.06pm

Next Meeting: 3rd December 2024

WorkSafe Notifiable Event

Item 8

Attachment 2

DATE OF EVENT:	22 October 2024, 11.15am
LOCATION:	205 Maeroa Road, Maeroa, Hamilton
BUSINESS GROUP INVOLVED:	External Contractor
WHAT HAPPENED?	<p>A trench was being excavated to install a wastewater pipe. As this trench line had to cross the driveway it was known that there were potentially several service crossings that would need to be identified prior to excavating.</p> <p>After ensuring there were no services at a depth of 400mm the operator proceeded to clear the excess spoil out of the trench line with the digger. In the process of doing so one of the teeth on the bucket dug further into the bank than what had been potholed and struck a 25mm low pressure gas pipe causing it to be damaged and leak.</p>
WHAT IMMEDIATE ACTION HAS BEEN TAKEN:	<ul style="list-style-type: none"> • All machinery and plant was turned off to avoid a spark. • A door-knock to nearby residents was done to get them to close all doors and windows where possible. • First Gas were contacted and fixed the repair. • On-site toolbox talk was held directly after the incident and learnings were discussed as well as what needs to be done going forward regarding and extensive service investigation (via hand digging) in the driveway prior to continuing excavator works.
NEXT STEPS:	<ul style="list-style-type: none"> • Contractor to notify WorkSafe • Contractor to provide investigation notes • An on-site toolbox talk was held directly after the incident and learnings discussed

Council Report

Committee: Strategic Risk and Assurance Committee
Date: 10 December 2024
Author: Nicholas Whittaker
Authoriser: Gary Connolly
Position: Senior Risk and Resilience Advisor
Position: Chief Financial Officer
Report Name: Risk Management Report

Report Status	<i>Open</i>
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Purpose - *Take*

1. To inform the Strategic Risk and Assurance Committee on the status of Council's seven strategic risks, four organisational risks and any potentially significant emerging risks.

Staff Recommendation - *Tuutohu-aa-kaimahi* (Recommendation to the Council)

2. That the Strategic Risk and Assurance Committee recommends that the Council receives the report.

Executive Summary - *Whakaraapopototanga matua*

3. Council's strategic and organisational risks have been reviewed over the last financial quarter and have been updated to reflect the changing environment.
4. At the September 2024 Strategic Risk and Assurance Committee workshop the new set of strategic and organisational risks were identified. This Committee will now receive the 'new' Strategic and Organisational Risk Register.
5. As detailed in **Strategic Risk 5, and 6** the Government's pace of legislative change and the scale of potential impact continues to be a core focus of Council. Ensuring that we are in the best position to respond to these changes is a key focus for staff.
6. An update is also provided on the emerging operational risk regarding **Golden Clams**. The clams have been seen and detected on infrastructure within the river and infrastructure that contains untreated Waikato River water at both the Water Treatment and Wastewater Treatment Plants. It's important to note that **Hamilton's drinking water remains safe**.
7. Staff consider the matters in this report have medium significance and that the recommendations comply with Council's legal requirements.

Discussion - *Matapaki*

Strategic and Organisational Risk Review

8. At the September Strategic Risk and Assurance Committee workshop the new set of strategic and organisational risks were identified. Staff then worked through these to analyse the risks and identify the risk ratings, controls, and treatment plans.

9. The following risks have been removed from the register – Increasing Compliance Standards (**SR3**), Failure to Provide a Safe and Healthy Work Environment (**OR1**), and Failure to Provide a Safe Environment for the Community (**OR2**). It's important to note that these risks remain significant risks, however the reporting process and management of these has transferred from the Committee to an operational focus. Legislative compliance risks will continue to be identified and managed through Council's Enterprise Risk Management system by operational teams and the safety risks will continue to be managed through the safety management system.
10. Three new organisational risks have been identified. The first two focus on Hamilton City Council's relationship with iwi, Maaori and other key stakeholders. These were important themes raised at the September risk workshop and were highlighted as crucial to achieving our organisational objectives over the next 18 months. The third new organisational risk relates to Council employees and recognises the important role our staff play in delivering our organisation - low staff engagement has a direct impact on organisational performance. As these are new risks, they do not currently have a Council approved risk appetite, this is something that will be brought to the Committee in 2025.
11. A summary of the changes to the risk register can be found below:

Previous Risk Register	Status
SR1 – Failure to Respond to a Disaster	Merged with SR8
SR2 – Significant Impact on Financial Strategy	Minor change to strategic risk
SR3 – Failure to Meet Compliance Standards	Removed as a strategic risk
SR4 - Loss of Information or Access to Systems and Services	Remains a strategic risk – moved to SR3
SR5 – Failure to Deliver Growth Outcomes	Remains a strategic risk
SR6 – Political Changes Negatively Impact Strategic Direction	Minor change to strategic risk
SR7 – Failure to Deliver Our Work Programmes	Minor change to strategic risk
SR8 – Failure to Respond to a Crisis or Emergency	Merged with SR1
SR9 – Failure to Respond to Climate Change	Remains a strategic risk – moved to SR4
OR1 - Failure to Provide a Safe and Healthy Work Environment	Removed as an organisational risk
OR2 - Failure to Provide a Safe Environment for the Community	Removed as an organisational risk
OR3 – Failure of Critical Assets	Remains an organisational risk
New Risk Register	
SR1 – Failure to Respond to a Disaster	
SR2 – Significant Impact on Financial Strategy	
SR3 - Loss of Information or Access to Systems and Services	
SR4 - Failure to Respond to Climate Change	
SR5 – Failure to Deliver Growth Outcomes	
SR6 – Political Changes Negatively Impact Strategic Direction	
SR7 – Failure to Deliver Our Work Programmes	
OR1 – Failure to Maintain the Trust and Confidence of Iwi and Maaori	
OR2 – Failure to Maintain the Trust and Confidence of Stakeholders	
OR3 – Failure of Critical Assets	
OR4 – Low Staff Engagement	

Strategic Risk 1 – Failure to Respond to a Disaster, Crisis, or Emergency

12. This risk description is 'A lack of preparedness leads to **a failure to respond or an ineffective response to a disaster, crisis, or emergency** resulting in compromised organisational and community resilience.' This risk links to Strategic Risk 3 – Loss of information or access to systems, and Strategic Risk 4 – Failure to respond to climate change.
13. There is no change to the residual risk rating for this risk – it remains very high. This sits outside of our appetite of 'cautious'.
14. A social media campaign commenced at the end of October 2024 focussed on community preparedness and risk awareness. The focus of the campaign is to help the community understand the risks we face in Hamilton and provide key tips to get ready for any kind of disaster. Community preparedness was raised as an action item in our recent capability assessment.
15. A piece of work focusing on standardisation of forms and templates has commenced across the Waikato region which will allow for greater interoperability across the region.
16. Council is working with local Kainga Ora staff as part of a pilot programme to help better identify barriers to readiness preparation in individuals and families who are renters rather than homeowners.

Strategic Risk 2 – Significant Negative Impact on Financial Strategy

17. This risk description is 'A major economic or financial shock event **negatively impacts Council's financial strategy, fiscal and monetary position** resulting in significant financial pressure on Council.' This risk links to Strategic Risk 7 – Failure to deliver our work programmes.
18. There is no change to the residual risk rating for this risk – it remains at high. This sits outside of our appetite of 'cautious'.
19. The shareholders of the Local Government Funding Agency (LGFA) have voted to allow the LGFA Board to, on a bespoke basis, increase a Council's debt-to-revenue covenant limit from 280 percent to 350 percent. Applications can be made to the Board with decisions to increase being made based on stringent criteria. This additional debt capacity, if Council wishes to apply and if subsequently approved by the Board, would offer further resilience to Council should an event occur under SR 2, as was as addition option for short-term headroom which financially support responses to any of the other strategic risks.
20. Hamilton has continued to see stronger economic growth than the New Zealand economy, however, the local economy is still experiencing a slowdown. We expect conditions to remain challenging through the first half of 2025. While this is not an economic shock, it does have flow on effects for Council. Low residential and non-residential consenting is expected to continue with flow-on effects on Development Contribution (DC) revenue over the next 12 months and income from consenting over the next six months. DC revenue forecasts were adjusted downwards during the Long Term Plan (LTP) process to take into account the economic outlook. Revenue to date is in line with this forecast.
21. Consumer inflation is back within target levels, however, there are risks to long-term inflation levels with the increasing move away from global free trade and the impact of climate change and weather events. Insurance costs in particular are expected to continue to increase at higher rates than historically seen.
22. Interest rates are moving down but remain at higher levels than seen over the previous decade (since 2008) and are expected to remain so. The Official Cash Rate (OCR) is forecast to settle between 3% and 3.5% compared to 2.2% between 2014 and 2019. Interest rates will continue to challenge both household and business budgets.

23. Increasing unemployment combined with an ongoing high cost of living, has seen an increase in household debt and mortgage defaults as well as significant cuts in spending. More households and businesses are struggling to pay the bills. Company liquidations have also increased.
24. Finally, there is a continued risk of a global disruption to supply chains with ongoing and escalating conflicts around global supply lines. This could lead to increased costs and delays getting goods into and out of New Zealand.

Strategic Risk 3 – Loss of Information or Access to Systems and Services

25. The risk description is 'In the event of a cyber-attack, IT service or technology asset failure there is a risk that **confidential information and / or Council services are compromised or fail and / or there is a loss of information** resulting in ongoing reputational, legal, and financial consequences.
26. There is no change to the residual risk rating for this risk – it remains at very high. This sits outside of our appetite of 'neutral'.
27. Commentary and treatment plans relating to this risk contains confidential and commercially sensitive information and are covered in the Loss of Information or Access to Systems Report presented to the Committee in the public excluded part of this meeting.

Strategic Risk 4 – Failure to Respond to Climate Change

28. This risk description is 'Climate change causes **changes to our community and City we have not anticipated or planned for** which will negatively impact on the wellbeing of our community.' This risk links to Strategic Risk 1 – Failure to respond to a disaster, crisis, or emergency.
29. There is no change to the residual risk rating for this risk – it remains at very high. This sits outside of our appetite of 'cautious'.
30. In early October, the team started to scope the climate change risk assessment and to understand the best approach to phasing the assessment. This work programme will be added as one or more treatment plans for this strategic risk in early 2025.
31. We have completed Our Climate Statement 2024-2025, our first climate change disclosure report. It reflects the outcomes of our climate change maturity assessment and outlines the key areas to improve the integration of climate change across Council. This has been reported to the Strategic Risk and Assurance meeting of 28 November.
32. On 5 November 2024 the Office of the [Auditor General \(OAG\) published the findings](#) from their review of how Environment Canterbury, Christchurch City Council, Nelson City Council, and Whanganui District Council were progressing with their climate change responses. The assessment focused on how well councils understand the impacts of climate change, are implementing and monitoring the responses to the impacts, the effectiveness of governance oversight and engaging with communities on climate change.
33. The OAG made five recommendations that they see as relevant to all councils from their assessment:
 - i) take opportunities to collaborate with and assist each other to understand the current and likely impacts of a changing climate on their infrastructure and communities.
 - ii) make clear in climate strategies what their climate-related objectives are, how they intend to achieve those objectives, how they will use their strategies to set priorities, and how they will measure and report on progress in implementing their strategies.

- iii) strengthen the use of performance measures that reflect climate-related strategic objectives and priorities.
 - iv) clearly set out how climate-related activities will be governed and ensure that staff understand what information the relevant governance body needs to govern effectively; and
 - v) report publicly on progress with their climate change strategies and work programmes, to support accountability and so communities are well-informed, engaged, and supportive.
34. These recommendations align with the findings from the climate change maturity and disclosure programme we are undertaking as a treatment plan for this strategic risk. Staff will incorporate the information from the OAG report into the development of our maturity roadmap in early 2025. Progress with the maturity and disclosure programme will continue to be reported to this Committee.
35. On 1 October 2024, the Finance and Expenditure Select Committee released its [final report](#) on the Inquiry into Climate Adaptation. The report states that the current approach to adapting to the impacts of climate change is under stress and a more strategic approach is required.
36. The report recommendations that are of most relevance for council are:
- i) A comprehensive national framework for climate adaptation should be set out in legislation that establishes a clear mandate for local and central government and outlines resourcing and financing arrangements. The framework should establish a system where all actors are incentivised and able to act on climate adaptation.
 - ii) All decisions about infrastructure, planning, and development must consider climate adaptation. This includes policy workstreams such as regional deals, the infrastructure pipeline, the Regional Infrastructure Fund, the replacement for the Resource Management Act, and interim planning measures that prevent development and intensification in risk-prone areas.
 - iii) Central Government to work with local government, researchers, and the private sector to compile information about what is currently being spent on climate adaptation and improve estimates of the potential future costs of adaptation.
37. The Government response to the Committee's report is due by 16 January 2025 and will outline the next steps for the government's adaptation response.

Strategic Risk 5 – Failure to Deliver Growth Outcomes

38. This risk description is 'Step-changes in growth requirements or demand or consequences of growth means **Council can't deliver expected growth outcomes** resulting in increased costs and the perception that growth delivers negative outcomes for the community.'
39. There is no change to the residual risk rating for this risk – it remains at high. This sits within our appetite of 'neutral.' This risk is impacted by the economic conditions outlined in Strategic Risk Two.
40. On 4 July 2024, Minister Bishop announced the Governments Going for Housing Growth Policy that will be implemented over the coming 12 months, with a Bill to be introduced early 2025, a delay from December 2024. This policy will require several further changes to the Operative District Plan related to intensification requirements and specific related rules, a requirement for Tier 1 urban areas (of which Hamilton is one) to zone enough land for 30 years of feasible supply and the removal of urban limits.

41. The Fast-Track Approvals Bill has entered its second reading and the successful fast-track applications have been named. The Bill is set to be passed into law late 2024. Staff are engaging with the successful developers (3 on the edge of the city and 2 within). A Future Proof multi-agency team and working arrangement has been established to proactively work with these developers, the SGDP approved this on 7 November 2024.
42. Constrained Long-Term Plan funding means that the enabling infrastructure for any new zoned areas will not be met by Council. Furthermore, there is very limited funding in the Long-Term Plan for upgrades of existing networks to service this growth. Collectively, this will mean Council will need to consider levels of service, water allocations, funding levers and developer agreements in order to service increased growth demand if these areas are to be serviced by Council. These risks were traversed and accepted by SGDP on the 7 November 2024 meeting. To respond to these growth pressures will require a change in operating model given the financial and other constraints, for example who build, owns, and operates infrastructure, who leads the planning processes for new growth areas and in which jurisdiction new growth areas might sit.
43. The Governments Going for Housing Growth policies will place additional pressure on existing environmental limits and compliance standards.
44. These changes present operational, financial, and political risk to Council. How new areas are serviced and who delivers the infrastructure, including the consenting process, presents operational risk. There will be associated financial implications as responding to these policy changes are unbudgeted. There are cross-boundary political risks as responding to these policies will require collaboration and agreement with Future Proof partners.
45. Our Central City is one of our key strategic growth areas for the city. Over the coming years, we're expecting around 4,000 more homes for 10,000 people. That's in addition to the 12,000 people that currently live in the central city and surrounds. To enable this growth, there will be increased construction activity in the central city. This includes Council works as well as developer activity. Staff are working on preparing and embedding a Development Response Plan to ensure that impacts on both businesses and residents are minimised. ELT and Elected Members were briefed in October and November and endorsed the approach. In addition to planning for delivery, there are also a number of improvements to the central city streetscape under way, including play, furniture replacements and improved maintenance. With the new theatre and a number of significant developments under way or planned in the near future, it's important that our central city is vibrant and attracting more people and more businesses.

Strategic Risk 6 – Political Changes Negatively Impact Strategic Direction

46. This risk description is '**Political stakeholders make unanticipated changes or decisions or take actions that negatively impact Council's strategic direction** resulting in significant changes to Council's form or function, resourcing and work programme.'
47. There is no change to the residual risk rating for this risk – it remains at very high. This sits within our appetite of 'receptive.'
48. The coalition government has enacted a number of significant changes to legislation which will impact on the business of council, including repealing the previous Government's replacement legislation for the Resource Management Act 1991, and Three Waters legislation.
49. The second bill in the Local Water Done Well programme (after the Water Services Acts Repeal Act 2024) was introduced in June 2024. The Local Government (Water Services Preliminary Arrangements) Bill 2024 lays the foundations for councils to move to the next stage of water reform. In the next year, all councils will need to produce plans showing how they will deliver financially sustainable water services.

50. For all territorial authorities, the Bill provides for the following for water services – that is water supply, stormwater, and wastewater:
 - i) requirements to develop water services delivery plans (within 12 months);
 - ii) foundation "economic regulation" through information disclosure requirements; and
 - iii) the ability to choose a new category of water services council-controlled organisations to deliver services (among other options).
51. This Bill will require council to remove waters from its balance sheet and review the rating framework to separately identify 3 waters rates in the 2025/26 financial year.
52. These changes will fundamentally impact the form, function and structure of council and present challenges related to financial sustainability, both for waters and for the remaining business units of council.
53. Council continues to collaborate with Future Proof partners on the development of a Regional Deal, as the Government is due to release further detail on the framework for deals in late November 2024. These deals are likely to provide the structure for local and central government (and the private sector) to partner to deliver significant infrastructure over the long-term.
54. The Government is working to replace the Resource Management Act over three phases. Phase 1 was the repeal of the previous government's two replacement Acts, Phase 2 introduced a fast-track consenting regime and a number of 'quick fixes' to the interim RMA and national direction, and Phase 3 will replace the RMA with two new laws, with the enjoyment of property rights as their guiding principle.
55. It is anticipated that this legislation will be introduced and passed before the next general election.
56. Council staff continue to meet regularly with other growth councils (including Tauranga, Queenstown, and Auckland) to discuss collaborative approaches to working with central government, and areas of shared interest to influence policy and legislative change.

Strategic Risk 7 – Failure to deliver our Work Programmes

57. This risk description is 'An ongoing shortage of necessary resources (people and materials) means **Council is unable to deliver our work programmes** resulting in constrained growth and negative long-term outcomes for the community.' This risk links to Strategic Risk 2 – Significant negative impact on financial strategy.
58. The largest risk to the delivery of the programme is the uncertainty around funding from New Zealand Transport Agency (NZTA) and the resulting project approvals, which has had an impact on the overall programme, impacting scale and timing. This risk is through the controls identified under Strategic Risk 2 – Significant negative impact on financial strategy.
59. There is currently no change to the residual risk rating for this risk – it remains at medium. This sits within our appetite of 'neutral'.
60. We will carefully review, over the next quarter, the impact of potential delivery delays resulting from adjusting for the NZTA funding shift on the work programme, which may lead to a future increase in the residual risk rating to high.
61. Internal resourcing requirements continue to be reviewed as part of each long-term or annual plan process. With the recent restructure, the "Breathe In Breathe Out" model has been adopted for delivery. Supply chain insights are routinely obtained through close relationships with the construction industry and ongoing collaboration with the Te Waihanga /NZ Infrastructure Commission, and the Waikato Branch of Civil Contractors NZ (CCNZ), including provision of a pipeline of work opportunities to industry.

62. Te Waihangā is developing a National Infrastructure Priority (Plan) that will focus on future infrastructure needs for all regions and sectors' asset renewal and maintenance, as well as new infrastructure projects. The Plan will give a long-term view and answer key questions such as What's the gap between the long-term infrastructure need and planned investment? How do we address that gap?
63. Through the development of the 2024-34 Long-Term Plan, deliverability was a major consideration when developing the capital works programme and this included a budgeted provision for deferrals. For this reason, for the 2023-24 financial year the likelihood of this risk occurring was reduced and will remain reduced in the 2024-25 financial year. The main constraint has been uncertainty of NZTA funding, and the subsequent knock-on effect to the overall programme. It is vital that Council continues to optimise procurement processes and contracts, to be a construction industry client of choice.
64. There are some supply chain issues remaining, impacting on delivery of our work programmes. Cost escalation continues to impact on the delivery of our work programmes, which includes the shift to the new Guide to Temporary Traffic Management. For commentary relating to cost escalation, refer to Strategic Risk 2 - Significant negative impact on financial strategy.

Organisational Risk 1 – Failure to Maintain Trust and Confidence of Iwi and Māori

65. **Deterioration of relationships with iwi and Māori** could result in a loss of credibility and impact Council's reputation. This will jeopardise delivering immediate core projects in a timely and financially sustainable way and reduce what we achieve over generations.
66. This risk was identified through the September Strategic Risk Review Workshop as a key focus area for the organisation. It was noted in the workshop that Hamilton City Council's relationship, engagement, and partnership with Māori is critical to the delivery of our organisational objectives.
67. This risk has been assessed with a residual risk rating of Very High.

Maatāuranga Māori Framework

68. In 2023 a Maatāuranga Māori Framework was funded for Council through Government's Better off Funding budget. The purpose of the framework is to achieve better incorporation of maatāuranga Māori (Māori knowledge) in Council's strategies, projects, plans and assets management. The framework was developed over nine months involving input from Iwi, mana whenua, maataawaka and Council staff and completed September 2024. The approach was endorsed by the Executive Leadership Team on 21st October 2024 and rollout will begin in the New Year.
69. The framework has been given effect through He Paa Waananga Ora which represents an approach or way of thinking by which the Maatāuranga Māori framework will be delivered. He Paa Waananga Ora outlines the steps in engagement that contribute to improved social, cultural, economic and environment outcomes through considering and applying Māori knowledge alongside Western knowledge.
70. Maatāuranga (knowledge) is derived from the act of iwi observing the diverse ecosystems within the Kirikiriroa Hamilton area over centuries or millennia. As such maatāuranga Māori in this context refers to the traditional practices, genealogical links, cultural narratives, customs, and protocols that hold these intergenerational place-based observations. This is loosely referred to as maatāuranga, or maatāuranga Māori.
71. Maatāuranga Māori is held by Māori who have had an enduring relationship with the land and waterways, deriving their entire epistemology from these environments. Therefore, establishing a relationship with those who hold knowledge is key to accessing that knowledge. He Paa Waananga Ora provides the way to engage with those knowledge holders.

72. The Paa Waananga Ora approach will guide how we engage with stakeholders on cultural issues and strengthen our delivery on same. This programme will be rolled out in Q1 2025.

Organisational Risk 2 – Failure to Maintain Trust and Confidence of Stakeholders

73. This risk description is ‘Lack of timely and transparent engagement and poor stakeholder relationship management could lead to a **failure to maintain the trust and confidence of key stakeholders** resulting in reduced access to funding streams, low community engagement and social disconnect and discontent.
74. This risk was identified through the September Strategic Risk Review Workshop as a key focus area for the organisation. It was noted in the workshop that Hamilton City Council’s relationship, engagement, and partnership with key stakeholders including Hamiltonians, community partners, Government, and other political partners is critical to the delivery of our organisational objectives.
75. This risk has been assessed with a residual risk rating of Very High.

Organisation key messaging

76. The Communication and Engagement team has developed an online key messaging portal to ensure all communications align with the organisation’s goals and strategies. The tool will be launched to both the organisation and Elected Members. Consistent and clear messaging helps prevent confusion and scepticism, reducing the risk of misinformation and misinterpretation among stakeholders. By controlling the narrative, Council can prevent false information escalating into larger issues. When stakeholders trust that the Council communicates consistently and openly, they are more likely to continue supporting us, making it easier to navigate and recover from future risks.

What’s up with water?

77. Local Water Done Well is a priority for Council, and as part of managing this strategic risk, the Communication and Engagement team has launched an education campaign that shares the journey of water from river to tap and back again. This campaign provides clear, accurate, consistent and accessible information on the value of Hamilton’s water services, using real staff to illustrate the processes involved. By helping stakeholders understand the rationale behind water management decisions, the campaign encourages greater support, which reduces the risk of opposition or conflict. Additionally, by equipping stakeholders with information, we are empowering them to make informed submissions during next year’s consultation process.

Working with our partners

78. The Communication and Engagement team continue to strengthen collaboration with key partners on communication campaigns. By working closely with trusted community partners, we can ensure our messaging is not only consistent and widely distributed but also resonates with diverse stakeholder groups. Partners bring valuable insights into the needs and concerns of specific communities, allowing us to tailor messages more effectively and reach broader audiences. Additionally, by asking partners to share our messaging through their own trusted channels, we reinforce our credibility and increase message reach and impact. This collaborative approach helps build a unified, transparent narrative, which is essential to maintaining public trust. Recent examples include working with Waikato Tainui on a joint Rates Rebate campaign, supported by the JMA agreement. Collaborating with Water Safety NZ on expanding the Manu with Mana campaign.

Digital communication strategy

79. At a time when many organisations are choosing to turn off comments on social media, Hamilton City Council views these channels as valuable opportunities to listen and engage with our stakeholders. By maintaining open comment sections, we demonstrate transparency, address misinformation promptly, and share accurate messaging – all of which reinforce that our stakeholders' concerns and perspectives are genuinely valued. Additionally, we are increasing our investment in creating engaging content for Instagram and TikTok to build trust and rapport with youth audiences. This proactive approach helps establish a positive connection with younger stakeholders early on, so they view the Council as a familiar and approachable source of information, rather than only encountering us when we have complex or challenging news to share. Through these strategies, we aim to foster long-term trust and build a more connected, informed community.

Organisational Risk 3 – Failure of Critical Assets

80. This risk description is 'Incorrect investment (timing and/or amounts) results in the **unexpected failure of critical assets** (loss of levels of service), resulting in loss of service delivery, financial impact, environmental damage.
81. There is no change to the residual risk rating for this risk – it remains at very high. This sits outside of the risk appetite of Averse.
82. Council has confirmed budgets for the 2024-34 Long-Term Plan. A prioritised delivery programme is in place and reflects the confirmed Renewals and Compliance budget provision for the first three years of the 2024-34 Long-Term Plan. This delivery programme is based on the projects included in the latest prepared Activity Management Plans (AMPs) and using any updated information that is relevant that may alter these priorities – such as reactive renewals that may have become apparent since preparation.
83. Staff will continue to actively monitor asset need and reprioritise Renewals and Compliance programme to ensure that highest priority projects are progressed. The programme will be prioritised and adjusted based on factors including criticality. The prioritised delivery programme will also consider the interaction with maintenance activities and other capital improvements that are both funded and unfunded.
84. Having adequate funding and the continued delivery of the Renewals and Compliance budgets as a programme that allows for continual reprioritisation and flexibility on timing across the three-year period, will help staff in managing the risks associated with failure of critical assets. The programme approach is a key tool to ensure that timing and investment is optimised and targeted on the assets with highest need and criticality.
85. The New Zealand Transport Agency has confirmed the National Land Transport Programme (NLTP) level of investment for the 2024-34 Long-Term Plan for the transport renewals programme. A significant change to the assumptions made in the 2024-34 LTP is that footpaths were not included in this budget. However, at the 31 October 2024 Council meeting, Council resolved to 'manage the organisational renewals within the three-year 2024-27 renewal funding, less \$10,004,014, which is the footpath NLTP subsidy not received over the three-year period, providing a total organisational renewals budget of \$349.9 million for 2024-27. This reprioritisation of Council's local share for renewals should not have any impact on managing this risk.

Organisational Risk 4 – Low Staff Engagement and Poor Organisational Culture

86. A lack of adequate people resource, unclear direction and strategy, inadequate business tools, systems and processes or ineffective leadership could lead to low staff engagement, fatigue, health and safety issues, poor performance and retention issues'

87. This risk was identified through the September Strategic Risk Review Workshop in response to identifying that the one of the key pillars to achieving our organisational strategy is our people. The downstream consequences of this risk include damage to our employment brand resulting in difficulty attracting new staff, as well as lower retention rates resulting in lost organisational knowledge and capacity pressures.
88. This risk has been assessed with a residual risk rating of Medium.
89. There are several activities and initiatives currently in progress to further mitigate this risk. Hamilton City Council has recently completed the annual employee engagement survey, which has seen a positive increase in the level of engagement from 64% to 67%. Further action planning will commence in the new year to focus on the key areas that have been highlighted for improvement.
90. Other initiatives include the soon to be launched 'Shout Out' Reward and Recognition program, the continued rollout of our DE&I strategy and the introduction of a self-guided leadership stream as part of our overall leadership programme.

Emerging Risks

Update on Impact of Golden Clams on Infrastructure

91. Freshwater Gold Clams (*Corbicula Fluminea*) were first detected in the Waikato River in early 2023. Since that time populations of the species have been found in the river at Wellington Street Beach and more recently in locations north (downstream) of Hamilton along with a recreational water park near Taupo alongside the Waikato River. The clam is an unwanted organism under the Biosecurity Act 1993 and the Ministry for Primary Industries (MPI) are the lead agency in this biosecurity response.
92. As reported to previous Strategic Risk and Assurance Committees, adult size freshwater gold clams have been observed during routine cleaning, maintenance and inspection of river water intake assets at the Waioira Water Treatment and Pukete Wastewater Treatment Plants.
93. Recent inspections of river water intake assets indicate that the number of adult size gold clams observed during works are slowly increasing, however the current programmed maintenance appears to be effective at managing the clam populations to avoid any detrimental impact on asset functionality.
94. Staff have increased planned inspections of critical assets and process areas at both the Waioira Water Treatment Plant and Pukete Wastewater Treatment to identify and remove any clams as early as possible to minimise impacts on infrastructure and process performance.
95. Any clams observed have been removed and disposed of in accordance with Ministry for Primary Industries advice.
96. Staff continue to work with MPI and water industry colleagues to review current work practices and to support the development of appropriate corbicula operations and maintenance plans.
97. Council continues to follow advice from MPI. Further information about fresh water gold clams can be found at: <https://www.mpi.govt.nz/biosecurity/exotic-pests-and-diseases-in-new-zealand/pests-and-diseases-under-response/freshwater-gold-clam/>

Financial Considerations - *Whaiwhakaaro Puutea*

98. This is a regular operating activity funded through the Long-Term Plan and there are no financial implications in relation to receiving this report.

Legal and Policy Considerations - *Whaiwhakaaro-aa-ture*

99. Staff confirm that this Risk Management Report complies with Council's legal and policy requirements.

Climate Change Impact Statement

100. Staff have assessed this option and determined that no adaption assessment is required.

Wellbeing Considerations - *Whaiwhakaaro-aa-oranga tonutanga*

101. The purpose of Local Government changed on the 14 May 2019 to include promotion of the social, economic, environmental, and cultural wellbeing of communities in the present and for the future ('the 4 wellbeings').
102. The subject matter of this report has been evaluated in terms of the 4 wellbeings' during the process of developing this report as outlined below.
103. The recommendations set out in this report are consistent with that purpose.

Social

104. The risks highlighted in this report have the capacity to affect social wellbeing should they materialise. Social wellbeing continues to be prioritised through Council's management of the risks and opportunities arising from the risks outlined in this report.

Economic

105. The risks highlighted in this report have the capacity to affect economic wellbeing should they materialise. Threats and opportunities relating to external material and human resources could impact on economic wellbeing locally, regionally, nationally, and globally. Council's management of the risks and opportunities in this report continues to reflect the impact on economic wellbeing.

Environmental

106. Council continues to manage its response to the impact on the environment by establishing services that are safe and sustainable and embedding climate change considerations into priority projects across Council. Finding opportunities such as this means that environmental wellbeing continues to be prioritised.

Cultural

107. Staff consider the matters set out in this report do not have a direct impact on cultural wellbeing.

Risks - *Tuuraru*

108. The Strategic & Organisational Risk Register (**Attachment 1**) identifies the strategic and organisational risks discussed in this report.

Significance & Engagement Policy - *Kaupapa here whakahira/anganui*

109. Staff have considered the key considerations under the Significance and Engagement Policy and have assessed that the matter(s) in this report has/have a medium level of significance.
110. Community views and preferences are already known to the Council.
111. Given the medium level of significance determined, the engagement level is medium. No engagement is required.

Attachments - *Ngaa taapirihanga*

Attachment 1 - December 2024 Strategic and Organisational Risk Register

Strategic & Organisational Risk Register





Q2 2024/25

How to read this document

Strategic risks are defined as ‘the risk of an event or impact that is external to Council and could impact the organisation’s strategies, including Council’s Financial Strategy, Long Term Plan and 30 Year Infrastructure Strategy’.

Organisational risks are defined as ‘the risk of an event or impact that is internal or external to Council and could impact the whole organisation’.








Pages 3 provide a summary of strategic and organisational risks. Movement from the previous quarter is shown by the following indicators:





Indicator	Description	Indicator	Description
	No change from previous		Increase in residual risk rating from previous
	New risk		Decrease in residual risk rating from previous

Pages 4 onwards provides additional detail, including the existing controls and treatment plan updates, for each strategic and organisational risk.

The residual risk rating is determined following assessment of likelihood and consequence for each risk category using the following matrix. The maximum residual risk rating from this process is then reported on:

		CONSEQUENCE				
		Minor	Moderate	Serious	Major	Catastrophic
LIKELIHOOD	Almost Certain	H	H	VH	E	E
	Likely	M	H	VH	VH	E
	Possible	L	M	H	VH	VH
	Unlikely	L	M	M	H	VH
	Rare	L	L	L	M	H
		L = Low	M = Medium	H = High	VH = Very High	E = Extreme

Strategic Risk Name	Risk Description	Risk Appetite	Risk Owner	Residual Risk Rating
SR1 Failure to respond to a disaster, crisis, or emergency	A lack of preparedness leads to a failure to respond or an ineffective response to a disaster, crisis, or emergency resulting in compromised community resilience. Links to SR3	Cautious	Helen Paki	Very High 
SR2 Significant negative impact on financial strategy	A major economic or financial shock event negatively impacts Council's financial strategy, fiscal and monetary position resulting in significant financial pressure on Council. Links to SR7	Cautious	David Bryant	High 
SR3 Loss of information or access to systems and services	In the event of a cyber-attack, IT service or technology asset failure there is a risk that confidential information and / or Council services are compromised or fail and / or there is a loss of information resulting in ongoing reputational, legal, and financial consequences. SR3 links to SR1.	Neutral	Sean Hickey	Very High 
SR4 Failure to respond to climate change	Climate change causes changes to our community and City we have not anticipated or planned for which will negatively impact on the wellbeing of our community.	Cautious	Blair Bowcott	Very High 
SR5 Failure to deliver growth outcomes	Step-changes in growth requirements or demand or consequences of growth means Council can't deliver expected growth outcomes resulting in increased costs and the perception that growth delivers negative outcomes for the community.	Neutral	Blair Bowcott	High 
SR6 Political changes negatively impact strategic direction	Political stakeholders make unanticipated changes or decisions or take actions that negatively impact Council's strategic direction resulting in significant changes to Council's form or function, resourcing and work programme.	Receptive	Blair Bowcott	Very High 
SR7 Failure to deliver our work programmes	An ongoing shortage of necessary resources (people and materials) means we are unable to deliver our work programmes resulting in constrained growth and negative long-term outcomes for the community. Links to SR2	Neutral	Andrew Parsons	Medium 

Organisational Risk Name	Risk Description	Risk Appetite	Risk Owner	Residual Risk Rating
OR1 – Failure to Maintain Trust and Confidence of Iwi and Maaori	Deterioration of relationships with iwi and Maaori could result in a loss of credibility and impact Council's reputation. This will jeopardise delivering immediate core projects in a timely and financially sustainable way and reduce what we achieve over generations.	-	Janet Carson	Very High 
OR2 – Failure to Maintain Trust and Confidence of Stakeholders	Deterioration of critical relationships means Council may be unable to deliver its outcomes for the city; in a timely and financially sustainable way. This may result in reduced access to funding streams, low community engagement, and social disconnect and discontent.	-	Janet Carson	Very High 
OR3 Failure of critical assets	Incorrect investment (timing and/or amounts) results the unexpected failure of critical assets (loss of levels of service). Resulting in loss of service delivery, financial impact, environmental damage.	Averse	Andrew Parsons	Very High 
OR4 – Low Staff Engagement	A lack of adequate people resource, unclear direction and strategy, inadequate business tools, systems and processes or ineffective leadership could lead to low staff engagement resulting in fatigue, health and safety issues, poor performance and retention issues.	-	Sean Hickey	Medium 

Strategic Risk 1				
SR1 Failure to Respond to a Disaster, Crisis, or Emergency				
A lack of preparedness leads to a failure to respond or an ineffective response to a disaster, crisis, or emergency resulting in compromised organisational and community resilience. Links to SR3 Loss of information or access to systems.				
Risk Owner	Helen Paki	Category	Disaster Recovery/Business Continuity	Risk Appetite
				Cautious - 2
Inherent Risk Rating		Very High – Possible x Catastrophic		
Existing Controls				
1. Annual external (NEMA) capability assessments				
2. Collaboration on emergency management response approach				
3. Co-located EOC in a dedicated leading-edge centre				
4. Early warning processes are in place at a national and regional level				
5. Emergency Management Framework				
6. Emergency management training program				
7. Robust emergency exercise schedule in place				
8. Council has established an Incident Management Team				
9. Availability of technical expertise				
10. Regional and national emergency services relationship management				
11. Council has responsibility for climate change response				
12. District Plan				
13. Asset Management. 2021-2051 Infrastructure Strategy is in place.				
14. Asset Management.2021-31 Activity Management Plans int. ext. reviewed				
15. Asset Management. Manage, monitor, operate and maintain critical assets				
16. Asset Management. Plan policy in place to set standards				
17. Risk Management Policy				
18. Enterprise Business Impact Analysis (EBIA)				
19. Business Continuity Management Policy and Plans				
20. Quarterly Operational Risk Reviews				
21. Security Risk Assessments				
22. Business Continuity and Disaster Recovery (BCDR) Processes				
Residual Risk Rating		Very High – Possible x Major		
Responsible Manager(s)	Kelvin Powell Robbie Hermann Michelle Hawthorne Nicholas Whittaker	Risk Treatment Option		Mitigate
Treatment Plans				
Treatment Plan	Previous Update		Update - December 2024	
Implementation of the 2024/25 Capability Assessment Workplan	-		December 2024 An external monitoring and evaluation assessment of Council's emergency management capacity and capability has been undertaken. A workplan has been developed to address the items identified as areas for improvement.	
Adopt and implement accepted recommendations from SRAs by June 2025	September 2024 314/411 recommendations have been completed, 73 are in progress, and 24 have not been started.		December 2024 Staff continue to work on the recommendations and a detailed update will be provided at the next Committee.	

Review of Organisational Security Risk Assessment (OSRA) by June 2025	September 2024 1 recommendation has been completed, 4 remain in progress and 5 not started. The due date for this action has been extended to June 2025.	December 2024 Staff continue to work on the recommendations and a detailed update will be provided at the next Committee.
Develop a Resilience Management Policy by March 2025	September 2024 A Resilience Management Policy has been drafted. The next step is to circulate this with key staff for review.	December 2024 Staff continue to work through the Resilience Management Policy. The Policy will be shared with key staff in the new year for final review. The due date for this has been updated.
Establish resilience working and governance groups by end of 2024	September 2024 Work is underway to establish the working and governance groups. Further work is required to finalise and agree the scope. This action will be completed by end of 2024.	December 2024 The working and governance groups have been established. These will begin in Feb 2025 with regular meetings.

Strategic Risk 2					
SR2 Significant Negative Impact on Financial Strategy					
A major economic or financial shock event negatively impacts Council’s financial strategy, fiscal and monetary position resulting in significant financial pressure on Council. Links to SR7 Failure to deliver our work programmes					
Risk Owner	David Bryant	Category	Financial	Risk Appetite	Cautious - 2
Inherent Risk Rating			Very High – Likely x Major		
Existing Controls					
1. PwC, as Council’s treasury partner					
2. Financial forecasting cycles at the Finance & Monitoring Committee					
3. Monitoring of macro trends					
4. Additional \$100M bank facility					
5. Financial scenario modelling					
6. Council’s ability to urgently reprioritise and reduce capital spending					
7. Ability to urgently reprioritise and reduce community LOS spending					
8. Financial Policies					
9. Governance report review					
10. Internal Audit Programme					
11. Audit NZ – Financial Statement, LTP and Annual Plan Audits					
12. Financial Monitoring Reports to ELT					
13. Council Review of LTP and Annual Plan(s)					
14. Finance Unit – Operational Financial Management					
15. Fraud and Corruption Management Policy					
Residual Risk Rating			High – Possible x Serious		
Responsible Manager(s)		Sarah Vaz Greg Carstens	Risk Treatment Option		Mitigate
Treatment Plans					
Treatment Plan		Previous Update		Update – December 2024	
Work with LGFA to increase borrowing limits by November 2024		September 2024 New Treatment Plan		Shareholders of LGFA have voted to allow the LGFA Board to, on a bespoke basis, increase a Council’s debt-to-revenue covenant limit from 280 percent to 350 percent. Applications can be made to the Board with decisions to increase being made based on stringent criteria. Council will need to make a decision on whether Hamilton City Council should apply for this increase.	

Strategic Risk 3					
SR3 Loss of Information or Access to Systems and Services					
In the event of a cyber-attack, IT service or technology asset failure there is a risk that confidential information and / or Council services are compromised or fail and / or there is a loss of information resulting in ongoing reputational, legal, and financial consequences. SR3 links to SR1 (Failure to respond to a disaster, crisis, or emergency).					
Risk Owner	Sean Hickey	Category	Disaster Recovery/Business Continuity Technology	Risk Appetite	Neutral - 3
Inherent Risk Rating			Very High – Possible x Catastrophic		
Existing Controls					
A separate public excluded report is taken to the Strategic Risk and Assurance Committee which provides further details about the Organisation’s Cyber Security and Risk					
Residual Risk Rating			Very High – Possible x Major		
Responsible Manager(s)	Allan Lightbourne Ron Rahman Eric Wang	Risk Treatment Option	Mitigate		
Treatment Plans					
A separate public excluded report is taken to the Strategic Risk and Assurance Committee which provides further details about the Organisation’s Cyber Security and Risk Improvement Schedule					

Strategic Risk 4					
SR4 Failure to Respond to Climate Change					
Climate change causes changes to our community and City we have not anticipated or planned for which will negatively impact on the wellbeing of our community.					
Risk Owner	Blair Bowcott	Category	Climate Change	Risk Appetite	Cautious - 2
Inherent Risk Rating			Very High – Likely x Major		
Existing Controls					
1. Activity Management Plans incorporate climate change considerations. 2. Our Climate Future: Te Pae Tawhiti o Kirikiriroa 3. Climate Change Policy 4. Council has responsibility for climate change response 5. Council Climate Change Risk Assessment 6. Hamilton Urban Growth Strategy 7. Access Hamilton - transport strategy 8. Future Proof Strategy 9. Open Spaces Strategy 10. Nature in the City strategy 11. Stormwater Master Plan 12. Emissions trajectory for Hamilton 13. Long term Plan (LTP) and Annual Plan reviews 14. District Plan 15. Changes to District Plan (plan changes) where required					
Residual Risk Rating			Very High – Likely x Major		
Responsible Manager(s)		Charlotte Catmur Karen Saunders Cathy Kopeke Poppy Barran	Risk Treatment Option		Mitigate
Treatment Plans					
Treatment Plan		Previous Update		Update – December 2024	
Staff learning and development programme for climate change developed and implemented from June 2024 to occur during 2024/25.		September 2024 Three Climate Fresk workshops have been held for staff and have been well received. Staff will commence facilitator training in September to role out more workshops for staff and in the future for community. Education was identified as a key programme of work to improve climate change maturity across council. This workstream will continue to be delivered under the maturity programme for 2024/2025.		December 2024 Five staff members have been trained to deliver Climate Fresk workshops for staff and community. These will be rolled out as part of the education workstream under the climate change maturity programme. This programme is currently under development and includes education for governance, senior leadership and staff.	
Climate change maturity and disclosure programme		September 2024 The first disclosure report is under development and will be presented to the next Strategic Risk and Assurance Committee . At the 12 September Council meeting staff will seek approval for the Strategic Risk and Assurance Committee to oversee the ongoing delivery of the climate change maturity programme		December 2024 The first climate change disclosure, Our Climate Statement, has been completed and presented to Strategic Risk and Assurance Committee in November. Staff have identified key workstreams to respond to the maturity assessment and are currently finalising the draft maturity roadmap. This will be discussed with the	

	and council's climate change disclosure reporting.	Executive Leadership Team, Climate Strategy Advisory Group and Strategic Risk and Assurance Committee in 2025.
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Strategic Risk 5					
SR5 Failure to Deliver Growth Outcomes					
Step-changes in growth requirements or demand or consequences of growth means Council can't deliver expected growth outcomes resulting in increased costs and the perception that growth delivers negative outcomes for the community.					
Risk Owner	Blair Bowcott	Category	Community and Wellbeing, Strategic	Risk Appetite	Neutral - 3
Inherent Risk Rating			Very High – Possible x Major		
Existing Controls					
1. Numerous strategies and plans in place to manage growth outcomes 2. Hamilton Urban Growth Strategy 3. Future Proof Partnership and work programmes 4. Engagement with Central Government 5. Engagement with neighbouring Councils on strategic growth planning 6. Preparation of growth programme business cases 7. Sustainable Communities Unit 8. Communications and engagement strategies for Growth 9. National Policy Statement Urban Development 10. Changes to District Plan (plan changes) where required 11. Zoning Decision Process 12. Submissions on any neighbouring councils plan changes. 13. Management of Resource Consent applications 14. Out of Boundary Principles 15. Private Developer Agreements 16. Monitoring the broader environment 17. HCC Growth and Development Contributions model 18. Long Term Plan (LTP) and Annual Plan reviews					
Residual Risk Rating			High – Possible x Serious		
Responsible Manager(s)	Karen Saunders Greg Carstens Mark Davey Hannah Windle	Risk Treatment Option		Mitigate	
Treatment Plans					
Treatment Plan	Previous Update		Update – December 2024		
Progress and notify District Plan Change Programme in response to Government Direction from NPS-UD and RMA Bill, by early 2025	September 2024 Plan Change 14 (Flood Hazards) notification is expected at the beginning of 2025, note the due date has been changed to reflect this. The Plan Change will allow consents to be assessed against best available information and will better manage flood hazards city-wide. Central government has announced its plans to implement MDRS and NPS:UD through new legislation, with a bill expected to be presented to Parliament by mid-2025. On this		December 2024 Recommendations on PC12 have been received and scheduled to go to Council 12 December 2024. Staff are awaiting more clarity on future policy changes from Government. A Fast-track Action Team has been established under Future Proof to respond to successful fast-track applicants in a joined-up and collaborative manner. Internal HCC resourcing and capacity issues are being		

	<p>basis, Plan Change 12 will resume hearings in September 2024 considering the current MDRS and NPS:UD guidelines. Plan Change 12 decisions are due on 20 December 2024. Another Plan Change may be needed once the new requirements from Central Government are released mid-2025.</p>	<p>worked through in order to fully engage in this process.</p> <p>The SGDP Committee agreed on the 7 November to recommend to Council the notification of Plan Change 14 (flood hazards).</p> <p>The final tranche of decisions on Plan Change 9 are expected late 2024.</p>
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Strategic Risk 6					
SR6 Political Changes Negatively Impact Strategic Direction					
Political stakeholders make unanticipated changes or decisions or take actions that negatively impact Council’s strategic direction resulting in significant changes to Council’s form or function, resourcing and work programme. Links to SR3, Failure to meet compliance standards.					
Risk Owner	Blair Bowcott	Category	Political Service Delivery Strategic	Risk Appetite	Receptive - 4
Inherent Risk Rating			Very High – Likely x Major		
Existing Controls					
1. Collaborative governance group meetings 2. Culture, expectation, and policies of HCC organisation 3. Monthly ELT discussion to ensure awareness of strategic initiatives 4. Participation in national and regional advisory groups 5. Participation in processes to influence government policy direction 6. Proactive steps taken at the start of each local government triennium 7. Regular Council briefings 8. Regular engagement with stakeholders at political and executive level 9. Regular meetings with Government Ministers and MPs 10. Future Fit Programme Established					
Residual Risk Rating			Very High – Likely x Major		
Responsible Manager(s)	Hannah Windle	Risk Treatment Option		Mitigate	
Treatment Plans					
Treatment Plan	Previous Update		Update – December 2024		
3 Waters Reform Treatment Plan	September 2024 The second Waters Service Bill has been released noting the next steps for councils in regards to three waters. Council is continuing with internal work to separate waters finances from the rest of council which will form the basis of an LTP amendment in 2025. Note that this treatment plan has links to SR5		December 2024 Council is continuing to work towards identifying options for future waters service delivery to be consulted on in March/April 2025 with the separation of finances and a potential CCO. Conversations with neighbouring councils continue with the potential for a joint CCO progressing.		

Strategic Risk 7					
SR7 Failure to Deliver our Work Programmes					
An ongoing shortage of necessary resources (people and materials) means we are unable to deliver our work programmes resulting in constrained growth and negative long-term outcomes for the community. Links to SR2 Significant negative impact on financial strategy.					
Risk Owner	Andrew Parsons	Category	Financial People Service Delivery	Risk Appetite	Neutral - 3
Inherent Risk Rating			Extreme – Almost Certain x Catastrophic		
Existing Controls					
1. Adjustment of cost escalation provisions in the 2021/31 Long Term Plan 2. Established procurement planning frameworks 3. Forward works pipeline visibility and supply chain engagement 4. Procurement optimisation 5. Utilising panel arrangement for procurement and engagement 6. Portfolio Framework in place 7. Resource management tool for Project Management 8. Annual Plan 23/24 Capital Portfolio 9. Scope of projects reduced to fit the budget					
Residual Risk Rating			Medium – Unlikely x Serious		
Responsible Manager(s)		Kelly Stokes	Risk Treatment Option		Mitigate
Treatment Plans					
Treatment Plan		Previous Update		Update – December 2024	
Optimise procurement processes and contracts to enable HCC to be a construction industry client of choice.		September 2024 The Co-Lab PSP evaluation continues and will be in place in December 2024.		December 2024 Capital Programme of work has been adjusted to fit within reduced budgets and defer less urgent projects.	

Organisational Risk 1				
OR1 Failure to Maintain Trust and Confidence of Iwi and Maaori				
Deterioration of relationships with iwi and Maaori could result in a loss of credibility and impact Council's reputation. This will jeopardise delivering immediate core projects in a timely and financially sustainable way and reduce what we achieve over generations				
Risk Owner	Janet Carson	Category	Community and Wellbeing Reputation	Risk Appetite
Inherent Risk Rating		Very High – Possible x Major		
Existing Controls				
1. Key relationship holders identified				
2. Maaori relationship development, monitoring, and maintenance				
3. Effective public communication				
4. Waikato-Tainui Co-Governance Forum				
5. He Pou Manawa Ora				
6. Maangai Maaori				
7. Amorangi Maaori Business Unit				
Residual Risk Rating		Very High – Possible x Major		
Responsible Manager(s)	Muna Wharawhara Nicole Nooyen	Risk Treatment Option	Mitigate	
Treatment Plans				
Treatment Plan	Previous Update	Update – December 2024		
Deliver the He Pou Manawa Ora Programme	-	Key outcomes and achievements were reported to the He Pou Manawa Ora Advisory Committee on 5 November. The Waikato Tainui/HCC Co-governance joint committee meeting (27 November) will receive the updated progress/achievements/barriers report on He Pou Manawa Ora strategy.		
Deliver the JMA Work Programme	-	The 2024/2025 work programme was confirmed at the 18 September Waikato Tainui/Hamilton City Council Co-Governance Forum and identified four key projects: Upholding Waikato-Tainui Rights and Interests under our Land and River Settlements, He Pou Manawa Ora focus – continuing the mahi to identify and review places and names in Kirikiriroa, Targeted joint communication strategy on matters of mutual interest, HCC procurement process has been reviewed to include support and enable the inclusion of iwi / Maaori business. The 2025 local government election has been identified as the key communications project that Waikato-Tainui and Hamilton City Council need to collaborate to lift Maaori enrolment and participation. Civil defense and marae preparedness is likely to be added to the programme as a special project and will be put to the Waikato Tainui and Hamilton City Council Co-Governance Forum at the first meeting in 2025		

Organisational Risk 2					
OR2 Failure to Maintain Trust and Confidence of Stakeholders					
Lack of timely and transparent engagement and poor stakeholder relationship management could lead to a failure to maintain the trust and confidence of key stakeholders resulting in reduced access to funding streams, low community engagement and social disconnect and discontent.					
Risk Owner	Janet Carson	Category	Reputation Political	Risk Appetite	
Inherent Risk Rating			Very High – Possible x Major		
Existing Controls					
1. Key relationship holders identified 2. Media Management 3. Effective public communication 4. Relationship building of Elected Members 5. Regular engagement with stakeholders at political and executive level 6. Emerging trend analysis and horizon scanning 7. Misinformation Policy 8. Community Sentiment Reporting					
Residual Risk Rating			Very High – Possible x Major		
Responsible Manager(s)	Nicole Nooyen Erin Bates Michelle Hawthorne	Risk Treatment Option		Mitigate	
Treatment Plans					
Treatment Plan	Previous Update		Update – December 2024		
Implementation of Online Key Messaging Portal	-		December 2024 The Communication and Engagement team have developed an online key messaging portal to ensure all organisational comms is aligned. This tool will be released to employees and elected members soon.		

Organisational Risk 3					
OR3 Failure of Critical Assets					
Incorrect investment (timing or amounts) results in the unexpected failure of critical assets (loss of levels of service), resulting in loss of service delivery, financial impact, and environmental damage.					
Risk Owner	Andrew Parsons	Category	Compliance and Regulatory Environmental Financial Reputation Service Delivery	Risk Appetite	Averse - 1
Inherent Risk Rating			Very High – Likely x Major		
Existing Controls					
Asset Management Controls					
1. 3 yearly Independent asset management maturity					
2. Regular monitoring and submission on industry change					
3. Resourcing for Activity Management Plan (AMP) funded					
4. 2021-2051 Infrastructure Strategy is in place.					
5. Modelling and master planning of strategic assets					
6. Asset Management Plan policy in place to set standards					
7. 2021-31 Activity Management Plans int. ext. reviewed					
8. Asset Strategy Team in place to drive org consistency					
9. Manage, monitor, operate and maintain critical assets					
Operational Controls:					
10. Processes in place Re: supervision design and test					
11. Quarterly Threat and Risk assessments					
12. Training and development plans in place for staff					
13. Business Continuity and Essential Maintenance Plans					
Planning Controls:					
14. Annual review of build/Facilities capital programme					
15. Anomaly detection and vulnerability scanning capability					
16. Solutions for redundancy (physical and process) in place					
17. Project management and procurement processes are in place					
18. Staff have project management skills and experience					
Procurement Controls:					
19. Robust procurement process followed to identify/scope					
20. Maintenance and service agreements in place with the supplier					
21. Speciality contracts in place to maintain critical assets					
22. Stakeholder engaged before procure/replacement of asset					
Residual Risk Rating			Very High – Possible x Major		
Responsible Manager(s)	Paul Gower, Tania Hermann, Jo Keall, Claire Toko,	Risk Treatment Option		Mitigate	
Treatment Plans					
Treatment Plan	Previous Update		Update – December 2024		

Implement the Organisational Asset Management Improvement Plan by June 2025	September 2024 The community and facility asset management improvement programme is in progress and the current set of projects will continue until June 2025. Funding is available for this programme and comprises 10 related projects - improving asset registers, practices and capabilities across key community infrastructure and assets and Council buildings.	December 2024 The community and facility asset management improvement programme is in progress and the current set of projects will be completed by June 2025. Funding is available for this programme and comprises 10 related projects - improving asset registers, practices and capabilities across key community infrastructure and assets and Council buildings. The first of the projects are coming to completion
Implement Asset Criticality Framework by June 2025	September 2024 The organisational frameworks have been created. Implementation has been delayed due to organisational capacity. This will be a core focus over the coming year.	December 2024 Implementation has been delayed due to organisational capacity. Further development will be considered as part of updating the organisational improvement programme by June 2025.

Organisational Risk 4					
OR4 Low Staff Engagement					
A lack of adequate people resource, unclear direction and strategy, inadequate business tools, systems and processes or ineffective leadership could lead to low staff engagement resulting in fatigue, health and safety issues, poor performance and retention issues.					
Risk Owner	Sean Hickey	Category	People Service Delivery	Risk Appetite	
Inherent Risk Rating			Very High – Possible x Major		
Existing Controls					
1. Change Management					
2. Annual Engagement Survey					
3. Rewards and Recognition Scheme					
4. Internal Communications					
5. He Waka Eke Noa – Our Way of Working					
6. Diversity Equity and Inclusion Strategy					
7. Leadership Capability					
8. Culture Rebuild Programme					
Residual Risk Rating			Medium – Possible x Moderate		
Responsible Manager(s)	Dan Finn Julie Sanderson Natalie Haysom	Risk Treatment Option	Mitigate		
Treatment Plans					
Treatment Plan		Previous Update		Update – December 2024	
Rewards and Recognition Programme		-		Refresh and launch a new R+R program to replace the existing Bravo system	
Implement the Culture Rebuild Programme by July 2025		-		Implement the Culture Rebuild program as per corrective action	

Council Report

Committee: Strategic Risk and Assurance Committee
Date: 10 December 2024
Author: Sarah Vaz
Authoriser: Gary Connolly
Position: Accounting Manager
Position: Chief Financial Officer
Report Name: KPMG - Internal Audit Update and Report

Report Status	Open
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Purpose - *Take*

- To inform the Strategic Risk and Assurance Committee on the internal audit progress to November 2024.

Staff Recommendation - *Tuutohu-aa-kaimahi*

- That the Strategic Risk and Assurance Committee receives the report.

Executive Summary - *Whakaraapopototanga matua*

- Accounts Receivable and Debtor Management review has been completed, and the final report is attached as **(Attachment 1)**.
- The Climate Maturity Assessment has been initiated and scoping is in progress.
- The Cyber Security review has been initiated and scoping is in progress.
- Staff consider the matters in this report to have low significance and that the recommendations comply with Council's legal obligations.

Discussion - *Matapaki*

- Council's internal audit function incorporates engagements and actions from KPMG.
- This report provides an update on progress by KPMG on the internal audit work stream.
- Since the last report to this committee, there are two updates to note:

- KPMG Internal Audit Plan – progress summary FY2024

Engagement	Current Status
Accounts Receivable and Debtor Management	Completed

- KPMG Internal Audit Plan – progress summary FY2025

10. Based on discussions with Management, the following changes are proposed to the FY2025 plan for the approval by SRAC:

Communication Integrity Review – Management is in the process of conducting an internal review in this area. A detailed report of Management’s assessment and action plan will be presented to SRAC. Based on this review, Management may explore the possibility of obtaining independent assurance of the Council’s communication integrity processes in the future.

Future Fit and Simplification Programme Controls Impact Assessment – Due to other strategic priorities, business capacity and Internal Audit budget constraints, this audit will be deferred to FY2026.

11. The table below provides a summary of the FY2025 Internal Audit program

Engagement	Current Status
Climate Change Maturity Assessment	Scoping in progress
Cyber Security Review	Scoping in progress
Communication Integrity Review	Cancelled
Future Fit and Simplification Programme Controls Impact Assessment	Deferred to FY2026

Financial Considerations - *Whaiwhakaaro Puutea*

12. The internal audit programme is a regular operating activity funded through the 2024-34 Long-Term Plan.

Legal and Policy Considerations - *Whaiwhakaaro-aa-ture*

13. Staff confirm that the matters in this report comply with the Council’s legal and policy requirements.
14. Staff have also considered the key considerations under the Climate Change Policy and have determined that an adaptation assessment and emissions assessment is not required for the matters in this report.

Wellbeing Considerations - *Whaiwhakaaro-aa-oranga tonutanga*

15. The purpose of Local Government changed on the 14 May 2019 to include promotion of the social, economic, environmental, and cultural well-being of communities in the present and for the future (‘the 4 well-beings’).
16. The subject matter of this report has been evaluated in terms of the 4 well-beings during the process of developing this report.
17. There are no known social, economic, environmental, or cultural considerations associated with this matter.

Risks - *Tuuraru*

18. No known risks associated with the decisions required for this matter.

Significance & Engagement Policy - *Kaupapa here whakahira/anganui*

19. Having considered the Significance and Engagement Policy, staff have assessed that the matters in this report have low significance. Given the low level of significance determined, the engagement level is low. No engagement is required.

Attachments - *Ngaa taapirihanga*

Attachment 1 - Accounts Receivable and Debtor Management Review

Item 10



Accounts Receivable and Debtor Management – Sundry Debtors Review

Internal Audit Report

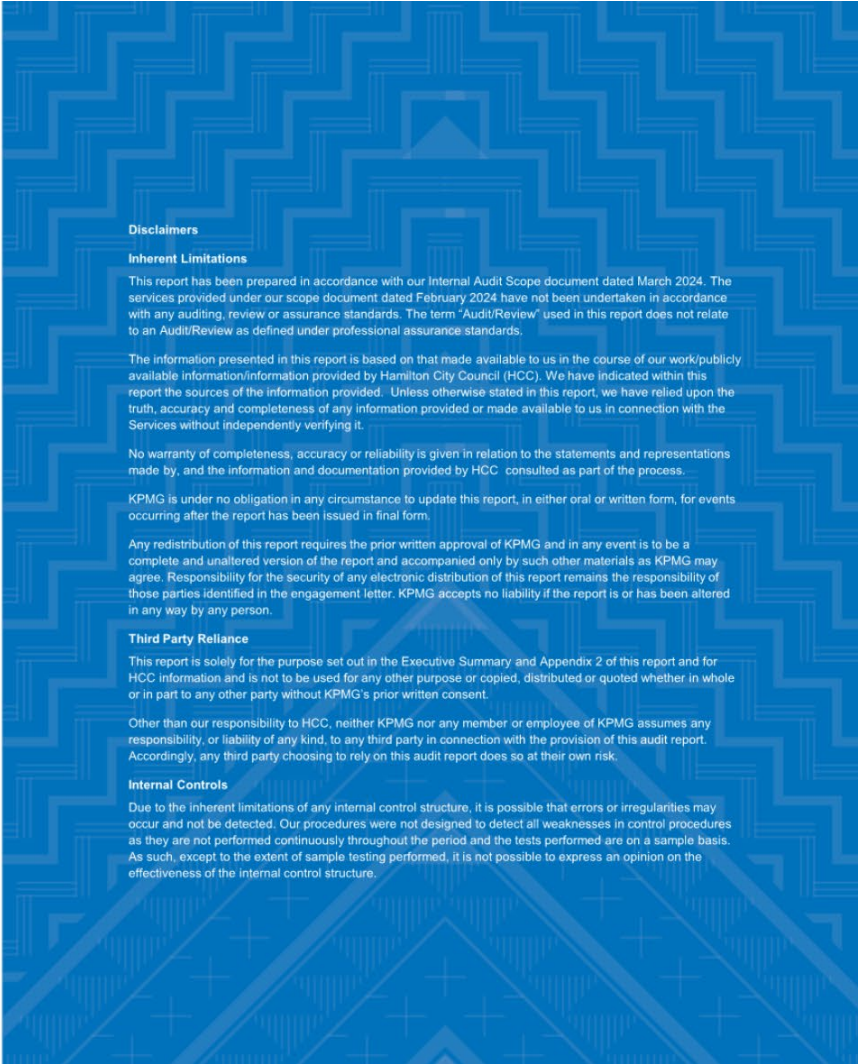
November 2024

Item 10

Attachment 1

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01	Executive Summary
02	Background
03	Detailed Findings and Recommendations
04	Appendices
	Appendix 1 – Internal audit scope (extract)
	Appendix 2 – Ratings and classifications



Disclaimers

Inherent Limitations

This report has been prepared in accordance with our Internal Audit Scope document dated March 2024. The services provided under our scope document dated February 2024 have not been undertaken in accordance with any auditing, review or assurance standards. The term "Audit/Review" used in this report does not relate to an Audit/Review as defined under professional assurance standards.

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

No warranty of completeness, accuracy or reliability is given in relation to the statements and representations made by, and the information and documentation provided by HCC consulted as part of the process.

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

Internal Controls

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

01

Executive Summary



Item 10

Attachment 1

Executive Summary

We have completed an internal audit of the Accounts Receivable and Debtor Management - Sundry Debtors Review processes in accordance with the Internal Audit Plan for FY2024 as approved by the Strategic Risk and Assurance Committee (SRAC).

The overall objective of the review was to assess the adequacy of design and operating effectiveness of key controls relating to processes handled by the Accounts Receivable and Debtor Management (ARDM) team. The specific objectives, scope, and approach of this review were agreed with HCC Management and are set out in Appendix 1.

Overall rating and comments

Based on the results of the review, we have rated the overall control environment for accounts receivable and debtor management as **Developing**. Refer to Appendix 2 for the classification of the Internal Audit ratings.

Overall Rating

Developing

Refer to Section 3 for the detailed findings and recommendations.

The rating is largely driven by the hugely manual nature of the processes and controls. This coupled with the resourcing limitations in the team impacting the ability for Internal Audit to test the effectiveness of some of the key processes and controls.

The ARDM team is a centralised unit within the Council responsible for monitoring outstanding debt and pursuing overdue debts. Except for a few services, all billing and invoicing activities are carried out by the respective departments.

The review highlighted that the majority of the ARDM processes are manual with a heavy reliance on staff to diligently perform their duties to achieve the desired outcomes. Due to the manual nature of the processes, there is limited capacity in the team to take on additional responsibilities. This also impacted the team's ability to provide the manual supporting documentation to test the operating effectiveness of controls. As a result, the audit conclusion was derived based on a design assessment of the controls.

We recognise that there is a strong desire by Management to identify opportunities for automating processes in the future. This will ensure that the team can focus on value-added tasks such as data analysis and proactive engagement with overdue debtors to recover debt.

Comfort

We noted the following key positive attributes relating to the ARDM processes:

- There is a continuous improvement mindset in the team which supported with adequate resources could help achieve a more optimal ARDM process.
- System access is restricted to authorised personnel, reinforced by a review and approval process before access is granted.
- Automated receipting streamlines the process of validating customer payments and posting them to customer accounts.
- There is a process to ensure that all payments from customers are accounted for and monitored through the monitoring of unapplied payments and reconciliation of receipts.
- There is an effective process in place for regularly reporting Accounts Receivable status to Business Units and the Council, including an analysis of overdue accounts.

Key findings

Particulars	High	Medium	Low
Total internal audit findings	-	2	1

The findings relate to:

- The ARDM team's capacity limitations drive a focus on following up on debts over \$10,000 only that are overdue for more than 90 days. It is unclear what efforts are being made to recover the outstanding amounts below \$10,000 with approximate population of 90% of the total overdue accounts as of March 2024. Moreover, the current manual process for sending follow-up reminder letters to HCC customers is inefficient and susceptible to delays or non-delivery. We also noted inconsistencies in recording customer interaction details.
- The Council offers payment plans to customers unable to pay their outstanding debt in full, but our review identified several weaknesses in the payment plan processes. These include inadequate confirmation of customer-agreed payment plans via email, lack of team leader approval for payment plans in some cases, and the absence of criteria for ongoing assessment and monitoring to ensure adherence to payment plan agreements and to determine when a plan should be terminated due to non-adherence.
- Our review uncovered that six bad debts approved for write-off in December 2023 were not recorded in the financial system until February and June 2024. Despite the established process of preparing a write-off schedule, review by the AR team leader and Financial Support Services Manager, and subsequent approval by General Managers, the reasons for the delayed posting of these write-offs remain unclear. Clarifying this discrepancy is essential to ensure timely and accurate recording of bad debts in the financial system.

Summary of findings identified by risk ratings

Observations	Risk Rating	Overall Management Comments
1 Strengthen follow-up processes for overdue accounts	MEDIUM	<p>We acknowledge the findings and recommendations outlined in the internal audit report regarding the sundry debtors accounts receivable processes. We recognise the need to strengthen follow-up processes, improve the management of payment plans, and ensure the timely recording of bad debt write-offs.</p> <p>However, it is important to highlight that the underlying cause of these issues—a significant under-resourcing within the team—necessitates a more strategic approach to addressing the recommendations. To this end, we will undertake a follow-up process mapping exercise, assess the current and required resourcing levels, and identify opportunities for automation to enhance efficiency and effectiveness.</p> <p>These steps will be critical to developing and confirming detailed implementation plans that address the audit observations whilst ensuring sustainable improvements to the accounts receivable processes with a positive collection contribution.</p>
2 Review and improve processes relating to payment plans	MEDIUM	
3 Ensure timely recording of bad debt write-offs in the financial system	LOW	



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02

Background



Background



Sundry debtors

The scope of this review focused on Council's sundry debtors. The below are the key stats relating to sundry debtors for the year 2023/24:

FY2023/24

Council's total revenue (al)	\$534m
Sundry debtor revenue	\$163m
Sundry debtors as a percentage of total revenue	30.5%

The following are the two biggest categories of sundry debtors by value in FY2023/24

➤ Building / Planning / DC invoicing approx.	\$43m
➤ Waka Kotahi invoicing	\$54m



Team Structure

The ARDM team operates within the Financial Support Services department who reports directly to the Finance Director. Presently, one team leader oversees daily accounts receivable and debt management processes supported by one debt management administrator.



Accounts receivable statistics

As of March 2024, total outstanding invoices subject to monitoring and follow up by ARDM team amounted to \$3.8M which composed of 619 debtors. Thirty-six (36) debtors are under payment arrangements and 191 are handled by a collection agency.



Processes, data and systems

The ARDM team are responsible for the creation of accounts in the AR module. Once an account is created, the respective business units performs billing of invoices to the customer. These invoices are automatically recorded in the Authority system. Upon payment of invoices, the ARDM team handles the receipting and posting of payments to customer accounts. Once an accounts turns to 30 days past due, a reminder letter has to be provided. Until the account is paid, a regular follow up on the past due invoices is performed. The team is also responsible for the assessment whether the accounts are recommended for write-offs together with the review and approval of the concerned business units.

A high-level description of systems used are mentioned below:

System	Description
Authority	Management System where majority of application work is undertaken in this program including receipting of payments
BTP (bank transaction processing)	System that perform validation of all payments made in the 06 bank account
Power BI	Microsoft reporting system and used for validation of errors in posting of payments



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03

Detailed Findings and Recommendations



1. Strengthen follow-up processes for overdue accounts

Rating of finding

MEDIUM

Observation

As a result of the ARDM team's limited capacity, the Accounts Receivable team only focuses on following up on debts over \$10K NZD that are overdue for more than 90 days. Based on our data analytics, we found that as of March 2024, there were a total of 428 overdue accounts, of which 391 (approximately 90%) are below 10,000 NZD, amounting to a total of 355K NZD. It is unclear what efforts are being made to recover the outstanding amounts below \$10K. The following provides a breakdown of overdue accounts by days and amount:

Amount	30 days	60 days	90 days	<90 days	Total
0 -5,000	135	40	29	168	372
5,000 -10,000	2	2	1	14	19
10,000 and more	12	2	4	19	37
TOTAL	149	44	34	201	428

In addition:

- The current process for sending follow-up reminder letters is manual. The process requires the accounts receivable team members to print and mail the reminder letters to HCC customers. This makes the process of sending reminder letters to the customers inefficient and susceptible to delays and/or letters not being sent at all.
- The Accounts Receivable process guidelines require staff to record specific correspondence details with customers, including the date, contact method, person spoken with, conversation notes, invoice number, and payment date in the memo and aged balances spreadsheet. However, it was observed that there were accounts where series of exchange of correspondences were not properly recorded in the memo, and some did not include the date of contact, details of the contact method, and other necessary information.

Impact

- Insufficient monitoring and follow-up may increase the risk of bad debts, as overdue accounts may go unaddressed, potentially leading to write-offs and financial losses.
- There could be an adverse impact on the Council's cash flow and increased likelihood of non-recovery or bad debts if reminder letters are not sent in a timely manner or not sent at all.
- The manual processes result in a lack of productive use of staff time.
- Inconsistencies in recording correspondence details can create challenges in maintaining accurate records and effectively following up with customers.

Recommendations

- Ensure debts under \$10K is followed up and evidence of the follow up is maintained to ensure there is a traceability and accountability of the actions taken by the ARDM team.
- Consider automating the letter generation process to minimise the risk of reminders not being sent or delays in their despatch.
- Establish clear guidelines for recording correspondence details with customers, ensuring that all relevant information is consistently documented. Implement spot checks to verify compliance with the established record-keeping practises.

Agreed Management Actions

- Review and Plan Development:**
 - Conduct a follow-up process review.
 - Assess resourcing needs and identify automation opportunities.
 - Develop detailed implementation plans.
- Implementation:**
 - Execute the identified actions.
 - Monitor progress and ensure sustainable improvements in accounts receivable processes.

Responsibility

Accounts Rec Transactional Team Lead
Financial support services

Target Date

1. April 2025 – 2. November 2025



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2. Review and improve processes relating to payment plans

Rating of finding

MEDIUM

Observation

The Council offers payment plans to customers who are unable to pay their outstanding debt in full. Our review of the processes relating to the payment plans identified the following weaknesses:

- The process requires reconfirmation of customer-agreed payment plans via email, including details such as payment frequency, amount, and first payment date. However, 3 out of 10 sampled accounts lacked key payment arrangement details in the provided email correspondence.
- Additionally, the payment plan process manual stipulates that final approval from the Business Unit Team leader is necessary before accepting payment arrangements for building consent and planning. However, 3 out of 5 sampled accounts lacked team leader approval for payment plans.
- Furthermore, the procedure manual does not include criteria for on going assessment and monitoring to ensure adherence to payment plan agreements and determining when a plan should be terminated due to non-adherence. While the team considers various factors, such as recovery costs and alternative processes, these considerations are not clearly defined.

Impact

- The absence of supporting documentation and clarity on payment arrangements, terminations can lead to confusion, disputes, and potential non-payment.

Recommendations

- Review and revise the process for reconfirming customer-agreed payment plans via email. Ensure that the email correspondence includes all key payment arrangement details.
- Enforce the requirement for final approval from the Business Unit Team leader before accepting payment arrangements for building consent and planning. Deviations from this approval process should be documented and justified to ensure accountability and transparency.
- Develop clear criteria for monitoring adherence to payment plan agreements. Define specific thresholds or triggers for identifying non-adherence and establish a process for terminating payment plans when necessary.

Agreed Management Actions

- 1. Review and Plan Development:**
 - Conduct a follow-up process review.
 - Assess resourcing needs and identify automation opportunities.
 - Develop detailed implementation plans with final approval based on the appropriate delegations hierarchy.
- 2. Implementation:**
 - Execute the identified actions.
 - Monitor progress and ensure sustainable improvements in accounts receivable processes.

Responsibility

Accounts Rec Transactional Team Lead
Financial support services

Target Date

April 2025



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3. Ensure timely recording of bad debt write-offs in the financial system

Rating of finding

LOW

Observation

Upon our review of the process, we identified that six bad debts approved for write-off in December 2023 were not recorded in the financial system until February and June 2024.

We understand that after conducting an assessment of accounts for write-offs, a write-off schedule is prepared. Subsequently, the schedule is reviewed by the AR team leader and the Financial Support Services Manager. Once this review is completed, the schedule is sent to the relevant General Managers for further review and sign-off before posting a manual entry in the system.

It is unclear why these write offs were not posted in the system after the approval.

Impact

- The delayed recording of approved bad debts for write-off can lead to inaccuracies in financial reporting.
- The lack of clarity on why these write-offs were not promptly posted raises concerns about the effectiveness of the internal controls and the reliability of financial information for decision-making purposes.

Recommendations

- Conduct an investigation into why the approved write-offs were not promptly posted in the financial system. The investigation should aim to uncover the root causes of the delayed postings and provide actionable recommendations for process improvements to prevent similar issues in the future.

Agreed Management Actions

- 1. Investigation and Review:**
 - Conduct a thorough investigation of the identified issues.
 - Review current processes and controls.
- 2. Implementation of Improvements:**
 - Add additional improvements or mitigating controls as identified during the investigation.
 - Monitor and ensure the effectiveness of the new measures

Responsibility

Accounts Rec Transactional Team Lead
Financial support services

Target Date

February 2025



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Appendices



Appendix 1: Internal Audit Scope

Internal Audit Objectives

The objective of this engagement was to:

- Review the adequacy and effectiveness of internal controls in place relating to HCC's accounts receivable and debtor management processes;
- Provide recommendations for improvement where gaps and opportunities exist.

Internal Audit Scope

The scope of this review was to assess the design and operating effectiveness of the controls handled by accounts receivable and debtor management team relating to the following revenue streams:

- Property, rates and building
 - Property,
 - Resource consents,
 - Building consents and information
 - Compliance
 - Development contributions
 - Water services
 - District plan
- License and permits
- Parks, recreations and community spaces

The review covered the period from 1 April 2023 to 31 March 2024 focusing on the following sub-processes:

Accounts receivable processes:

- Establishment and maintenance of customer accounts;
- Manual/Adhoc/one-off invoices;
- Receipting of payments;
- Reconciliation of unapplied/misapplied/unidentified payments;

Debtor management processes:

- Monitoring and follow up of the debt;
- Accuracy of payment plans
- Management reporting including ageing analysis; and
- Bad debt write-off approvals as per the delegation of authorities.

As part of the review, we focused on the identification and assessment of the following types of internal controls in the above-mentioned processes:

- Policies, procedures, and guidelines
- Roles and responsibilities of key stakeholders and process owners
- User access management
- Segregation of duties
- Delegation of authorities
- Review and approval of transactions; and
- Exception reporting

Out of Scope

The review excluded the following:

- Processes relating to creating and billing of invoices and credit notes generated from the covered revenue streams as these are handled by the respective business units.
- Management has requested that processes related to rates, parking, and transport revenue streams be included in the next review cycle due to lower associated risks.



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Appendix 2: Ratings and classifications

Audit rating

The audit ratings are defined as follows:

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

Risk rating

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

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



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Council Report

Committee: Strategic Risk and Assurance Committee
Date: 10 December 2024
Author: Sarah Vaz
Authoriser: Gary Connolly
Position: Accounting Manager
Position: Chief Financial Officer
Report Name: Organisational Improvement Report

Report Status	<i>Open</i>
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Purpose - *Take*

- To inform the Strategic Risk and Assurance Committee on the status of Council's Organisational Improvement Register as of 31 October 2024.

Staff Recommendation - *Tuutohu-aa-kaimahi*

- That the Strategic Risk and Assurance Committee receives the report.

Executive Summary - *Whakaraapopototanga matua*

- Council's risk management programme includes the completion of external audits by Audit New Zealand, Office of the Auditor General (OAG), Waka Kotahi (NZ Transport Agency), Ministry of Business, Innovation and Employment (MBIE) and others, and internal audits by PricewaterhouseCoopers (PwC), KPMG and Council staff.
- Attachment 1** to this report is the Organisational Improvement Register lists all items.
- Staff consider the matters have low significance and that the recommendations comply with Council's legal requirements.

Discussion – *Matapaki*

Organisational Improvement Register

- The Organisational Improvement Register contains a detailed breakdown of all external audit recommendations and recent (2020 onwards) PwC internal audit recommendations. They are categorised by risk (low, moderate, high) and by their current status (complete and ready for reauditing, in progress, delayed or not yet started). For the items that are complete, the next audit round needs to occur before they can be cleared from the register.
- Recommendations arising from internal audits performed by Council staff, and older PwC internal audits (2020 and prior) have been re-assessed for completion. Items have been added to the Organisational Improvement Register if they are still uncleared.
- All 'in progress' or 'delayed or not yet started' items are actively monitored on a quarterly basis.
- The tables below summarise the status of the items contained within the attached Organisational Improvement Register.

Auditors	Complete	In progress	Delayed or not yet started	Not due yet	Total
PwC Internal Audits	5	11	2	0	18
Audit New Zealand Annual Audits	4	3	1	0	8
Audit New Zealand Long Term Plan Audit	4	1	0	0	5
NZTA Audits	5	0	0	0	5
KPMG Internal Audits	4	0	7	12	23
Total	22	15	10	12	59

Risk	Complete	In progress	Delayed or not yet started	Not due yet	Total
Low	7	1	3	5	16
Moderate	13	12	3	3	31
High	2	2	4	4	12
Total	22	15	10	12	59

10. In addition to the above, there audits have been completed in the following areas where we are awaiting the final audit report:

Who	What	Last Done
International Accreditation New Zealand (IANZ)	Building Consent Authority accreditation assessment	May 2024
KPMG	Internal Audit – Accounts Receivable and Debtor Management	Report to be presented in Internal Audit Update.
Audit NZ	Final Management Report	Report to be presented at next meeting.

11. Once the audit reports have been finalised, any recommendations will be included in the organisational improvement register.

Financial Considerations - *Whaiwhakaaro Puutea*

12. This is a regular operating activity funded through the Long-Term Plan.

Legal and Policy Considerations - *Whaiwhakaaro-aa-ture*

13. Staff confirm that matters in this report comply with the Council's legal and policy requirements.
14. Staff have also considered the key considerations under the Climate Change Policy and have determined that an adaptation assessment and emissions assessment is not required for the matters in this report.

Wellbeing Considerations - *Whaiwhakaaro-aa-oranga tonutanga*

15. The purpose of Local Government changed on the 14 May 2019 to include promotion of the social, economic, environmental, and cultural well-being of communities in the present and for the future ('the 4 well-beings').
16. The subject matter of this report has been evaluated in terms of the 4 well-beings during the process of developing this report.
17. There are no known social, economic, environmental, or cultural considerations associated with this matter.

Risks - *Tuuraru*

18. There are no known risks associated with this matter.

Significance & Engagement Policy - *Kaupapa here whakahira/anganui*

19. Having considered the Significance and Engagement Policy, staff have assessed that the matters in this report have low significance.
20. Given the low level of significance determined, the engagement level is low. No engagement is required.

Attachments - *Ngaa taapirihanga*

Attachment 1 - Organisational Improvement Register - October 2024

ID Number	Description	Audit Recommendation	Risk	Date raised	Owner	Status	Status Update
FN-E 2136	Audit NZ open and outstanding matters						
Dat-E 2789	Manual processing of weekly timesheets	The Council implements an online timesheet function for processing weekly timesheets. This will reduce the risk of timesheet information being entered incorrectly into the system and serve as an efficient way to process weekly pay runs. Alternatively, the responsibility for capturing weekly timesheets could be delegated to an individual within the various departments, and the payroll staff members could then just perform a review of the captured information.	Medium	Jun-15	Dan Finn	Delayed or not started	Manual processing and payroll system improvements are directly linked to the HRIS/Payroll project, which remains ongoing. A new HRIS/Payroll system will not be implemented before 1 April 2025 at the earliest and therefore recommendations captured through Opal will not be satisfied until that date. Our current HRIS/Payroll system is providing current services but with some limitations and through manual processes and interventions.
Dat-E 3042	Annual Report Audit 2022						
Ent-E 3043	Approval process for sensitive expenditure	We recommend that all sensitive expenditure transactions are approved on a one-up basis (for example Mayor expenditure is reviewed by either the Deputy Mayor or CEO or both, and CEO expenditure is approved by the Mayor).	Medium	Jun-22	Sarah Vaz	Complete - ready for re-auditing	Sensitive expenditure approvals matrix approved and in place. Sensitive expenditure is reviewed on a quarterly basis to ensure one up approval is in line with approvals matrix. Review is completed by Strategic Risk and Assurance Chair.
Ent-E 3044	Condition data present in asset registers for valuation purposes	We recommend that Council ensure that condition data is present in asset registers and available for valuers so that assets in poor condition are correctly reflected in the valuation.	Medium	Jun-22	Sarah Vaz	In progress	<p>-Three Waters - Council acknowledges the AuditNZ recommendation that condition data and/or scoring, is contained within the Three Waters Asset registers, and is made available to valuers to utilise in the revaluation of Three Waters Assets held by Council, where this information is available, and robustly quality assured as being accurate.</p> <p>-Transport - Council has an ongoing condition rating programme for all the Transport assets, and this data is contained within the same database as is used for the Transport revaluation process. The existing level of individual transport asset condition data held is considered to be appropriate, sufficiently current and complete as reported by Council's external evaluator. However, staff will continue to improve condition rating as part of our improvement plan. The Transport Revaluation has traditionally been based on current age, and that adjustment for remaining expected life based on current condition is not recommended by Thinkproject, the providers of the RAMM transport asset management database. Council acknowledges the AuditNZ recommendation that condition data is considered and will investigate the potential to revise the transport revaluation procedure to take into account current condition where appropriate.</p> <p>-Parks & Gardens - Council acknowledges Audit NZ recommendation. A business case recently been approved for a range of asset data improvements, including a project to enable the capture of condition inspection results in iPS for open spaces assets. The PG revaluation report also includes an improvement task to investigate the use of condition information for the next revaluation (dependent on the business case project). Therefore, the area causing a status of "in progress" for this OIR matter is Parks and Gardens.</p>
Dat-E 3167	Annual Report Audit 2023 - Interim						
Ent-E 3168	Investment properties	Council should improve on its process for reviewing the valuation report for completeness.	Medium	Aug-23	Sarah Vaz	Complete - ready for re-auditing	On acquisition of properties council reviews the classification of the purchase. Each year through the revaluation process council discusses the nature of properties with the valuer to determine the accuracy of the valuation.
Dat-E 3169	Annual Report Audit 2023 - Final						
Ent-E 3170	Property, Plant and Equipment: Work in progress - Capitalisations	We recommend processes and systems are put in place so that the WIP balance reflected in the general ledger more closely aligns with the underlying asset systems and the need for manual adjustments is reduced.	Medium	Nov-23	Sarah Vaz	In progress	<p>Management agrees with the finding. Council has invested in additional resources to actively work on ensuring the capitalisation of WIP items which have exceeded their in-use dates and have not yet been capitalised. Council reconciles the general ledger and the underlying asset systems regularly and resolves any differences noted.</p> <p>Delays in capitalisations are because of the complexities in completing the relevant capitalisation forms in a timely manner compounded by the lack of integration between asset and financial systems where manual intervention is required. Additional pressure has been placed on these requirements through the volume of capital expenditure.</p>
Ent-E 3171	Water meter fixed rate charges	A review process should be implemented to ensure the billing system is updated with the adopted water meter fixed rate charges.	Medium	Nov-23	Rebecca Jackson	Complete - ready for re-auditing	Council acknowledges a charging error occurred in the 2022/23 Financial year. This error related to Non-Domestic Water Supply Minimum Charges continuing to be charged throughout 22/23 at the 21/22 rate. The impact of this error is an under recovery of approximately \$21K (including GST) or \$18K (excluding GST) of Non-Domestic Water Supply Minimum Charges. In response to Audit NZ's findings, a review of the application of Non-Domestic Water Supply Minimum Charges has been initiated to ensure clarity on the intended application and compliance with the Rating Act.
Ent-E 3172	Performance reporting - Smooth travel exposure	We recommend a quality review is performed over data input by third parties into RAMM to ensure the accuracy thereof for reporting purposes.	Medium	Nov-23	James Clarke	In progress	<p>Staff have instigated a significant review into the entire internal process of traffic counting, and that report has recently been completed with several process improvements to reduce duplication and output differences.</p> <p>Council has re-tendered the traffic counting contract, which now includes some alternative methods to supplement the traditional tube counts and will allow us to clarify the accuracy of data particularly the percentage of Heavy Commercial Vehicles (HCV's) which have a significant impact on asset management. The alternative methods also allow collection of alternate mode pedestrian and cycle volumes.</p> <p>We have identified a consultant to review the traffic count (location) plan / policy to consider the growth in the city, effects of the recent opening of the Waikato Expressway bypass and opening up of several growth areas.</p> <p>During this period the Road Efficiency Group (REG) a arm of NZTA have revamped the RAMM traffic Counting Module and provided a new process we are now trialling. The previous RAMM traffic counting module was a bit unreliable in the opinion of most Councils.</p>
Dat-E 3291	Annual Report Audit 2024 - Interim						
Ent-E 3292	Full review of Authority users and their access levels	Cyclical full reviews of users and their access levels in Authority is reviewed to ensure access remains appropriate.	Medium	Aug-24	Linda Salt	Complete - ready for re-auditing	<ul style="list-style-type: none"> •Authority review is carried out manually annually •The Staff Establishment report is used for staff management not related to authority access management in terms of employees only in terms of checking that the access types for positions is correct. •Network access is ended following the termination date (day after) and this will also terminate Authority access. •Contractors access requests include an end date which is entered into User Administration in Authority and will automatically terminate access at that date.
Dat-E 3041	Long Term Plan Audit 2021-2031						
Ent-E 2820	Funding from Waka Kotahi NZ Transport Agency	We recommend that management revisit their financial forecasts when the Waka Kotahi funding allocation is approved and, if required, update these as part of the Annual Plan process.	Medium	Jul-05	Martin Gould	Complete - ready for re-auditing	The Waka Kotahi funding allocation has been revisited and funding allocation updated as part of the Long Term Plan 2024-34, Long Term Plan Amendment 2024-34 and Annual Plan 2025-26.
Dat-E 3293	Long Term Plan Audit 2024-34						
Ent-E 3294	Inflation assumption	For future LTPs, Council needs to make sure it can provide suitable evidence to support key assumptions made.	Medium	Aug-24	Sarah Vaz	Complete - ready for re-auditing	For the 2025-26 Annual Plan and 2024-34 Long Term Plan Amendment, we have used updated inflation rates determined by BERL.

ID Number	Description	Audit Recommendation	Risk	Date raised	Owner	Status	Status Update
Ent-E 3295	Forecast renewals	We recommend that Council includes the contractual replacement values used for the LTP financial forecasts when completing the fair value assessment for the 3 waters assets as part of the 2023/24 annual reporting process. We further recommend that you revisit the 2022/23 fair value assessment and determine how much of the difference between carrying value and fair value at 30 June 2024 relates to the prior financial year.	Medium	Aug-24	Sarah Vaz	Complete - ready for re-auditing	Management has taken the advice of audit and completed the fair value assessment considering contractual replacement values for waters assets (being those capitalised since the previous revaluation). Based on the fair value assessment completed, management is of the view that as at 30 June 2024 the values for waters assets does not materially differ from their carrying value.
Ent-E 3296	Matters consulted on in the consultation document	In future Council should be clear in the LTP what the consultation issues were and what the outcome were.	Medium	Aug-24	James Clarke	Complete - ready for re-auditing	We have borne this advice in mind as we plan for the consultation on our preferred water services delivery model. Our intention here will be to ensure the Consultation Document is squarely focused on the key issue affecting the future of Hamilton – the water delivery model. For this, we will have a clear question and clear, worked up options. We are keen to avoid complicating the consultation document with other issues.
Ent-E 3297	Performance measures	We recommend: * The community satisfaction survey should cover 'confidence in decision makers'; * Consideration is given to including an appropriate measure(s) at the next opportunity that cover the Council's environmental health activities; and * The introduction of a suitable performance measure(s) for the new Support Services group of activities.	Medium	Aug-24	James Clarke	In progress	We note these comments and will consider them during the development of the next long term plan. We note that we did propose a measure in the Support Services group of activities relating to obtaining unqualified audit opinions for corporate planning documents/processes, but Audit NZ advised this was not suitable.
FN-E 2137	PWC open or outstanding matters						
Dat-E 3016	Property Management Process D-3631981						
Ent-E 3021	Lack of process notes, reliance on key people and current manual processes have resulted in data entry errors.	Implement a second person review of key information entered into the register.	Low	Feb-21	Nicolas Wells	In progress	Progressing towards closing off outstanding PWC audit recommendations. This work is currently in progress.
Ent-E 3022	Manual monthly invoices for operating expense recoveries	1. Simplify the receipt of information 2. Implement a review process of the draft invoices 3. Investigate implementing a regular monthly invoice and wash-up at year end.	Low	Feb-21	Nicolas Wells	Delayed or not started	Awaiting an IT and finance solution. Automation at this point is not possible, however this has been raised with IS and will be reviewed as Authority capability expands through upgrades. The Business Administrator has implemented better manual processes and these are available through Content Manager should there be a different person in the role in the future. Process also mapped in Promapp.
Dat-E 3060	Business Continuity Management D-4469401						
Ent-E 3061	Development of a Resilience Management Policy	Develop a Resilience Management Policy incorporating business continuity, crisis, emergency and incident, and protective security management.	High	Oct-22	Nicholas Whittaker	In progress	Staff continue to work through the Resilience Management Policy. The Policy will be shared with key staff in the new year for final review. The due date for this has been updated.
Ent-E 3062	Establish resilience working and governance groups	Establish resilience working and governance groups	High	Oct-22	Nicholas Whittaker	Complete - ready for re-auditing	The working and governance groups have been established. These will begin in Feb 2025 with regular meetings.
Ent-E 3063	Development and implement a resilience training and testing programme	Development and implement a resilience training and testing programme.	High	Oct-22	Nicholas Whittaker	Delayed or not started	This programme of work has been delayed due to resource constraints. This treatment plan will be put on hold until mid-2025, following the roll out of the refreshed business continuity management framework.
Dat-E 3069	Strategic Property Unit Review D-4490466						
Ent-E 3070	Prepare a comprehensive statement of the SPU's purpose, objectives and basis for opportunity assessment	Prepare a comprehensive statement of the SPU's purpose, objectives and basis for opportunity assessment, to be confirmed and agreed between the SPU and Council leadership.	Medium	Nov-22	Nicolas Wells	In progress	Progressing towards closing off outstanding PWC audit recommendations. This work is currently in progress.
Ent-E 3073	Issue criteria for SPU engagement and prepare an internal SPU	Upon completion of the wider Council property portfolio review and other internal unit management processes underway (which should include an assessment of potential future opportunity areas based on strategic direction), issue criteria for SPU engagement and prepare an internal SPU plan for identifying future opportunities proactively.	Medium	Nov-22	Nicolas Wells	In progress	Progressing towards closing off outstanding PWC audit recommendations. This work is currently in progress.
Dat-E 3100	GST & FBT Compliance Evaluation						
Ent-E 3108	Conditional invoices for dog registration fee statements.	That Council consider including wording on dog registration fee statements to indicate these are conditional invoices to ensure that the time of supply is aligned with Council's current practice of recognising GST when payment is received.	Medium	Feb-23	Matt Bell	In progress	Investigating what is required to make changes in Council's services system and when current system may be next under review.
Ent-E 3109	Conditional invoices for liquor and food licensing renewals.	That Council consider including wording on renewals to indicate these are conditional invoices to enable GST to be returned base upon payment.	Medium	Feb-23	Matt Bell	In progress	Investigating what is required to make changes in Council's services system and when current system may be next under review.
Ent-E 3113	Automation of FBT identification and calculation process	Consider automation options for the identification of unclassified benefits and motor vehicles.	Medium	Feb-23	Sarah Vaz	In progress	In progress. Improvements have been made to the motor vehicle report that come out of e-roads it only includes vehicles that are subject to FBT and not all vehicles. We are working on automation options for unclassified benefits.
Ent-E 3115	Motor Vehicle Fleet Listing Accuracy	Ensure that asset listing is up to date reflecting current vehicles, their category for FBT purposes and who they are being used by. This should be regularly updated to ensure it remains accurate. FBT categories should include work-related, full private use, pooled and no private use vehicles to support FBT compliance.	High	Feb-23	Louise Milcich	In progress	The Fleet master data is up to date reflecting current vehicles, who they are used by and whether a vehicle is FBT exempt or not. It gets updated regularly as changes occur. It does not yet include the FBT categories for each of the vehicles this will get updated shortly.
Ent-E 3117	Private Use Restriction Letters	That Council provide a private use restriction letter to all employees that use vehicles that Council wishes to apply the work-related vehicle exclusion to. A list of these vehicles/employees should be maintained by the fleet team and updates/refreshed letters sent yearly, at a minimum.	Medium	Feb-23	Louise Milcich	In progress	The Fleet master data has a list of all the vehicles that have a work-related exemption. Private use restriction letters are currently with HR and management to organise. This should be finalised this financial year.
Dat-E 3120	Vendor Analytics Internal Audit D-4634623						
Ent-E 3122	Conflict of Interest (COI) Register	Formalise a register to record declarations of conflicts of interest and assessment of risks.	Medium	Mar-23	Igor Magud	Complete - ready for re-auditing	HR have always maintained a Council conflict of interest register and a nominated procurement team member has been access to the register.
Ent-E 3123	COI Register and review of non-employee financial transactions	Develop an integrity report to periodically check non-employee financial transactions against declared interest and employee bank accounts. Finance Director to report to SRAC if such a transaction is flagged.	Medium	Mar-23	Igor Magud	In progress	An report is currently being developed to check employee bank accounts against vendor bank accounts. This will be reviewed periodically.
Ent-E 3126	Duplicate Invoices Controls	Investigate the duplicate invoices identified and request refunds from vendors where needed.	High	Mar-23	Matt Bell	Complete - ready for re-auditing	Authority 7.1 has controls in place to stop duplicate invoices being entered against the same creditor. Procurement team have developed a report to assist in monitoring and reviewing of duplicate invoices on a monthly basis.

ID Number	Description	Audit Recommendation	Risk	Date raised	Owner	Status	Status Update
Ent-E 3127	Duplicate Invoices Report Review	Regular review of a duplicate invoice report by the Accounts Payable team.	Medium	Mar-23	Matt Bell	Complete - ready for re-auditing	Procurement team have developed a report to assist in monitoring and review of duplicate invoices on a monthly basis.
Ent-E 3129	Purchase Orders raised after invoice is received	Internal communication to vendors and staff to require PO's to be referenced on invoices for processing to occur.	Medium	Mar-23	Matt Bell	In progress	IS staff currently developing reporting to assist with quantifying this as an issue, identify situations to focus on, and users responsible. Note that there are some genuine circumstances where an invoice may be received without a PO, and the Authority purchasing system caters for this. Our aim initially is to drive a rapid change in user behaviors by better educating our purchasing staff and suppliers of our requirements. Ongoing campaign of training, communication and updating documentation to drive change from our business users and vendors. This includes: - Email to suppliers. - Continuous updates to tabs purchasing pages to reflect business requirements. - Targeted communication to business managers and those that can influence wider change. - Training to new all purchasing users. - Discussions directly with users to provide support and guidance. - Promoting the uptake of blanket purchase orders, (which has been simplified as part of a recent system upgrade). Our messaging to the business includes the future implementation (and benefits) of invoicing, which relies heavily on correct invoice information.
Ent-E 3138	Multiple Vendor Bank Accounts	Authority allows for a vendor to have more than one bank account for payments. Council to verify that sufficient controls are in place in choosing the correct bank account when processing payments.	Medium	Mar-23	Igor Magud	Complete - ready for re-auditing	Report has been created to identify any duplication of creditor bank accounts, this will be reviewed quarterly. Risk is managed.
FN-E 3165	KPMG open or outstanding matters						
Dat-E 3154	Fees and charges - Resource consents review						
Ent-E 3155	Ensure annual rates are correctly uploaded into the Authority system	1. Introduce a formal review and approval process for rate changes in the system. This could involve a designated individual or team verifying the accuracy and completeness of rate updates before they are applied to the invoices. 2. Develop a standard procedure for documenting and investigating incidents related to rate errors. This includes thoroughly documenting the root cause of the error and the actions taken to rectify it. This documentation should be easily accessible for future reference.	Medium	Jun-24	Chris Hubbard	Complete - ready for re-auditing	1. A Fees and Charges review process is in place outlining the process to follow when loading revised fees. Hourly rates and time capture are now handled outside of Authority partly due to a previous error and lack of transparency. 2. A Data Error process is in place outlining the process to follow if a data error occurs. Errors are rated and actioned accordingly.
Ent-E 3156	Ensure timely billing of the final invoices to the applicant	1. Implement specific timeframes and guidelines for issuing final invoices to resource consent applicants. This will create a standardised process and provide clarity on expectations for timeliness. 2. Develop and implement monitoring mechanisms and controls to identify cases where final invoices are not issued promptly. This could involve tracking the time elapsed between final consent and invoice issuance and establishing alerts for delays. 3. Provide training to staff members involved in the invoicing process to raise awareness of the importance of timely invoicing. Emphasise the impact of delayed invoicing on cash flow, customer satisfaction, and regulatory compliance. 4. Explore the possibility of automating invoicing processes or improving existing workflows to streamline the issuance of final invoices. Automation can help reduce manual errors and ensure timely delivery of invoices.	Medium	Jun-24	Chris Hubbard	Complete - ready for re-auditing	1. Target timeframes are in place for all final invoices. Noting that the majority of funds are received prior to a resource consent being issued, as the deposit is required to be paid prior to a final decision being released. Final invoices are only issued where the total cost exceeds the deposit amount, and therefore the remaining balance is invoiced. 2. Consents requiring invoicing use Authority tasking and are actioned by all of the Business Support team, and monitored by the PGU Business Manager. 3. Staff members involved in the invoicing process are aware of the importance of timely invoicing, which is regularly discussed at the daily team catchup meetings. Note that there is no regulatory compliance related to the timing of final invoices. 4. Due to the complexity of creating the final invoices it is considered impractical and at this stage and too high a risk to automate the invoicing process. This will be regularly reviewed.
Ent-E 3157	Simplify planning costing sheet to enhance user experience	1. Clarify expectation for sending the planning costing sheet to ensure consistency of the practice. 2. Review and enhance the format and layout of the planning costing sheet to make it easier for the applicant to follow and be able to understand charge applied by the council. 3. Implement controls in the planning costing sheet such as auto totals to ensure accuracy of the charges calculated in the planning costing sheet.	Low	Jun-24	Chris Hubbard	Complete - ready for re-auditing	1. Costing sheets are sent out with all final invoices. The only exceptions are where there are no PGU costs, e.g. an Engineering fee only. 2. The planning costing sheet has been reviewed and updated to increase clarity of information. 3. The planning costing sheet includes auto totals to ensure accuracy of the calculations.
Ent-E 3158	Embed operational risk identification and assessment into the resource consent processes	1. Undertake a comprehensive operational risk identification and assessment covering key operational processes such as resource consent. These should include a consideration of what could go wrong in the execution of the day to day processes and ensure controls and other risk mitigations are in place. 2. Where gaps in risk mitigation are identified, ensure appropriate risk treatment plans are in place. 3. A periodic operational risk refresh process should be put in place to ensure key risks are continually assessed to reflect new and emerging risks or changes in the processes or operations.	Low	Jun-24	Chris Hubbard	Complete - ready for re-auditing	1. An operational risk register, including a risk matrix, and rating for each risk along with relevant mitigations has been put in place. This is reviewed quarterly by the Business Support team. 2. Where gaps in risk mitigation are identified, the team, led by the business manager, ensure appropriate risk treatments are in place. 3. The risk register is reviewed quarterly.
Ent-E 3299	Procurement review						
Ent-E 3300	Align on Strategy	ELT to align & communicate an organisation-wide procurement strategy that aligns with wider goals.	High	Aug-24	Igor Magud	Delayed or not started	
Ent-E 3301	Improve reporting	ELT reporting for procurement activities with strategy linked KPIs. Regular updates on performance, risk, spends, contracts, etc.	Medium	Aug-24	Igor Magud	Delayed or not started	
Ent-E 3302	Endorse procurement	ELT to endorse procurement as an enabler for HCC. Highlight the importance of procurement in long-term planning.	High	Aug-24	Igor Magud	Not yet due	

ID Number	Description	Audit Recommendation	Risk	Date raised	Owner	Status	Status Update
Ent-E 3303	Improve adherence	Implement controls and test mechanisms to monitor compliance. Hold individuals and teams accountable to manage risk.	High	Aug-24	Igor Magud	Not yet due	A Procurement Task Force has been set up. KPMG have been engaged to help support us in addressing the key recommendations. The initial programme of work to deliver on these recommendations is not due to start until November 2024. KPMG have proposed a three-year roadmap to deliver on the recommendations.
Ent-E 3304	Regular, compulsory training	Establish a routine for risk and procurement training for all relevant personnel and contractors.	High	Aug-24	Igor Magud	Not yet due	
Ent-E 3305	Align sourcing approaches	BUs and Central Procurement establish clear rules for when to use tenders vs. direct appointments vs. other.	Low	Aug-24	Igor Magud	Delayed or not started	
Ent-E 3307	Define savings approach	Define what value means to HCC. How savings are measured and achieved in budgeting, tendering, SRM.	Low	Aug-24	Igor Magud	Delayed or not started	
Ent-E 3308	Implement category initiatives	Assign ownership for purchasing category initiatives to specific roles within either CP or BUs.	Low	Aug-24	Igor Magud	Not yet due	
Ent-E 3309	Develop SRM model	Develop a supplier relationship management model to give HCC a standard approach to vendor management (SLA, forums etc.)	Low	Aug-24	Igor Magud	Not yet due	
Ent-E 3310	Streamline processes and policies	Make them easier to understand and follow. Solicit end-user input and automate.	Low	Aug-24	Igor Magud	Not yet due	
Ent-E 3311	Define structure	ELT to define preferred procurement structure. KPMG Advocates a hybrid model but expects transition difficulties at HCC.	High	Aug-24	Igor Magud	Delayed or not started	
Ent-E 3312	Review resource needs	Review the resources needs in different departments based on the agreed structure.	Medium	Aug-24	Igor Magud	Delayed or not started	
Ent-E 3313	Clarify and enforce R&R	Inform all FTEs performing procurement tasks of their roles and responsibilities. Enforce role adherence when needed.	Low	Aug-24	Igor Magud	Not yet due	
Ent-E 3314	Create collaboration framework	Set up a frameworks for collaboration across all units. Make CP an enabler and clear choice for support.	High	Aug-24	Igor Magud	Delayed or not started	
Ent-E 3315	Standardise knowledge management	Implement a procurement knowledge platform, create a procurement onboarding programme, and a training plan.	Medium	Aug-24	Igor Magud	Not yet due	
Ent-E 3316	Procurement system consideration	Review options for new procurement system(s) to increase transparency, control, consistency and efficiency.	Low	Aug-24	Igor Magud	Not yet due	
Ent-E 3317	Create automation roadmap	Develop a roadmap and strategy for automation and AI tools roll-out. Dedicate resources for deployment.	Medium	Aug-24	Igor Magud	Not yet due	
Ent-E 3318	Establish document portal	Implement a system to standardise documents used in procurement activities to eliminate inconsistencies.	Medium	Aug-24	Igor Magud	Not yet due	
Ent-E 3319	Standardise spend analysis	Set up spend analysis dashboards for transparency and to raise awareness of supplier use and collaboration opportunities.	High	Aug-24	Igor Magud	Not yet due	
FN-E 3166	NZTA open or outstanding matters						
Dat-E 3285	NZTA - Investment Audit Report 2024						
Ent-E 3286	Upskills backup personnel to be able to process claims to NZTA for funding assistance.	Upskills backup personnel to be able to process claims to NZTA for funding assistance.	Low	May-24	Martin Gould	Complete - ready for re-auditing	As part of a recent organisation restructure, a new Group Business Performance Directorate has been established within the Infrastructure and Asset Group. This has resulted in a reporting line change for the Transport Investment Analyst (Marlene Curyer) who will now be reporting to the Infrastructure and Assets Contract Finance Manager (Iain Anderson). It is intended to familiarise Iain Anderson with the claim model also noting that Iain previously used to manage the NZTA monthly claims.
Ent-E 3287	Ensures that it meets the condition of funding for the LCLR programme by updating actual project expenditure by the 31st of August of the FY completed.	Ensures that it meets the condition of funding for the LCLR programme by updating actual project expenditure by the 31st of August of the FY completed.	Low	May-24	Martin Gould	Complete - ready for re-auditing	A new step was introduced at the Year End whereby the Transport Investment Analyst (Marlene) completed a cross-reference check of the LCLR spreadsheet figures, prior to them being submitted in TIO in 31st August by the Programme Delivery Lead (Dharmen Singh). This will ensure the actual project expenditure reported agrees with the final submitted claim for the FY and should eliminate any future differences, as picked up in the audit. The three prior years are also being brought into sync with the TIO spreadsheet.
Ent-E 3288	Ensures that it meets the condition of funding for the LCLR programme by identifying and reporting on individual projects from the programme line.	Ensures that it meets the condition of funding for the LCLR programme by identifying and reporting on individual projects from the programme line.	Low	May-24	Martin Gould	Complete - ready for re-auditing	Early in the 2021-24 NLTP Council utilised a couple of 'general' minor and safety improvement project codes – one of these was queried in the audit - but it was soon found out that the tracking and capitalisation were too challenging. Therefore, it became standard practise to create new project codes for each capital works as needed. We intend to continue this practice, which will become more apparent in the 2024-27 NLTP.
Ent-E 3289	Confirms the amount to be recovered by NZTA for overclaiming related to the Claudelands East LCLR project over \$2M and repaying the surplus though the Low Cost, Low Risk programme in the 2023/24 financial year.	Confirms the amount to be recovered by NZTA for overclaiming related to the Claudelands East LCLR project over \$2M and repaying the surplus though the Low Cost, Low Risk programme in the 2023/24 financial year.	Low	May-24	Martin Gould	Complete - ready for re-auditing	It has been confirmed the Claudelands East project claim totalled more than \$2m: made up of \$0.082k in 2020/21 (project W3501) and \$2.038 in 2022/23 (project W4721) = \$2.012m. Therefore, a credit of \$120k was put through the April Road to Zero claim, now submitted. To assist with ensuring that this situation doesn't occur again from the April 2024 claim onwards, a multi-year tracking tool has now been developed and added to the subsidy claim model. It is a simple, largely automated tool tracking total claims to NZTA for each project from 2021/22 onwards and has inbuilt alerts for when total project claims reach \$1.5m (amber) and \$2m (red). This is now reported to the Programme Delivery Lead (Dharmen) every month. There will also be periodic reviews to ensure any projects with two or more project codes are linked in the tracking.
Ent-E 3290	Ensures justification for substantial increase to project costs originally procured by direct appointment are robust and defensible.	Ensures justification for substantial increase to project costs originally procured by direct appointment are robust and defensible.	Low	May-24	Martin Gould	Complete - ready for re-auditing	This occurred as a result of a change in scope part way through the design process. Going back to market would not have been best value for money however we will better document this decision making in the future if it occurs. This did comply with HCC's procurement rules but acknowledge that this exceeded NZTA without justification.

Council Report

Item 12

Committee: Strategic Risk and Assurance Committee
Date: 10 December 2024
Author: Sarah Vaz
Authoriser: Gary Connolly
Position: Accounting Manager
Position: Chief Financial Officer
Report Name: Audit New Zealand Update

Report Status	Open
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Purpose - *Take*

1. To inform the Strategic Risk and Assurance Committee on Audit New Zealand audit progress since the last committee meeting.

Staff Recommendation - *Tuutohu-aa-kaimahi*

2. That the Strategic Risk and Assurance Committee receives the report.

Executive Summary - *Whakaraapopototanga matua*

3. Audit NZ completed their audit of the 30 June 2024 Annual Report.
4. Audit NZ issued an unmodified audit opinion on 3 December 2024.
5. Audit NZ will supply a memo to cover off the key areas of audit focus and the key issues found during the audit prior to the finalisation of the final management report. This will be circulated with the committee prior to this meeting.
6. The Audit NZ final management report has not yet been completed. This will be circulated with the committee once this has been received.
7. Staff consider the matters in this report to have low significance and that the recommendations comply with Council's legal obligations.

Discussion - *Matapaki*

8. Audit NZ completed their audit of the 30 June 2024 Annual Report. Audit NZ were onsite from 26 August 2024 to 18 October 2024. They continued to complete their audit through to the end of November 2024. The adoption of the Annual Report was delayed as audit addressed key validation testing around the Service Performance Measures and Land Revaluation.
9. Audit NZ issued an unmodified audit opinion on 3 December 2024.
10. Audit NZ will supply a memo to cover off the key areas of audit focus and the key issues found during the audit to ensure timely insight. This will be circulated with the committee prior to this meeting but is not yet available.
11. The Audit NZ final management report has not yet been completed. This will be circulated to the committee once this has been received.

Financial Considerations - *Whaiwhakaaro Puutea*

12. The cost of this engagement is funded through the 2023-24 Annual Plan.

Legal and Policy Considerations - *Whaiwhakaaro-aa-ture*

13. Staff confirm that the matters in this report comply with the Council's legal and policy requirements.
14. Staff have also considered the key considerations under the Climate Change Policy and have determined that an adaptation assessment and emissions assessment is not required for the matters in this report.

Wellbeing Considerations - *Whaiwhakaaro-aa-orange tonutanga*

15. The purpose of Local Government changed on the 14 May 2019 to include promotion of the social, economic, environmental and cultural well-being of communities in the present and for the future ('the 4 well-beings').
16. The subject matter of this report has been evaluated in terms of the 4 well-beings during the process of developing this report.
17. There are no known social, economic, environmental or cultural considerations associated with this matter.

Risks - *Tuuraru*

17. There are no known risks associated with this matter.

Significance & Engagement Policy - *Kaupapa here whakahira/anganui*

18. Having considered the Significance and Engagement Policy, staff have assessed that the matter in this report is of low significance.
19. Given the low level of significance determined, the engagement level is low. No engagement is required.

Attachments - *Ngaa taapirihanga*

There are no attachments for this report.

Council Report

Item 13

Committee: Strategic Risk and Assurance Committee
Date: 10 December 2024
Author: Sarah Vaz
Authoriser: Gary Connolly
Position: Accounting Manager
Position: Chief Financial Officer
Report Name: Annual Credit Rating Report - S&P Global Ratings

Report Status	Open
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Purpose - *Take*

1. To inform the Strategic Risk and Assurance Committee on the Annual Credit Rating Report prepared by S&P Global Ratings (S&P) based on the year ending 30 June 2024.

Staff Recommendation - *Tuutohu-aa-kaimahi*

2. That the Strategic Risk and Assurance Committee receives the report.

Executive Summary - *Whakaraapopototanga matua*

3. S&P Global Ratings (previously Standard and Poor's) is the credit rating agency used by Hamilton City Council (HCC) to independently review and issue a credit rating on HCC debt.
4. These credit ratings assess the ability of an organisation to repay debt, by meeting interest payment obligations, as well as the likelihood of default.
5. Lending facilities utilise these credit ratings to determine the cost of debt being borrowed. A higher rating indicates that an organisation is a lower lending risk. This results in lower interest rates when lending.
6. S&P completed their review for HCC and provided the key indicators of HCC's financial health on 5 September 2024.
7. S&P lowered HCC's long-term issuer credit rating to 'A+' from 'AA-', and short-term issuer credit rating at to 'A-1' from 'A-1+'.
8. The long-term rating outlook has remained at negative, which reflects the weakening institutional settings in New Zealand's local government sector.
9. The published Rating Action Commentary (RAC's) can be found in **Attachment 1**.
10. Staff consider the matters in this report to have medium significance and that the recommendations comply with Council's legal requirements.

Discussion - *Matapaki*

11. S&P have been engaged by Council to review the credit ratings since the 2020.
12. S&P have updated their analysis based on the publication of Council's 2024-25 Annual Plan, as well as completing interviews with senior members of staff, the CE and the Mayor.

13. Key factors supporting the ratings include the institutional framework within which New Zealand councils operate and Hamilton's economic profile. Hamilton was the fastest growing area in New Zealand in 2023 and it has seen rapid growth for the past decade.
14. Considerations from S&P that support the Issuer Credit Rating include:
 - i. The institutional framework within which New Zealand councils operate is one of the strongest and most predictable globally.
 - ii. Rising infrastructure budgets are exerting pressure on the finances of New Zealand local governments.
 - iii. Hamilton's long-term economic and growth prospects are very strong. Hamilton's economic profile is a key factor supporting the rating.
 - iv. Hamilton's economy is supported by a diverse range of industries. Large ongoing greenfield projects such as Peacocke and Rotokauri will contribute to the city's economic growth and help meet residential housing demand.
 - v. Hamilton's budgets are credible, and processes well established in line with New Zealand requirements.
 - vi. Council's after capital account deficit for fiscal 2024 is high, with council's debt and interest costs rising rapidly.
 - vii. Weak financial outcomes over the past two years as Hamilton seeks to address growth pressures and some infrastructure backlogs.
 - viii. Council's savings targets to headcount may bring additional challenges including loss of corporate knowledge in key areas and capacity pressures within the council.
 - ix. Hamilton's modest level of interest rate hedging and increase in borrowing has seen its interest costs rise as global interest rates increased rapidly over the past two years.
 - x. The commencement of rate cuts by the Reserve Bank of New Zealand in August 2024, should support the economy over the next year.
15. Elevated sector policy uncertainty with changes in Government Waters policy and rising infrastructure budgets and responsibilities on New Zealand local government has resulted in S&P placing the sector on a negative watch and has contributed to the downgrading of six councils' credit ratings, including Wellington City Council, Hutt City, Porirua City Council, Bay of Plenty Regional Council, Horowhenua District Council and Hamilton City Council. Another 19 councils have been placed on a negative outlook.

Financial Considerations - *Whaiwhakaaro Puutea*

16. S&P's engagement, to review the credit rating, is a regular operating activity funded through the Long-Term Plan.
17. The financial implications of the S&P credit rating downgrade is that finance costs will increase by 5 basis points (0.05 percent) or \$500 per annum per \$1,000,000 of borrowing as Council take out new borrowings, and when existing borrowings mature and are refinanced. This increase in finance costs has not been factored into the LTP.

Legal and Policy Considerations - *Whaiwhakaaro-aa-ture*

18. Staff confirm that this matter complies with Council's legal and policy requirements.
19. Staff have also considered the key considerations under the Climate Change Policy and have determined that an adaptation assessment and emissions assessment is not required for the matter(s) in this report.

Climate Change Impact Statement

20. Staff have assessed this option against the Climate Change Policy for both emissions and climate change adaptation. Staff have determined no adaptation assessment or emissions assessment is required.

Wellbeing Considerations - *Whaiwhakaaro-aa-oranga tonutanga*

21. The purpose of Local Government changed on the 14 May 2019 to include promotion of the social, economic, environmental and cultural well-being of communities in the present and for the future ('the 4 well-beings').
22. The subject matter of this report has been evaluated in terms of the 4 well-beings during the process of developing this report as outlined below.
23. The recommendations set out in this report are consistent with that purpose.
24. Economic wellbeing is managed through the efficient monitoring of Council's financial results. A stable outlook and affirmed credit rating supports the economic wellbeing.
25. There are no environmental, social or cultural wellbeing implications identified in the formulation of this report.

Risks - *Tuuraru*

26. There are no known risks associated with the decisions required for this matter.

Significance & Engagement Policy - *Kaupapa here whakahira/anganui*

27. Staff have considered the key considerations under the Significance and Engagement Policy and have assessed that the matter(s) in this report has/have a low level of significance.
28. Given the low level of significance determined, the engagement level is low. No engagement is required.

Attachments - *Ngaa taapirihanga*

Attachment 1 - S&P Global Credit Rating Report 2024

Research Update:

Hamilton City Council Downgraded To 'A+/A-1' On Weakening Financial Management And Large Deficits; Outlook Negative

September 5, 2024

Overview

- Hamilton City Council's financial outcomes are very weak. Its large capital expenditure (capex) pipeline means after capital account deficits will be much weaker than that of 'AA-' rated peers, at more than 25% of total revenue. This will push up debt to more than 300% of operating revenue for the New Zealand council.
- We believe Hamilton's financial management has weakened, as seen in the fiscal outlook and recent outcomes. Its after capital account deficit for fiscal 2024 was one of the largest in the world, and the council's debt and interest costs are rising rapidly.
- We lowered our long-term issuer credit rating on Hamilton to 'A+' from 'AA-', and the short-term issuer credit rating to 'A-1' from 'A-1+'.
- The negative outlook on the long-term rating reflects the weakening institutional settings in New Zealand's local government sector.

Rating Action

On Sept. 6, 2024, S&P Global Ratings lowered its long-term issuer credit rating on Hamilton City Council, a New Zealand local government, to 'A+' from 'AA-', and the short-term issuer credit rating to 'A-1' from 'A-1+'. The outlook on the long-term rating is negative.

Outlook

The negative outlook reflects the downward pressure on the institutional settings for New Zealand's local government sector.

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Downside scenario

We could lower our ratings on Hamilton if the local government sector's overall commitment to strong finances continues to deteriorate, as indicated by large sectorwide cash deficits and further growth in the sector's already-elevated debt burden. This could emerge due to inadequate revenue growth to fund capex, or changes in central government policy that undermine the financial outcomes of the sector.

Upside scenario

We could revise our outlook on Hamilton to stable if the New Zealand local government sector's overall commitment to strong finances improves.

Alternatively, we could revise the outlook to stable if we believe Hamilton's financial management is strengthening, which would result in materially lower after capital account deficits and an easing debt and interest burden.

Rationale

We have lowered our ratings on Hamilton because the financial outlook is--and recent outcomes have been--much weaker than we previously expected. We believe this reflects a deterioration in financial management. We estimate the council's after capital account deficit will be much higher than peers', at about 36% of total revenue, over fiscals 2023-2027. Further adding to credit risk is the more than tripling of interest costs over the past three years.

We estimate Hamilton will deliver one of the largest deficits in the world in fiscal 2025, at 44% of total revenue. This is after accounting for historically large general property rate increases, savings initiatives, and deferrals of capex. This follows an exceptionally large deficit of more than 50% of total revenue in fiscal 2024. The deficit in fiscal 2024 was one of the highest in the New Zealand council sector, which has lagged all other local government systems that S&P Global Ratings rates across the world.

Hamilton adopted its 2024-2034 Long-Term Plan in July 2024, continuing its focus on investing in key infrastructure to address the needs of its fast-growing population.

The institutional framework within which New Zealand councils operate and Hamilton's economic profile are key factors supporting the rating. Hamilton was the fastest growing area in New Zealand in fiscal 2023. It has seen rapid growth for the past decade. Further, we expect the council's liquidity coverage to remain robust during a period of elevated spending.

Our base case assumes Hamilton will continue to deliver all water-related activities. In August 2024, the New Zealand central government (the Crown) passed the first of two planned pieces of legislation to implement its "Local Water Done Well" reforms. These reforms could give councils the option to shift water assets into new regional water utilities. The second piece of legislation is due by December 2024.

Hamilton's financial management has weakened, as could New Zealand's institutional framework; the council's very strong economic growth prospects support the rating.

We believe Hamilton's financial management has weakened. The council has delivered exceptionally weak financial outcomes over the past two years as it seeks to address growth pressures and some infrastructure backlogs. This will see debt triple between fiscals 2021 and 2027 despite the announcement of historically large rate increases, savings targets, and capex deferrals. We believe the low rate increase in fiscal 2024 undermined financial outcomes during a period of high inflation and major capex pressures.

Moreover, the council's savings targets, while positive in a financial sense, may bring additional challenges. Savings measures include a reduction in headcount, just a year after the council reduced its headcount by about 100 or about 12.5%. Any reduction could lead to increased turnover, loss of corporate knowledge in key areas, and potentially create capacity pressures within the council.

We consider Hamilton's budgets to be credible and processes to be well established. The council prepares 10-year long-term plans every three years, and annual plans in the intervening years, in line with New Zealand requirements.

The council's treasury management policy sets limits on borrowing, liquidity, and interest-rate risk. That said, Hamilton's modest level of interest rate hedging and rapid increase in borrowing has seen its interest costs spike as global interest rates rose rapidly over the past two years. The council only borrows in local currency, in accordance with legislation.

The institutional framework within which New Zealand councils operate is a key factor supporting Hamilton's credit profile. We believe this framework is one of the strongest and most predictable globally. It promotes a robust management culture, fiscal discipline, and high levels of transparency and disclosure.

However, rising infrastructure budgets and responsibilities are exerting pressure on the finances of New Zealand local governments. Furthermore, the sector has elevated policy uncertainty. The Crown has passed the first bill of its water reforms after repealing the previous government's reforms. A second bill is due in December 2024. If these trends continue, we could lower the institutional framework settings for local councils in New Zealand (see "New Zealand Councils' Extremely Predictable And Supportive Institutional Settings Are At Risk," published on RatingsDirect on Feb. 18, 2024).

We believe Hamilton's long-term economic and growth prospects are very strong. Hamilton's economic profile is a key factor supporting the rating because it should drive revenue generation to fund the council's high debt burden.

The commencement of rate cuts by the Reserve Bank of New Zealand in August 2024, should support the economy over the next year. High interest rates this year have restricted spending and weighed on growth across New Zealand. According to provisional estimates by economic consultancy Infometrics, the local Hamilton economy contracted by 0.1% in fiscal 2024. Hamilton's labor market indicators remained subdued, with a high unemployment rate of 6.3% during the period (compared with 4.2% nationally). Meanwhile, employment growth remained robust at 2.8% during the same period.

Hamilton's economy is supported by a diverse range of industries. It is also one of New Zealand's fastest growing urban areas. The council's population growth peaked at more than 3% in fiscal 2023. It has recorded average yearly population growth of 2.1% per year over the past 10 years, compared with 1.6% nationally. Strong population growth will add to the knowledge-intensive labor force and benefit the local economy. The population is among the youngest of New Zealand's territorial authorities--79% of the population is below 55 years, compared with 71% nationally. Further, we believe large ongoing greenfield projects such as Peacocke and Rotokauri will contribute to the city's economic growth and help meet residential housing demand.

Significant growth-related capex will ensure deficits remain very large; liquidity should cover rapidly rising interest costs and debt.

Hamilton's financial position is very weak compared to that of its peers. We estimate the council will deliver some of the largest after capital account deficits in the world in fiscals 2024 and 2025. As a high-growth council, Hamilton is borrowing heavily to invest in critical infrastructure to address growth pressures, particularly greenfield projects for private housing development.

We estimate Hamilton's after capital account deficits will average 36% of total revenue between fiscals 2023 and 2027. We expect capex of about NZ\$340 million per year across fiscals 2025 to 2027. Nearly one-third of the capital program in fiscal 2025 is related to the Peacocke and Rotokauri greenfield developments. This includes building wastewater capacity, water treatment plant upgrades, and transport and road projects (such as the Waikato River Bridge), connecting Peacocke to the rest of the city. Once complete, Peacocke will provide housing for up to 20,000 residents.

The council almost fully delivered its NZ\$348 million capital budget outlined in the 2023-2024 annual plan. This, combined with a small rate increase, rising interest costs, and general inflationary pressures resulted in a hefty after capital account deficit of 50% of total revenue in fiscal 2024.

Crown grants and subsidies only partially fund Hamilton's large capex. The council received NZ\$150 million in grant funding from the Crown's Infrastructure Acceleration Fund to support brownfield developments within the city center.

We forecast Hamilton will deliver operating surpluses of about 20% of operating revenue in fiscals 2026 and 2027. This is better than the 11% we estimate in fiscals 2024 and 2025 as the council promises to contain operating expenses (by implementing savings) and maintain large general property rate increases over the next four to five years.

Given our expectations of large deficits, we forecast Hamilton's total tax-supported debt will be about 320% of operating revenue in fiscal 2027, up from 195% in fiscal 2021. Debt will roughly triple to NZ\$1.6 billion in fiscal 2027 from NZ\$530 million in fiscal 2021. Included in tax-supported debt are borrowings from the New Zealand Local Government Funding Agency (LGFA), commercial papers, and borrowings from the Crown's Housing Infrastructure Fund. Hamilton has fully drawn NZ\$180 million from this facility to support the Peacocke development. Drawdowns are interest-free for 10 years. The council has negotiated with the Ministry of Business Innovation and Employment to defer NZ\$16.4 million of loan payments originally scheduled for June 2023 to July 2027. Given the intergovernmental and concessional nature of the loan we do not consider this a restructuring or default under our methodology.

Hamilton's interest expenses have risen rapidly and are very high as a proportion of operating revenues. We estimate interest expenses will average about 14% of operating revenue between 2024 and 2026, up from less than 5% in 2021.

Hamilton's debt-service coverage ratio, which includes interest costs and principal payments, has remained stable, supported by its cash holdings, funding undertaken this fiscal year, and undrawn facilities. The council has total free cash and undrawn facilities after budget needs sufficient to cover about 107% of debt service needs during the next 12 months.

Further, we consider that access to the LGFA provides Hamilton and most of its New Zealand peers with strong access to a well-established source of external liquidity. In our view, the LGFA benefits from an extremely high likelihood of extraordinary central government support and has

Research Update: Hamilton City Council Downgraded To 'A+/A-1' On Weakening Financial Management And Large Deficits; Outlook Negative

helped Hamilton lengthen its maturity profile and reduce interest expenses.

We consider Hamilton's contingent liabilities to be very small, with little uninsured exposure to natural disasters or to off-balance sheet council-controlled organizations. The council is part of the Waikato Local Authority Shared Services syndicate with 11 other councils in the region and is jointly insured for above- and below-ground assets.

Key Statistics

Hamilton City Council--Selected Indicators

(Mil. NZ\$)	2023	2024e	2025bc	2026bc	2027bc
Operating revenues	327	359	382	440	504
Operating expenditures	278	317	341	360	393
Operating balance	49	43	41	80	111
Operating balance (% of operating revenues)	15.0	11.8	10.8	18.1	22.0
Capital revenues	106	85	86	99	108
Capital expenditures	309	353	334	317	371
Balance after capital accounts	(154)	(225)	(208)	(138)	(152)
Balance after capital accounts (% of total revenues)	(35.7)	(50.5)	(44.4)	(25.6)	(24.8)
Debt repaid	70	95	85	115	140
Gross borrowings	314	300	296	256	290
Balance after borrowings	89	(20)	3	3	(2)
Tax-supported debt (outstanding at year-end)	925	1,108	1,319	1,460	1,610
Tax-supported debt (% of consolidated operating revenues)	282.7	308.2	345.6	332.1	319.7
Interest (% of operating revenues)	10.5	14.7	13.9	12.8	12.4
National GDP per capita (single units)	76,370	77,578	80,116	82,945	85,949

The data and ratios above result in part from S&P Global Ratings' own calculations, drawing on national as well as international sources, reflecting S&P Global Ratings' independent view on the timeliness, coverage, accuracy, credibility, and usability of available information. The main sources are the financial statements and budgets, as provided by the issuer. bc--Base case reflects S&P Global Ratings' expectations of the most likely scenario. N/A--Not applicable. N.A.--Not available. N.M.--Not meaningful.

Ratings Score Snapshot

Hamilton City Council--Key rating factors	
	To
Institutional framework	1
Economy	1
Financial management	3
Budgetary performance	4
Liquidity	2

Hamilton City Council--Key rating factors

	To
Debt burden	5
Stand-alone credit profile	a+
Issuer credit rating	A+

S&P Global Ratings bases its ratings on non-U.S. local and regional governments (LRGs) on the six main rating factors in this table. In the "Methodology For Rating Local And Regional Governments Outside Of The U.S.," published on July 15, 2019, we explain the steps we follow to derive the global scale foreign currency rating on each LRG. The institutional framework is assessed on a six-point scale: 1 is the strongest and 6 the weakest score. Our assessments of economy, financial management, budgetary performance, liquidity, and debt burden are on a five-point scale, with 1 being the strongest score and 5 the weakest.

Key Sovereign Statistics

- Sovereign Risk Indicators. An interactive version is available at <http://www.spratings.com/sri>

Environmental, social, and governance (ESG) credit factors for this change in credit rating/outlook and/or CreditWatch status:

- Other governance factors

Related Criteria

- General Criteria: Environmental, Social, And Governance Principles In Credit Ratings, Oct. 10, 2021
- Criteria | Governments | International Public Finance: Methodology For Rating Local And Regional Governments Outside Of The U.S., July 15, 2019
- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings, April 7, 2017
- General Criteria: Principles Of Credit Ratings, Feb. 16, 2011

Related Research

- Default, Transition, and Recovery: 2023 Annual International Public Finance Default And Rating Transition Study, Aug. 21, 2024
- New Zealand's Water Infrastructure Reshuffle Could Alter Local Government Funding Agency's Lending Mix, Aug. 12, 2024
- Economic Outlook Asia-Pacific Q3 2024: Exporters And EMs Are Outperforming, June 24, 2024
- Global LRGs Rating History List, June 18, 2024
- New Zealand Councils Will Lean Into Rising Credit Risk, May 6, 2024
- New Zealand Local Government Funding Agency Ltd. Ratings Affirmed; Outlook Stable, Feb. 27, 2024
- New Zealand Councils' Extremely Predictable and Supportive Institutional Settings Are At Risk,

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Feb. 18, 2024

- Various Rating Actions Taken On New Zealand Local Councils On Weakening Institutional Framework Trend, Feb. 18, 2024
- Global Ratings List: International Public Finance Entities January 2024, Jan. 18, 2024
- Local and Regional Governments' Workarounds Are Running Out Of Time, Dec. 6, 2023
- New Zealand Local Government Outlook 2024: Bridge Over Troubled Waters, Nov. 19, 2023

In accordance with our relevant policies and procedures, the Rating Committee was composed of analysts that are qualified to vote in the committee, with sufficient experience to convey the appropriate level of knowledge and understanding of the methodology applicable (see 'Related Criteria And Research'). At the onset of the committee, the chair confirmed that the information provided to the Rating Committee by the primary analyst had been distributed in a timely manner and was sufficient for Committee members to make an informed decision.

After the primary analyst gave opening remarks and explained the recommendation, the Committee discussed key rating factors and critical issues in accordance with the relevant criteria. Qualitative and quantitative risk factors were considered and discussed, looking at track-record and forecasts.

The committee's assessment of the key rating factors is reflected in the Ratings Score Snapshot above.

The chair ensured every voting member was given the opportunity to articulate his/her opinion. The chair or designee reviewed the draft report to ensure consistency with the Committee decision. The views and the decision of the rating committee are summarized in the above rationale and outlook. The weighting of all rating factors is described in the methodology used in this rating action (see 'Related Criteria And Research').

Ratings List

Downgraded		
	To	From
Hamilton City Council		
Issuer Credit Rating	A+/Negative/A-1	AA-/Negative/A-1+

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Council Report

Committee: Strategic Risk and Assurance Committee
Date: 10 December 2024
Author: Julia Kofoed
Authoriser: Gary Connolly
Position: Insurance Lead
Position: Chief Financial Officer
Report Name: Annual Post-Renewal Insurance Update

Report Status	<i>Open</i>
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Purpose - *Take*

1. To inform the Strategic Risk and Assurance Committee on the 2024/2025 General Insurance Renewal.

Staff Recommendation - *Tuutohu-aa-kaimahi*

2. That the Strategic Risk and Assurance Committee:
 - a) receives the report; and
 - b) notes the renewal of Council's general insurance policies.

Executive Summary - *Whakaraapopototanga matua*

3. Council purchases its insurance programme as a collective through Co-Lab, the Waikato Local Authority Shared Service, with Aon New Zealand (Aon) as the appointed broker. The purpose of this relationship is to leverage the region's collective insurance requirements, deliver economies of scale through reduced brokerage and cost, and reduce the impact of fluctuations in premiums and market capacity.
4. The insurance programme is regarded as a risk management tool to mitigate financial loss associated with unforeseen and significant adverse events.
5. All policies have renewed on 1 November 2024. At the time of writing, policy wordings had not been received, however, Aon has advised there are no major changes to terms and conditions, with the exception of the shared Council aggregate limit that has been applied to Building Act claims under the Professional Indemnity policy. This is discussed at paragraph 28.
6. Overall premiums have increased 5.64% on expiring values which is funded through existing budgets. Increases are below original indications and are driven by flat and negative rating outcomes on the two largest policies for physical damage covering above and below ground assets.

7. There have been no changes to the upper limits that Council purchases under the Material Damage and Infrastructure policies. Council has commissioned loss modelling for above ground assets in line with the updates to the National Hazard Seismic Model (NHSM) however the output of this exercise has been delayed as discussed at paragraph 22. Staff will revisit the upper limits purchased when loss modelling outputs are available to ensure limits remain fit for purpose.
8. Overall, while the renewal was successful in terms of premium spend, it still proved challenging for Aon, particularly in the international liability market. Staff continue to work closely with Aon to ensure data and information provided to the insurance market is accurate and informative to enable positive outcomes and support long term relationships.
9. Staff consider the matters in this report to have low significance and that the recommendations comply with the Council's legal requirements.

Discussion - *Matapaki*

Material Damage and Infrastructure Market Commentary

10. The local market has softened in the second half of the year. This contrasts with the hard market conditions experienced last year where insurers looked to reduce capacity and increase pricing in the wake of severe weather events. As a result, rating appears to have reached a plateau and capacity constraints are, for certain geographies, not an issue. For geographies that do not have a high natural disaster exposure, such as the Waikato, insurers are looking to increase their capacity. They are, however, still focused on flood exposures and are still using flood specific limits and deductibles when underwriting, where perceived risk is higher.
11. Offshore, there is also a softening of the markets, with some insurers looking to grow their portfolios which has resulted in additional capacity available in the market. In the Waikato this has led to ratings being largely flat and reduced. There remains ongoing focus on deductible levels and whether those provided to New Zealand risks need to be reviewed and increased to bring them in line with other international territories. Both the local and offshore markets also continue to focus on good quality data, together with up-to-date accurate valuations.

Liability Market Commentary

12. This is the most distressed market in the Council sector. Over the last six months several international markets have declined to provide cover for the Council sector in New Zealand. This has primarily been as a result of the Riskpool v Napier City Council case. The markets that Aon use for the primary layer liability covers have committed to continue long term support for Council placements. However, to do so they have capped some of the exposures by using annual aggregate limits.
13. The international markets, primarily London, have seen insurers withdrawing from these covers for the Local Government Sector. This was a pan New Zealand decision and did not reflect the performance of any one Council or group of Councils. There are other markets in London, Singapore and Australia who are considering these placements. The excess layer markets also have an increased focus on possible liability issues that Local Authorities may have as a result of large-scale weather events such as flooding.

Motor Market Commentary

14. Motor placements are largely claims driven, however the impact on pricing of the widespread losses following the severe weather events of previous years has eased slightly as 2024 has been relatively free from these large-scale events. Insurers are looking to hold rates on good performing placements. Repair costs for vehicles are still rising and insurers are focused on cost containment and repair efficiencies.

15. The insurance programme is purchased as a collective through Co-Lab with Aon as the appointed broker. The purpose of this relationship is to leverage the region's collective insurance requirements and deliver economies of scale.
16. Insurance is purchased for a probable maximum loss (PML) reinstatement value for the Material Damage / Business Interruption, and Infrastructure policies. This is as opposed to insuring the full replacement value of all Council assets. This approach allows spend on premium to be balanced with associated risk and likelihood of a major event.
17. As part of the continued relationship with the global market, the Waikato collective was represented with Aon at the overseas market presentations this year. Markets in Singapore and London were presented to. A total of 30 plus markets across three lines of business, being Infrastructure, Liability and Material Damage / Business interruption were engaged in the renewal process and asked to offer terms for these placements. These were well received and assisted with the continued availability of offshore capacity and a more in-depth and correct understanding of the role of local authorities in New Zealand and the associated risks carried. Specifically, there were comments from the markets of the importance in the long-term relationships that have been built up with the various markets.
18. Aon have been able to utilise capacity from Singapore this year on the broader New Zealand Council portfolio, which is a new market for some placements.

Physical Damage Policies

19. Material Damage / Business Interruption cover is purchased for assets listed on Council's property schedule with cover extending beyond natural disasters to include other perils including but not limited to fire, theft, and vandalism. The property schedule is mainly made up of buildings and other above ground structures, for example destination playgrounds, feature gardens, reservoirs, and their associated plant, stock, contents, and equipment. Council takes a default position of insuring assets for their full insurance replacement value. Exceptions are made where assets are intended to be demolished or have been impaired. These assets are insured for their demolition value only.
20. Material Damage / Business Interruption premiums for the 2024/2025 renewal year increased 13.56%. There was no increase in the actual rate charged by our insurers and the 13.56% uplift is solely driven by an increase in the total declared values of insured assets for the period, reflecting revised insurance valuations and completed capital work.
21. Council purchases a loss limit of \$300 million for all Material Damage losses (excluding fire) with the limit being informed by PML modelling for earthquake, being the most likely peril to cause catastrophe loss. PML modelling is informed by the National Seismic Hazard Model (NHSM) which estimates the likelihood and strength of earthquake shaking in different parts of New Zealand. This model is widely used by the government, industry, reinsurers, and insurers to help estimate earthquake risk. It was recently updated to include the latest science, data, and knowledge from significant earthquakes around New Zealand over the last two decades (including Canterbury and Kaikoura).
22. For this renewal, loss modelling was commissioned to inform the \$300 million limit against the renewing asset base of \$2.08 billion. The output from this exercise has unfortunately been delayed. Aon's Risk Team have advised that Hamilton was one of the first in this geographic region to leverage the updated NHSM. During the loss modelling exercise potential issues with the model in this region were noted and Aon's Risk Team has worked alongside GNS to resolve these issues to ensure the output is robust. We expect to provide a verbal update to this committee on the outcome of this loss modelling.

23. If modelling suggests a higher upper limit is more appropriate, staff will work with Aon on an additional excess layer for Council to purchase with a short-dated renewal in line with our common renewal. Aon have provided indicative pricing for a \$100 million layer at \$200,000 to \$230,000. Due to the favourable outcome of the Material Damage renewal terms this could be accommodated within the existing insurance budget.
24. The outcome for the Infrastructure Placement was also favourable to Council in respect of both premium and coverage. The Infrastructure Placement provides partial catastrophe cover (40% of the loss limit) following a natural disaster for underground water reticulation assets and key high value bridges that are deemed critical to the waters network. Aon was able to secure improved terms and conditions under the policy and a reduction in the pure premium rate. Declared values under this placement increased 19%, however the overall premium for this policy has decreased by 6.38%. Improved sub limits negotiated by Aon at renewal include increased amounts for capital additions, unspecified items, additional increased cost of working and enablement costs. Aon's experience in regions that had recent natural disaster claims under this placement are that these policy benefits provide genuine value to the insured at claim time.
25. There has been no change to the loss limit under the Infrastructure Placement. Council's current \$250 million limit points to a loss modelling exercise completed in 2021, which was collectively undertaken by the Waikato group. The total declared value for this renewal was \$3.50 billion and while no collective loss modelling exercise was done, Aon have provided indicative pricing for a Hamilton-only \$200 million excess layer at \$450,000 to \$500,000. Staff intend to complete a loss modelling exercise in the first six months of this renewal, ideally with others in the Waikato group, to validate the upper limit and consider if additional cover is justified.
26. Favourable outcomes have been received on other policies covering Council's physical assets such as Commercial Motor Vehicle and Fine Arts, which includes cover for the Waikato Museum collection, the Central Library heritage collection and various public artwork located around the city.

Liability Policies

27. Professional Indemnity and General Liability policies have renewed with a 7% increase on expiring premiums. Rates have stabilised over the past few renewals with the local market continuing to provide long term support for Council placements. However, this year's renewal terms include a significant change in relation to claims under the Professional Indemnity policy.
28. From 1 November 2024, a \$45 million aggregate cap applies to Building Act claims shared between 36 councils. Previously each council had their own primary \$15 million limit that they could access with claims above this amount triggering the excess layer which provided another \$145 million of shared cover. In the new structure, it is possible other Councils could erode the cover Hamilton can access, creating a gap before the excess layer kicks in. Staff are working with Aon to consider a stop loss option to mitigate this financial exposure. Aon is also drafting an agreement for the collective group's sharing of claim proceeds, should the limit be exhausted, and noting the long tail nature of the types of claims that will now be subject to this annual aggregate.

29. As discussed in the market commentary the international liability market was the most distressed placement in the Council portfolio. Leading up to this year's renewal, other Councils that are not intermediated by Aon lost market support which created instability in the market. Fortunately, Aon was able to renew the liability excess layer with full support and no reduction in the upper limit purchased. One of the key areas of concern for the underwriters was the building consenting process. Additional detailed information was provided by regulatory staff which enabled Aon to present the exposures accurately. Feedback from the market is that one of the main reasons capacity was able to be secured was due to the additional information and clarity provided around the processes by staff.
30. Council does not hold liability insurance for cyber related incidents and has in previous reports to this committee noted that staff are engaged in several projects to improve our security position. With the cyber insurance market softening, a declaration was completed by staff and Aon have provided indicative acceptance by the insurer and premium of \$50,000. Staff are working with Aon to refine this proposal and consider its suitability.

Premium Summary

31. All Councils insurance policies have renewed effective 1 November and Aon have not advised any other major changes to Council's policy conditions for the 2024/2025 renewal year, other than those noted in this report.
32. Premiums are summarised in the table below by policy type. Figures are inclusive of all applicable levies and fees and exclusive of GST. Date references are for the insurance renewal year, effective 1 November 2024.

Policy type	2023 Renewal Premium \$	2024 Renewal Premium \$	Premium Change %
Physical damage policies:			
Material damage / business interruption	1,913,919	2,173,435	13.56%
Material damage excess layer	330,885	330,895	0.00%
Infrastructure	1,011,035	946,539	-6.38%
Motor	121,175	119,602	-1.30%
Fine arts	105,467	103,644	-1.73%
Annual contract works	47,425	46,540	-1.87%
Boiler explosion	3,508	3,625	3.35%
Liability policies:			
Professional indemnity	469,253	501,443	6.86%
General liability	88,544	94,569	6.80%
Liability excess layer	46,369	53,068	14.45%
Crime	35,784	35,786	0.01%
Statutory liability	8,825	9,720	10.15%
Aviation liability	2,807	2,865	2.08%
Employers liability	1,415	1,435	1.41%
Other policies:			
Travel	808	418	-48.33%
Personal accident	1,182	1,185	0.26%
Total	4,188,401	4,424,770	5.64%

Financial Considerations - *Whaiwhakaaro Puutea*

33. The 2024/2025 insurance renewal premiums are a regular operating activity funded through existing budgets within the Long Term Plan.

34. On a pro rata basis, when the insurance renewal year is aligned with the financial year, there is a favourable variance of \$300,000 for FY25. Contingency is being held while loss modelling outputs are finalised. Forecasted years have been updated to reflect actual premiums received.

Legal and Policy Considerations - *Whaiwhakaaro-aa-ture*

35. Staff confirm that this matter complies with the Council's legal and policy requirements.

Climate Change Impact Statement

36. Staff have assessed this option against the Climate Change Policy for both emissions and climate change adaptation. Staff have determined no adaptation assessment is required.

Wellbeing Considerations - *Whaiwhakaaro-aa-oranga tonutanga*

37. The purpose of Local Government changed on the 14 May 2019 to include promotion of the social, economic, environmental and cultural wellbeing of communities in the present and for the future ('the 4 wellbeings').
38. The subject matter of this report has been evaluated in terms of the 4 wellbeings during the process of developing this report as outlined below.
39. There are no known social, economic, environmental, or cultural considerations associated with this matter.

Risks - *Tuuraru*

40. There are no known risks associated with the decisions required for this matter.

Significance & Engagement Policy - *Kaupapa here whakahira/anganui*

41. Having considered the Significance and Engagement Policy, staff have assessed that the matters in this report have low significance.
42. Given the low level of significance determined, the engagement level is low. No engagement is required.

Attachments - *Ngaa taapirihanga*

There are no attachments for this report.

Council Report

Committee: Strategic Risk and Assurance Committee
Date: 10 December 2024
Author: Michelle Hawthorne
Authoriser: Janet Carson
Position: Governance and Assurance Manager
Position: General Manager Partnerships, Communication & Maaori
Report Name: Compliance Reporting Update

Report Status	<i>Open</i>
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Purpose - *Take*

1. To inform the Strategic Risk and Assurance Committee of any protected disclosures or instances of fraud or corruption since the last Strategic Risk and Assurance Committee meeting.
2. To inform the Strategic Risk and Assurance Committee of any matters of significant non-compliance with the Privacy Act 2020.
3. To inform the Strategic Risk and Assurance Committee of the status of Council's policy reviews.

Staff Recommendation - *Tuutohu-aa-kaimahi*

3. That the Strategic Risk and Assurance Committee receives the report.

Executive Summary - *Whakaraapopototanga matua*

4. There are no protected disclosures to report since the last Strategic Risk and Assurance Committee meeting.
5. There are no instances of fraud or corruption to report since the last Strategic Risk and Assurance Committee meeting.
6. There are no notifiable breaches of the Privacy Act 2020 to report since the last Strategic Risk and Assurance Committee meeting.
7. A list of current Council and Management Policies is set out in the report.
8. Staff consider the matters in this report have a low level of significance and that the recommendations comply with Council's legal requirements.

Background - *Koorero whaimaarama*

Protected Disclosures

9. Council has a current Protected Disclosures Management Policy. The purpose of the Protected Disclosures Policy is to set out procedures enabling employees (defined broadly in the policy) to disclose allegations of serious wrongdoing to designated officers, without fear of reprisal.

10. At each meeting the Strategic Risk and Assurance Committee is advised of any protected disclosures that have been made since the Committee last met. The Strategic Risk and Assurance Committee is also advised of any reports on investigations into past disclosures that have been completed since the Committee last met.

Fraud and Corruption

11. Council has a Fraud and Corruption Management Policy in place.
12. The purpose of the Fraud and Corruption Management Policy is to prevent fraud and/or corruption and ensure the overall integrity and performance of Council. It provides a consistent and transparent approach to reporting and responding to allegations of fraud and/or corruption.
13. In accordance with the Fraud and Corruption Management Policy, allegations are investigated to determine if there is an actual, perceived, or potential instance of fraud and/or corruption involving an employee, representative, or external party to Council.
14. If an allegation of fraud or corruption is established, the Fraud and Corruption Management Policy requires the incident to be reported to the Chair of the Strategic Risk and Assurance Committee and for an appropriate response plan to be developed.

Discussion - *Matapaki*

Protected Disclosures

15. There are no protected disclosures to report to the Strategic Risk and Assurance Committee.

Fraud and Corruption

16. There are no instances of fraud or corruption internally to report to the Strategic Risk and Assurance Committee.
17. The Committee was updated at its last meeting on the fraud perpetrated by a third party in relation to Building Consents. This was subsequently reported to Council and a further update is provided in the Legal Risk Public Excluded Report in this agenda.

Privacy Act 2020

18. There are no notifiable breaches of the Privacy Act 2020 to report to the Committee.

Council and Management Policy Schedule

19. The Strategic Risk and Assurance Committee chair has requested a list of current Council and Management Policies for review.

Council/committee policies update as of 13 November 2024

Committee	Policy	Group	Last reviewed date	Next review date	Status	Related Legislation
Council	Corporate Hospitality and Entertainment Policy	Partnerships Communication & Maaori	Jul-15	Jul-18	In progress	n/a
Infrastructure and Transport	Hamilton Gateways Policy	Infrastructure and Assets	Dec-15	Oct-18	In progress	n/a

Item 15

Committee	Policy	Group	Last reviewed date	Next review date	Status	Related Legislation
Infrastructure and Transport	Streetscape Beautification and Verge Maintenance Policy	Infrastructure and Assets & GM Customer and Community	Nov-12	Nov-18	In progress	n/a
Community & Natural Environment	Citizens Initiated Referenda Policy	Partnerships, Communication & Maaori	Jul-16	Jul-19	Current	Local Electoral Act 2001
Community & Natural Environment	Community Occupancy Policy	Customer and Community	Nov-18	Apr-21	In progress	n/a
Community & Natural Environment	Open Space Provision Policy	Customer and Community	Apr-24	Apr-27	Current	n/a
Community & Natural Environment	TAB Board Venue Policy	Strategy, Growth and Planning	Oct-23	Oct-26	Current	Racing Industry Act 2020
Economic Development	Business Improvement District (BID) Policy 2019	Strategy, Growth and Planning	Jun-23	Jun-26	Current	n/a
Strategic Growth and District Plan	Sale and Disposal of Council Land Policy	Strategy, Growth and Planning	May-23	May-26	Current	n/a
Community & Natural Environment	Class 4 Gambling Venue Policy	Strategy, Growth and Planning	Oct-23	Oct-26	Current	Gambling Act 2003
Council	Delegations to Positions Policy	Partnerships, Communication & Maaori	Jun-23	Jun-26	In progress	n/a
Economic Development	Appointment and Remuneration of Board Members of COs, CCOs and CCTOs Policy	Strategy, Growth & Planning	Aug-24	Aug-27	Current	Local Government Act 2002
Community & Natural Environment	Dog Control Policy	Customer and Community	May-15	Feb-23	In progress	Dog Control Act 1996
Infrastructure and Transport	Dangerous and Insanitary Buildings Policy	Customer and Community	Aug-23	Aug-26	Current	Building Act 2004
Strategic Growth and District Plan	Growth Funding Policy	Strategy, Growth and Planning	Jul-24	Jui-27	Current	n/a
Strategic Risk & Assurance	Risk Management Policy	Partnerships, Communication & Maaori / CFO	May-24	May-27	Current	n/a

Committee	Policy	Group	Last reviewed date	Next review date	Status	Related Legislation
Community & Natural Environment	Community Grants Policy	Partnerships, Communication and Maaori	Oct-23	Oct-26	Current	n/a
Council	Significance and Engagement Policy	Partnerships, Communication and Maaori	Dec-23	Dec-27	Current	Local Government Act 2002
Economic Development	Municipal Endowment Fund Policy	Strategy, Growth and Planning	Oct-23	Oct-26	Current	n/a
Community & Natural Environment	Smokefree and Vapefree Outdoor Areas Policy	Customer and Community	Sep-20	Sep-23	Review deferred	n/a
Infrastructure and Transport	Three Waters Connections Policy	Infrastructure and Assets	Sep-20	Sep-23	In progress	n/a
Community & Natural Environment	City Honours Policy	Partnerships, Communication and Maaori	Oct-20	Oct-23	Review deferred	n/a
Community & Natural Environment	Psychoactive Substances (Local Approved Products) Policy	Strategy, Growth and Planning	Oct-18	Oct-23	In progress	Psychoactive Substances Act 2013
Community & Natural Environment	Domain Endowment Fund Policy	Customer and Community	Nov-20	Nov-23	Review deferred	n/a
Community & Natural Environment	Trading in Public Places Policy	Customer and Community	Dec-20	Dec-23	In progress	n/a
Economic Development	International Relations Policy	Mayoral Office	Mar-21	Mar-24	Review deferred	n/a
Strategic Growth and District Plan	Development Contributions Policy	Strategy, Growth and Planning	Jul-24	Jul-27	Current	Local Government Act 2002
Finance and Monitoring	Funding Needs Analysis Policy	CFO	Jun-24	Jun-27	Current	Local Government Act 2002
Finance and Monitoring	Investment and Liability Management Policy	CFO	Jun-24	Jun-27	Current	Local Government Act 2002
Finance and Monitoring	Rates Remissions and Postponements Policy	CFO	Jul-24	Jul-27	Current	Local Government Act 2002

Item 15

Committee	Policy	Group	Last reviewed date	Next review date	Status	Related Legislation
Finance and Monitoring	Rating Policy	CFO	Jun-24	Jun-27	Current	Local Government Act 2002; Local Government Rating Act 2002
Finance and Monitoring	Revenue and Financing Policy	GCFO	Jun-24	Jun-27	Current	Local Government Act 2002
Community & Natural Environment	External Funding Applications Policy	Partnerships, Communication and Maaori	Oct-23	Oct-26	Current	n/a
Economic Development	Freeholding of Council Endowment Land Policy	Strategy, Growth and Planning	Aug-24	Aug-27	Current	Hamilton Domain Endowment Act 1979
Council	Delegations to officers specific to the Resource Management Act 1991	Strategy, Growth and Planning	Oct-21	Oct-24	Review deferred	Resource Management Act 1991
Community & Natural Environment	Monuments and Memorial Art Policy	Customer and Community	Nov-21	Nov-24	In progress	n/a
Community & Natural Environment	Permanent Public Art Policy	Customer and Community	Nov-21	Nov-24	In progress	n/a
Economic Development	Event Sponsorship Policy	Destinations	Mar-22	Mar-25	Current	n/a
Community & Natural Environment	Naming of Roads, Open Spaces and Council Facilities Policy	Infrastructure and Assets	Jun-22	Jun-25	Current	n/a
Infrastructure and Transport	Hamilton Parking Policy	Infrastructure and Assets	Mar-24	Mar-27	Current	n/a
Community & Natural Environment	Disability Policy	Customer and Community	Sep-22	Sep-25	Current	n/a
Council	Elected Members Support Policy	Partnerships, Communication & Maaori	Nov-22	Nov-25	In progress	Local Government Act 2002
Council	Climate Change Policy	Strategy, Growth and Planning	Jun-22	Jun-27	Current	n/a

Committee	Policy	Group	Last reviewed date	Next review date	Status	Related Legislation
Council (TBC)	Te Tiriti o Waitangi Statement (new)	Partnerships, Communication and Maaori	N/A	N/A	Under consideration	n/a
Community & Natural Environment	Tree Policy (new)	Customer and Community	N/A	N/A	In progress	n/a
Community & Natural Environment	Provisional Local Alcohol Policy (LAP)	Customer and Community	N/A	N/A	Under consideration	Sale and Supply of Alcohol Act 2012

Bylaws

Committee	Bylaw	Group	Next review date	Status
Community and Natural Environment	Cultural and Recreational Facilities Bylaw 2012	Customer and Community	Revoked Feb 24	Revoked
Community and Natural Environment	Animal Nuisance Bylaw 2013	Customer and Community	Jul-23	Under review alongside Dog Control Bylaw (2023 - 2024)
Infrastructure and Transport	Water Supply Bylaw 2013	Infrastructure and Assets	Nov-34	Current
Community and Natural Environment	Dog Control Bylaw 2015	Customer and Community	May-25	Under review alongside Animal Control Bylaw (2023-2024)
Community and Natural Environment	Alcohol Control Bylaw 2015	Customer and Community	Dec-25	Current
Community and Natural Environment	Public Places Bylaw 2016	Customer and Community	Feb-26	Current
Community and Natural Environment	Parks, Domains and Reserves Bylaw 2019	Customer and Community	Jun-29	Current
Community and Natural Environment	Prostitution Bylaw 2019	Customer and Community	Jul-29	Current
Infrastructure and Transport	Waste Management and Minimisation Bylaw 2019	Infrastructure and Assets	Nov-29	Current
Community and Natural Environment	Safety in Public Places Bylaw 2020	Customer and Community	Oct-30	Current
Infrastructure and Transport	Traffic Bylaw 2021	Infrastructure and Assets	Dec-31	Current
Infrastructure and Transport	Trade Waste and Wastewater Bylaw 2016	Infrastructure and Assets	Jul-33	Current
Community and Natural Environment	Cemeteries and Crematorium Bylaw 2012	Customer and Community	Apr-34	Current
Infrastructure and Transport	Stormwater Bylaw 2021	Infrastructure and Assets	April/October 2031	Current
Community and Natural Environment	Alcohol Control (Fees) Bylaw	Customer & Community	N/A	Proposed

Other Governance Documents

Council	Document	Sponsor/ Group	Last review date	Next review date	Status	Related legal provisions
Council	Committee Terms of Reference and Governance Structure	Partnerships, Communication & Maaori	Nov-22	Nov-25	Current	Local Government Act 2002
Council	Elected Member Code of Conduct	Partnerships, Communication & Maaori	May-22	May-25	Current	Local Government Act 2002

Management Policies

Management Policy Title	Purpose	Last reviewed and approved	Next Review Date	Status	Sponsor
Records and Information Management	Defines the role and functions of Records Management and establishes the principles and responsibilities of Hamilton City Council and its officers to ensure appropriate management of records.	Dec-24	Dec-27	Current	Digital Services
Herbicide Use	To provide high level guidelines around the use of herbicides in the management of unwanted vegetation.	Mar-15	Mar-18	Review deferred	Customer & Community
Smoke Free Workplace	To provide a healthy work environment for workers and visitors to our facilities and open spaces. It is an additional requirement that sets our minimum standard above current legislation to prevent the detrimental effects of smoking on the health of people who do not smoke, or who do not wish to smoke.	Jun-24	Jun-27	Current	People, Safety & Wellness
Gifts and Hospitality	To explain the principles and procedures for Council Staff to follow when considering whether to accept or decline offers of Gifts or Hospitality.	Jun-23	Jun-26	Current	Finance
Asset Management	To outline the organisation's approach to asset management to ensure the City's physical infrastructure is managed in a way that delivers the desired level of service in a sustainable, well planned and cost-effective manner.	Jun-18	Jun-26	Current	Programme Manager, Assets Strategy
Treasury	To outline approved policies and procedures in respect of all treasury activity to be undertaken by Hamilton City Council ("HCC"). The formalisation of such policies and procedures will enable treasury risks within HCC to be prudently managed.	Jun-24	Jun-27	Current	Finance
Museum Collection	To guide the growth, development and management of the Museum's collection.	Apr-24	Apr-27	Current	Museum
Unreasonable Complainant Conduct Policy	To set out Council's commitment to fair, transparent and appropriate dealings with customers and the principles that guide this commitment and provide a management framework for dealing with unreasonable complainant conduct	Aug-23	Aug-26	Current	Customer Services
Surveillance Camera	To outline the guidelines for Councils collection, storage and use of images collected.	Oct-18	Oct-21	Review deferred	City Safe
Execution of Documents	To provide procedure for execution and signing of documents having legal significance.	Nov-19	Nov-21	In progress	Governance & Assurance
Acceptable Use	To ensure that all computer systems and networks owned or managed by HCC are operated in an effective, safe, ethical and lawful manner and it is the responsibility of every computer user to know these requirements and to comply with them.	Jun-23	Jun-26	Current	Digital Services
Intellectual Property and Ownership Rights	To ensure Council retains ownership and rights of use of its assets, information, and intellectual property.	Dec-18	Dec-21	Review deferred	Governance & Assurance
Fencing	To provide guidance for how Council will apply their obligations under the Fencing Act 1978 in regard to	Feb-19	Feb-22	In progress	City Transport

Management Policy Title	Purpose	Last reviewed and approved	Next Review Date	Status	Sponsor
	contributions towards fences that share a boundary				
Capitalisation	To provide guidance to council officers around the recognition and treatment of capital costs, revaluation, depreciation, impairment, disposal and accounting for assets.	Jul-24	Jul-27	Current	Finance
Organisational Compliance	To provide the principles and set the expectations for how the Council will manage and achieve compliance in all areas of its operations.	Dec-23	Dec-26	Current	Governance & Assurance
H3 Venue Conditions of Entry	To provide guidelines and support for the implementation of Conditions of Entry at Hamilton City Council event venues managed by H3.	Sep-23	Jun-25	Current	Destinations
Encroachment Policy	To enable Council to reasonably control encroachments into Road Reserves and Reserves	Aug-19	Aug-22	In progress	City Transportation
Business Continuity	This policy provides the principles and sets the expectations for how Hamilton City Council will provide business continuity management with respect to its critical functions. It should be read alongside the Business Continuity Management Standards and Guidelines, which provide guidance for staff on how to meet those expectations in practice.	Aug-19	Aug-22	In progress	Governance & Assurance
Domestic Violence Leave	To set out Council's commitment in protecting the wellbeing of all staff who may be subject to or perpetrators of Domestic Violence.	Sep-19	Sep-22	In progress	People, Safety & Wellness
Visitor Control	To control visitors' exposure to workplace hazards and to control visitor access for all council buildings.	Oct-23	Oct-26	Current	Facilities Support
Energy and Carbon Management	To minimise energy consumption and greenhouse gas emissions across the organisation in accordance with our sustainability principles.	Nov-19	Nov-22	Due for review	*Facilities
Remuneration	Our remuneration supports our strategy to attract and retain talented people to achieve key community outcomes that help to improve the wellbeing of Hamiltonians.	Apr-24	Apr-27	Current	People, Safety & Wellness
Flexible Working Arrangements	To support the achievement of organisational goals and objectives by supporting staff to balance their work and personal lives. In turn, this is expected to enhance the attraction, retention and productivity of our people.	Oct-20	Oct-23	In progress	People, Safety & Wellness
Leave	To provide guidance on how HCC manages Leave. This policy should be read in conjunction with the relevant employment agreement.	Oct-23	Oct-26	Current	People, Safety & Wellness
Hamilton City Libraries Collection	To provide a framework for the development and management of Hamilton City Libraries' collections.	Nov-20	Nov-23	In progress	Hamilton Libraries
Procurement Policy and Procedures Manual	This Policy is to provide Council staff with clear guidelines relating to procurement and ensure any Hamilton City Council procurement is made appropriately and in line with good public sector practice.	Dec-21	Dec-24	In progress	Procurement / CFO
Child Protection	To take all practicable measures to protect young people under the age of 18 years by providing a safe environment for children attending council-owned and operated facilities. Hamilton City Council will work in partnership with government and social development agencies to ensure the safety and wellbeing of children whilst meeting the requirements of the Vulnerable Children's Act (2014).	Jan-22	Jan-25	Current	People, Safety & Wellness
Health and Safety	To contribute to all aspects of Hamilton City Council's organisational health and safety performance as part of a demonstrable commitment to continuous improvement in health and safety.	Jan-22	Jan-25	Current	People, Safety & Wellness
Recruitment and Selection	To ensure that the recruitment and selection of HCC staff is undertaken in a fair, consistent, transparent and cost-effective way.	Jan-22	Jan-25	Current	People, Safety & Wellness
Litter Enforcement	To provide guidance to Council officers on issuing infringement notices under the Litter Act 1979.	Jan-22	Jan-25	Current	Sustainable Resource Recovery Team (Infrastructure)

Management Policy Title	Purpose	Last reviewed and approved	Next Review Date	Status	Sponsor
Civil Defence and Emergency Management	To ensure that Hamilton City Council (HCC) meets the requirements of the Civil Defence Act 2002 and is able to effectively and efficiently respond to and recover from an emergency event.	Mar-22	Mar-25	Current	Risk & Emergency Management
Staff Election Protocols	To help employees understand and balance their role in a politically neutral public organisation, with their right to participate in the local democratic process and local elections.	Mar-22	Mar-25	Current	Governance & Assurance
Media and Social Media	to ensure Council staff understand our process to take a coordinated and consistent approach to communicating with the public and media.	Jun-22	Jun-25	Current	Communications
Revaluation	To outline the organisations approach to revaluations to ensure that the value and depreciation held for City assets is accurate.	Jun-22	Jun-25	Current	Finance
Workplace Diversity and Inclusion Policy	To ensure all Council employees work in an environment where diversity and inclusion (D&I) is encouraged, respected and embraced in day-to-day operations; individuals are supported. Recognised as valuable. Treated with respect, positively included and feel safe; and Council's commitment to D&I in the workplace helps us to be inclusive in our engagement with the community and delivery of services. Note this includes the Rainbow Policy and, in future, Religion Policy, ethnicity Policy etc.	Aug-22	Aug-25	Current	People, Safety & Wellness
LGOIMA Charging Policy	To provide guidance on when and how HCC will charge for LGOIMAs and the considerations in doing so.	Aug-22	Aug-25	Current	Governance & Assurance
Fleet Management	To ensure that Council fleet is operated and managed in a manner that is fit for purpose, cost efficient, safe, lawful, and reduces carbon emissions.	Oct-22	Oct-25	In progress	Operate & Maintain (Assets)
Cash Handling	To ensure that there is consistent cash management practices which minimise risk and hazards, and enable cash handling processing to be carried out in a safe and secure manner.	Oct-22	Oct-25	Current	Finance
Membership of Professional Organisations	To specify the circumstances when Council will pay for/reimburse the cost of professional membership fees for Council employees.	Oct-22	Oct-25	Current	Finance
Study Assistance Policy	To support staff who wish to continue to develop their personal and/or professional skills through further study, in support of their career development whilst working at Council. The purpose of this Policy is to outline relevant information in support of staff pursuing further study through approval, which is relevant and beneficial to both the staff member and Council.	Nov-22	Nov-25	Current	People, Safety & Wellness
Drug and Alcohol	To: show our responsibility and commitment to ensure a safe and healthy workplace for our staff; ensure that our staff can work in an environment free of alcohol and drug use or abuse; outline Council's expectations and requirements for creating and maintaining an alcohol and drug-free work environment and for dealing with substance abuse in the workplace; and provide an opportunity to staff members with a substance use problem to get well.	Nov-22	Nov-25	Current	People, Safety & Wellness
Bullying, Harassment and Discrimination	To provide a safe and supportive working environment for all its employees and customers. To promote awareness of the issues and define workplace harassment, bullying, discrimination and conflict.	Dec-22	Dec-25	Current	People, Safety & Wellness
Performance Management and Disciplinary	To ensure that HCC has a performance management and disciplinary process that is fair, transparent and applied consistently.	Dec-22	Dec-25	Current	People, Safety & Wellness
Code of Conduct	To set out the rules and expectations of staff while they are employees at Hamilton City Council.	Dec-22	Dec-25	Current	People, Safety & Wellness
Customer Feedback	This customer feedback policy sets out how Council will adhere to good governance obligations in relation to complaints, compliments, and customer insights about our services as the territorial authority for the	Aug-23	Aug-26	Current	Customer

Management Policy Title	Purpose	Last reviewed and approved	Next Review Date	Status	Sponsor
	people of Hamilton.				
Privacy Statement	To outline how Council collects, uses and responds to disclosures your personal information as well as its obligations and public rights as set out in the Privacy Act 2020.	Apr-23	Apr-27	Current	Governance & Assurance
Lone Worker	To assist Council in understanding its responsibilities in looking after the health, safety, and wellbeing of all staff whilst at work. This Policy explains how Council will ensure the safety of staff who may be required to work alone through minimising the risks that they face and putting in place appropriate measures to improve their safety.	Apr-24	Apr-27	Current	People, Safety & Wellbeing
AI Use (new)	To provide guidance and direction for the use of artificial intelligence (AI) tools by Hamilton City Council (the Council) staff.	N/A	N/A	In development	Digital Services
Disinformation Management	To reduce the impacts of misinformation (scope includes dis-information and mal-information) in relation to the activities of Hamilton City Council (the Council) on our community by defining and supporting an organisational approach to managing this in relation to the activities of Council.	Dec-23	Dec-26	Current	Communications & Engagement

Management Policies with Committee Oversight

Management Policy Title	Purpose	Last reviewed approved	Next Review Date	Status	Group
Conflicts of Interest	To ensure staff are aware of and declare actual and potential conflicts of interest between their employment and their activities outside of work.	Nov-22	Nov-25	Current	People, Performance and Culture
Sensitive Expenditure	To provide Council staff with clear guidelines relating to Sensitive Expenditure and ensure any HCC expenditure is made appropriately and in line with good public sector practice.	Apr-24	Apr-27	Current	CFO
Protected Disclosure	If an employee discovers information which they believe shows serious wrongdoing within the organisation, there should be established procedures which enable the employee to disclose such information without fear of reprisal	Sep-22	Sep-25	Current	People, Performance and Culture
Fraud and Corruption	To prevent fraud and/or corruption and ensure the overall integrity and performance of Council. This policy provides a consistent and transparent approach to all allegations of fraud and/or corruption.	Jun-23	Jun-26	Current	CFO

Financial Considerations - *Whaiwhakaaro Puutea*

19. This is a regular operating activity funded through the Long-Term Plan.

Legal and Policy Considerations - *Whaiwhakaaro-aa-ture*

20. Staff confirm that the staff recommendation complies with the Council's legal and policy requirements.

Climate Change Impact Statement

21. Staff have also considered the key considerations under the Climate Change Policy and have determined that an adaptation assessment and emissions assessment is not required for the matter(s) in this report.

Wellbeing Considerations - *Whaiwhakaaro-aa-oranga tonutanga*

22. The purpose of Local Government changed on the 14 May 2019 to include promotion of the social, economic, environmental, and cultural wellbeing of communities in the present and for the future ('the 4 wellbeings').
23. The subject matter of this report has been evaluated in terms of the 4 wellbeings during the process of developing this report.
24. There are no known social, economic, environmental, or cultural considerations associated with this matter.

Risks - *Tuuraru*

25. There are no known risks associated with the decisions required for this matter.

Significance & Engagement Policy - *Kaupapa here whakahira/anganui*

26. Staff have considered the key considerations under the Significance and Engagement Policy and have assessed that the matter(s) in this report has/have a low level of significance.
27. Given the low level of significance determined, the engagement level is low. No engagement is required.

Attachments - *Ngaa taapirihanga*

There are no attachments for this report.

Council Report

Item 16

Committee: Strategic Risk and Assurance Committee

Date: 10 December 2024

Author: Michelle Hawthorne

Authoriser: Gary Connolly

Position: Governance and Assurance Manager

Position: Chief Financial Officer

Report Name: Draft Work Programme - 2025

Report Status	Open
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Purpose - *Take*

1. To seek approval from the Strategic Risk and Assurance Committee of the draft work programme for the Strategic Risk and Assurance Committee meetings of 2025.

Staff Recommendation - *Tuutohu-aa-kaimahi*

2. That the Strategic Risk and Assurance Committee:
 - a) receives the report; and
 - b) adopts the draft work programme for the Strategic Risk and Assurance Committee for 2025; and
 - c) notes the meetings scheduled for calendar year are 6 March, 17 June, and 11 September and that further meeting dates will be subject to the Annual Report programme and decisions made by Council post the October triennial elections.

Executive Summary - *Whakaraapopototanga matua*

3. Prior to the commencement of each calendar year, it is recommended that the Strategic Risk and Assurance Committee sets a work programme.
4. Staff recommend the draft work programme be adopted as detailed in paragraphs 13 and 14 below.
5. Staff consider the matters in this report to have low significance and that the recommendations comply with Council's legal requirements.

Background - *Koorero whaimaarama*

6. Prior to the commencement of each calendar year, it is recommended that the Strategic Risk and Assurance Committee sets itself a work programme. While priorities can shift during the year as unexpected issues arise, the work programme is a useful tool to enable Committee Members to set their direction and to allow staff to understand the work priorities that need to be achieved.
7. The Strategic Risk and Assurance Committee will also need to consider whether its draft work programme is consistent with its Terms of Reference.

8. The purpose of the draft work programme is to provide Committee Members with oversight of the planned and upcoming activities/schedule of work for 2025. The Strategic Risk and Assurance Committee's work programme will inform the overall draft schedule of reports.
9. The Chair will continue to have close oversight of items for upcoming committee meetings via the agenda planning meetings. As per the normal process, the relevant Chair's approval will be sought where an upcoming agenda item needs to be added or removed after the agenda planning meeting has taken place.
10. The Governance and Assurance Unit and the Executive Leadership Team Executive Assistants will take responsibility for maintaining an up-to-date record of planned reports. Committee Members can request updates to the schedule via the Governance Team or Principal Advisors.

Discussion - *Matapaki*

11. The following draft work programme is proposed for discussion by the Strategic Risk and Assurance Committee. The work programme identifies issues which have been developed and reviewed on a quarterly, annual, and ad hoc (two to three yearly) basis as a suggested base work programme.
12. There may be other matters that the Strategic Risk and Assurance Committee may wish to consider for inclusion or replacement in the work programme.
13. The proposed standing reports for each meeting are:
 - i. Chief Executive's Report
 - ii. Safety and Wellness Report
 - iii. Risk Management Report
 - iv. Internal Audit
 - v. External Audit (Audit NZ)
 - vi. Organisational Improvement Register
 - vii. Compliance, Fraud and Protected Disclosures
 - viii. PX Legal Risks
 - ix. PX Loss of information or access to systems (Cyber Risks)
14. In addition to the above the following reports have been proposed for each meeting date in 2025. The proposed work programme is consistent with the Strategic Risk and Assurance Committee's Terms of Reference.

March 2025	June 2025	September 2025	December 2025 (TBC post Elections)
Committee Reports			
<ul style="list-style-type: none"> Annual Report and audit planning update Update on Physical Security Review (as part of the Risk Management Report) Annual Report – Letter of engagement of auditors 	<ul style="list-style-type: none"> Accounting Treatment Review Annual pre-renewal Insurance Report Crisis, Emergency, Incident, and Business Continuity Update Report Annual Report - Interim Management Report (Audit NZ). 	<ul style="list-style-type: none"> Climate change disclosure report Annual Report, Final Audit Report and letters of representation Annual SRA Committee Self Review 	<ul style="list-style-type: none"> Annual Credit Rating Update Annual post-renewal Insurance Update Report. Draft work programme and meeting dates 2026 Internal Audit Plan 2026

Proposed Workshop Items (TBC)			
<ul style="list-style-type: none"> Annual Council Controlled Organisations Material Risks Update Emerging Legal Risks – Erosion and Land Instability 	<ul style="list-style-type: none"> Strategic Risks – Deep dive Water Reform Climate Change Maturity and Disclosure project update 	No workshop	<ul style="list-style-type: none"> SRAC Induction Annual Strategic and Organisational Risk Review Safety and Wellbeing Education item

Item 16

Options

15. It is open to the Strategic Risk and Assurance Committee to amend its work programme, there are some limitations regarding the timing of reports, specifically for Council's Annual Report, and some external audits.

Financial Considerations - *Whaiwhakaaro Puutea*

16. This is a regular operating activity funded through the Long-Term Plan.

Legal and Policy Considerations - *Whaiwhakaaro-aa-ture*

17. Staff consider the matters in this report to have low significance and that the recommendations comply with Council's legal requirements.

Climate Change Impact Statement

18. Staff have assessed this option against the Climate Change Policy for both emissions and climate change adaptation. Staff have determined no adaptation assessment is required. Staff have determined no emissions assessment is required.

Wellbeing Considerations - *Whaiwhakaaro-aa-oranga tonutanga*

19. The purpose of Local Government changed on the 14 May 2019 to include promotion of the social, economic, environmental and cultural wellbeing of communities in the present and for the future ('the 4 wellbeings').
20. The subject matter of this report has been evaluated in terms of the 4 wellbeings during the process of developing this report as outlined below.
21. The recommendations set out in this report are consistent with that purpose.

Social

22. The draft work programme from the Strategic Risk and Assurance Committee provides the community with an oversight of the planned and upcoming schedule of work for 2023 Committee meetings. This increases transparency and encourages greater engagement in the democratic process.

Economic

23. Council's management of the risks and opportunities through the Committee will the impact on the community's economic wellbeing.

Environmental

24. Council continues to manage its response to the impact on the environment by establishing services that are safe and sustainable in addition embedding climate change considerations into priority projects across Council.

Cultural

25. Staff consider the matters set out in this report do not have a direct impact on cultural wellbeing.

Risks - *Tuuraru*

26. There are no known risks associated with the decisions required for this matter.

Significance & Engagement Policy - Kaupapa here whakahira/anganui

27. Having considered the Significance and Engagement Policy, staff have assessed that the matters in this report have low significance.
28. Given the low level of significance determined, the engagement level is low. No engagement is required.

Attachments - *Ngaa taapirihanga*

There are no attachments for this report.

Council Report

Item 17

Committee: Strategic Risk and Assurance Committee

Date: 10 December 2024

Author: Charlotte Mitchell

Authoriser: Michelle Hawthorne

Position: Graduate Governance Support

Position: Governance and Assurance Manager

Report Name: Annual Self Review

Report Status	Open
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Purpose - *Take*

1. The purpose of this report is to present the 2024 annual self-review of the Strategic Risk and Assurance Committee, completed by Bruce Robertson Chair of this Committee.

Staff Recommendation - *Tuutohu-aa-kaimahi*

2. That the Strategic Risk and Assurance Committee
 - a) receives the report;
 - b) thanks Chair Bruce Robertson for his work this year; and
 - c) notes any areas for improvement or additional training for the Committee in 2025.

Executive Summary - *Whakaraapopototanga matua*

3. This year as part of the annual self-review for the Strategic Risk and Assurance Committee, Committee members have been asked to reflect on the effectiveness of the Committee and its role in supporting Council.
4. The purpose of this report is to present the 2024 annual self-review of the Strategic Risk and Assurance Committee, completed by Bruce Robertson, Chair of this Committee.
5. This year as part of the annual self-review for the Strategic Risk and Assurance Committee, Committee members have been asked to reflect on the effectiveness of the Committee and its role in supporting Council. The questions are based on a private governance board self-assessment but tailored to suit this Committee. Responses are anonymous, the feedback obtained is included below.

Background - *Koorero whaimaarama*

6. Committee members have been asked to respond to the questions out of 10. The purpose is to encourage the Committee to reflect on its performance and provide an opportunity to look at changes or improvements in preparation for the 2024.

Discussion - *Matapaki*

Self-assessment responses

Question	Individual scores				Average score/10
The Committee meets the duties/expectations set out in terms of reference	8	7	9	9	8
Members have an understanding of their role on the Committee	7	6	9	9	8
The balance and mix of skills of the Committee is appropriate	9	7	9	9	8
The Committee is sufficiently informed regarding relevant strategic risk topics in the external environment which can affect the Council	7	8	9	9	8
The Committee understands the organisation's significant financial risks	7	7	9	9	8
The Committee ensures adequate oversight of internal and external audit activities	9	8	9	9	9
The frequency and duration of Committee meetings is appropriate	8	8	9	9	8
Committee agendas cover the right issues in a timely way	9	8	9	9	9
Committee papers are clear and provide meaningful insight	9	7	9	9	8
The Committees use of time is effective - the time available is mostly allocated to the most important issues and there is sufficient time allocated for a full discussion	8	8	9	9	8
The workshops are informative and provide enough time to openly discuss risk topics	7	8	10	10	9

7. Not all Committee members responded, however those who did scored relatively highly. Other feedback from Committee members included comments as follows:
- i. Workshops are a useful tool and an opportunity for members to gather a greater understanding of agenda topics; and
 - ii. Regular attendance of Senior Leaders and Elected Members adds to the overall effectiveness of the meetings and workshops; and
 - iii. A greater focus could be put on the organisation's significant financial risks; and
 - iv. A desire for the committee to identify topic of high interest or concern for them to lead discussion.

Financial Considerations - *Whaiwhakaaro Puutea*

8. This is a regular operating activity funded through the Long Term Plan.

Legal and Policy Considerations - *Whaiwhakaaro-aa-ture*

9. Staff confirm that the staff recommendation complies with the Council's legal and policy requirements.

Climate Change Impact Statement

9. Staff have also considered the key considerations under the Climate Change Policy and have determined that an adaptation assessment and emissions assessment is not required for the matter(s) in this report.

Wellbeing Considerations - *Whaiwhakaaro-aa-oranga tonutanga*

10. The purpose of Local Government changed on the 14 May 2019 to include promotion of the social, economic, environmental, and cultural wellbeing of communities in the present and for the future ('the 4 wellbeings').
11. The subject matter of this report has been evaluated in terms of the 4 wellbeings during the process of developing this report.
12. There are no known social, economic, environmental, or cultural considerations associated with this matter.

Risks - *Tuuraru*

13. There are no known risks associated with the decisions required for this matter.

Significance & Engagement Policy - *Kaupapa here whakahira/anganui*

14. Staff have considered the key considerations under the Significance and Engagement Policy and have assessed that the matter(s) in this report has/have a low level of significance.
15. Given the low level of significance determined, the engagement level is low. No engagement is required.

Attachments

There are no attachments for this report.

Resolution to Exclude the Public

Section 48, Local Government Official Information and Meetings Act 1987

The following motion is submitted for consideration:

That the public be excluded from the following parts of the proceedings of this meeting, namely consideration of the public excluded agenda.

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 follows.

General subject of each matter to be considered	Reasons for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
C1. Confirmation of the Strategic Risk and Assurance Committee Public Excluded Minutes 3 September 2024) Good reason to withhold) information exists under) Section 7 Local Government) Official Information and) Meetings Act 1987)	Section 48(1)(a)
C2. Legal Risks - Committee Update		
C3. Organisational Improvement Register - Public Excluded		
C4. Strategic Risk 3 Loss of Information or Access to Systems and Services Public Excluded		

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 C1.	to maintain the effective conduct of public affairs through protecting persons from improper pressure or harassment	Section 7 (2) (f) (ii)
Item C2.	to maintain legal professional privilege	Section 7 (2) (g)
	to enable Council to carry out commercial activities without disadvantage	Section 7 (2) (h)
	to enable Council to carry out negotiations	Section 7 (2) (i)
Item C3.	to prevent the disclosure or use of official information for improper gain or improper advantage	Section 7 (2) (j)
Item C4.	to protect information which is subject to an obligation of confidence where disclosure would likely damage the public interest	Section 7 (2) (c) (ii)
	to enable Council to carry out commercial activities without disadvantage	Section 7 (2) (h)
	to prevent the disclosure or use of official information for improper gain or improper advantage	Section 7 (2) (j)

