

## Notice of Meeting:

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

**Date:** Thursday 11 March 2021  
**Time:** 9.30am  
**Meeting Room:** Committee Room 1 and Audio-visual Link  
**Venue:** Municipal Building, Garden Place, Hamilton

Richard Briggs  
Chief Executive

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## Strategic Risk and Assurance Committee

### *Komiti Whakamauru Tuuraru*

### OPEN AGENDA

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#### Membership

**Chairperson** Keiran Horne  
*Heamana*

**Deputy Chairperson** Bruce Robertson  
*Heamana Tuarua*

**Membership:** Mayor P Southgate  
Cr R Pascoe  
Cr D Macpherson  
Cr A O'Leary  
Cr M Bunting  
Maangai H Rau

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

**Quorum:** Four members (including one external appointee)

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Becca Brooke  
Governance Manager  
*Menetia Mana Whakahaere*

**3 March 2021**

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**Purpose:**

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.

***In addition to the common delegations, the Strategic Risk and Assurance Committee is delegated the following Terms of Reference and powers:***

**Terms of Reference:***Risk*

1. 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 6 monthly to Council.
2. To review the Risk Management Policy and recommend to Council revisions to the policy for adoption.
3. To review the Fraud and Corruption, Protected Disclosure, Conflict of Interest, and Sensitive Expenditure management policies to ensure appropriate guidance and processes are in place.
4. Review Council's strategic risk register and monitor existing and proposed controls
5. Periodic in-depth reviews of specific, significant risks
6. Monitor emerging risks
7. Review and monitor business continuity planning.
8. Oversight of risk management and assurance across Council's CCO's and CCTOs with respect to risks that may have a significant impact on Council

*Internal Audit*

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

*External Audit*

13. Engage with Council's external auditors regarding the external audit work programme and agree the proposed terms and arrangements of the external audit.
14. Recommend to Council the terms and arrangements for the external audit programme.
15. Review the effectiveness of the Annual Plan audit and 10 Year Plan audit.
16. 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*

17. 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*

18. Review the effectiveness of the systems for monitoring the Council's compliance legislation, regulation, policy and guidelines.
19. Review the adequacy and effectiveness of Council's health and safety programme and cybersecurity programme.
20. Engage with internal and external auditors on any specific one-off audit assignments.
21. 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.
22. 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.
23. 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 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 Internal Auditor 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 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 6727.

# Council Report

Item 5

**Committee:** Strategic Risk and Assurance Committee  
**Date:** 11 March 2021  
**Author:** Narelle Waite  
**Authoriser:** Becca Brooke  
**Position:** Governance Advisor  
**Position:** Governance Manager  
**Report Name:** Confirmation of the Strategic Risk and Assurance Committee Open Minutes - 4 December 2020

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

That the Strategic Risk and Assurance Committee confirm the Open Minutes of the Strategic Risk and Assurance Committee Meeting held on 4 December 2020 as a true and correct record.

## Attachments - *Ngaa taapirihanga*

Attachment 1 - Strategic Risk and Assurance Committee Open Minutes - 4 December 2020

## Strategic Risk and Assurance Committee

### *Komiti Whakamauru Tuuraru*

### OPEN MINUTES

Minutes of a meeting of the Strategic Risk and Assurance Committee held in Committee Room 1, Municipal Building, Garden Place, Hamilton and Audio-visual Link on Friday 4 December 2020 at 9.33am.

#### PRESENT

**Chairperson** Keiran Horne  
*Heamana*

**Deputy Chairperson** Bruce Robertson  
*Heamana Tuarua*

**Membership:** Mayor Paula Southgate  
Cr Rob Pascoe  
Cr Dave Macpherson  
Cr Angela O'Leary (Audio-visual Link)  
Cr Mark Bunting (Audio-visual Link)  
Maangai Hemi Rau

**In Attendance:** Cr Maxine van Oosten  
Cr Ewan Wilson  
Cr Martin Gallagher  
Richard Briggs – Chief Executive  
Eeva-Liisa Wright – General Manager Infrastructure Operations  
Sean Murray – General Manager Venues, Tourism and Major Events  
Blair Bowcott – Executive Director Special Projects  
Kelvin Powell – City Safe Unit Manager  
Tracey Musty – Financial Controller  
Maire Porter – City Waters Manager  
Michelle Hawthorne – Legal Services Manager  
Nicholas Whittaker – Risk and Insurance Advisor  
Morva Kaye – Internal Auditor  
Heather Burden – Risk Manager  
Dan Finn – People Safety and Wellness Manager  
Mark Wagstaffe – Health and Safety Assurance Lead  
Naude Kotze – Audit NZ (Audio-visual Link)  
Clarence Susan – Audit NZ (Audio-visual Link)  
Matt White – PricewaterhouseCoopers  
Aaron Steele – PricewaterhouseCoopers

**Governance Staff:** Amy Viggers – Governance Team Leader  
Narelle Waite – Governance Advisor

**1. Apologies – *Tono aroha***

**Resolved:** (Mr Robertson/Cr Pascoe)

That the apologies for lateness from Cr Macpherson and for early departure from Mayor Southgate are accepted.

**2. Confirmation of Agenda – *Whakatau raarangi take***

**Resolved:** (Ms Horne/Mr Robertson)

That the agenda is confirmed noting that item 7 (Safety and Wellness Report – 1 August 2020 to 31 October 2020) will be taken in the public excluded session and that item 15 (Waikato Regional Theatre – Risk Assessment Report) will be taken after Item 5 (Confirmation of the Strategic Risk and Assurance Committee Open Minutes - 13 October 2020) to accommodate speaker availability.

**3. Declarations of Interest – *Tauaakii whaipanga***

No Members declared a Conflict of Interest.

**4. Public Forum**

No members of the public wished to speak.

**5. Confirmation of the Strategic Risk and Assurance Committee Open Minutes - 13 October 2020**

**Resolved:** (Ms Horne/Cr Pascoe)

That the Strategic Risk and Assurance Committee confirm the Open Minutes of the Strategic Risk and Assurance Committee Meeting held on 13 October 2020 as a true and correct record.

*Cr Macpherson joined the meeting (9.36am) at the conclusion of the above item. He was not present when the matter was voted on.*

*Item 15 (Waikato Regional Theatre – Risk Assessment Report) was taken after Item 5 (Confirmation of the Strategic Risk and Assurance Committee Open Minutes - 13 October 2020) to accommodate speaker availability.*

**15. Waikato Regional Theatre - Risk Assessment Report – *Recommendation to Council***

The General Manager Venues, Tourism and Major Events introduced Kelvyn Eglinton (Momentum Waikato) who discussed the risk mitigation process in place for the Waikato Regional Theatre project. They responded to questions from Members concerning stakeholder relationship management, Crown funding, resource consent and project accountability.

**Resolved:** (Ms Horne/Cr Macpherson)

That the Strategic Risk and Assurance Committee:

- a) receives the report;
- b) receives the risk assessment undertaken on Council's funding of the Waikato Regional Theatre project; and
- c) recommends the Council:
  - i. notes the Strategic Risk and Assurance Committee's endorsement of the risk assessment mitigations relating to the Council's contribution to the Waikato Regional Theatre as outlined in the proposed Funding Deed between Council and Waikato Regional Property Trust (**Attachment 2**), and
  - ii. notes that a report will come back to a future meeting of the Council for consideration and execution of the final funding deed.

**6. Chief Executive Report - Verbal Update**

The Chief Executive presented his verbal report particularly noting the Long Term Plan; risks, resourcing and the Five Priorities strategy. He responded to questions from Members concerning staff wellbeing and workload, Waka Kotahi partnership projects, and Government compliance requirements.

**Resolved:** (Mr Robertson/Cr Macpherson)

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

**8. Risk Management Report**

The Risk Manager introduced the report noting Climate Change as an emerging risk. She responded to questions from Members concerning cyber security, security, political change, and water extraction.

The Executive Director Special Projects gave a verbal update concerning political risk; the new Parliament and media interest in Local Government. He responded to questions from Members concerning Council's relationship with Central Government.

**Resolved:** (Ms Horne/Mr Robertson)

That the Strategic Risk and Assurance Committee receives the report.

**9. 2021 Internal Audit Update PwC**

Aaron Steele and Matt White (PricewaterhouseCoopers) introduced the report noting the technology solutions introduced this year, in particular, the Growth Model. They responded to questions from Members concerning the Growth Model and data collection.

**Resolved:** (Ms Horne/Cr Pascoe)

That the Strategic Risk and Assurance Committee:

- a) receives the report; and
- b) notes the Hamilton City Council PwC Internal Audit work undertaken.

**10. 2020/21 Internal Audit Update**

The Internal Auditor and the People Safety and Wellness Manager introduced the report noting outstanding recommendations from the 2017 PwC Internal Audit. They responded to questions from Members concerning human resources; the payroll system, the Holidays Act and employment contracts.

**Resolved:** (Mr Robertson/Cr Pascoe)

That the Strategic Risk and Assurance Committee:

- a) receives the report; and
- b) notes the progress against the Hamilton City Council Internal Audit Plan for internal Council staff.

## 11. Standard and Poor Credit Rating

The Financial Controller took the report as read and noted Council's credit rating and new credit rating agency. She responded to questions from Members concerning deficits.

**Resolved:** (Ms Horne/Cr Pascoe)

That the Strategic Risk and Assurance Committee receives the Standard and Poor Credit Ratings report.

*Item 13 (Organisational Improvement Register as at 30 November 2020) was taken after item 11 (Standard and Poor Credit Rating) to accommodate speaker availability.*

## 13. Organisational Improvement Register as at 30 November 2020

The Financial Controller outlined the report noting the Audit NZ Recommendation table was paragraph 8 of the staff report. She responded to questions from Members concerning the PwC payroll recommendations and the Ministry of Social Development Social Services Accreditation Review.

**Staff Action:** Staff undertook to include the PwC payroll recommendations in the Organisational Improvement Register.

**Resolved:** (Ms Horne/Mr Robertson)

That the Strategic Risk and Assurance Committee receives the report.

*Item 14 (Annual Insurance Report) was taken after item 13 (Organisational Improvement Register as at 30 November 2020) to accommodate speaker availability.*

## 14. Annual Insurance Report

The Financial Controller introduced Matthew Wilson (Aon) and they responded to questions from Members concerning the insurance market and insurance premiums.

**Resolved:** (Cr Pascoe/Mr Robertson)

That the Strategic Risk and Assurance Committee receives the report.

## 12. Audit NZ Final Management Report June 2020

Clarence Susan and Naude Kotze (Audit NZ) took the report as read noting the recommendations concerning Capitalisation of Work-in-Progress and vested assets. They responded to questions from Members concerning the Waikato Community Land Trust.

**Resolved:** (Ms Horne/Mr Robertson)

That the Strategic Risk and Assurance Committee receives the report.

## 16. Recommendations From the Environment Committee Meeting – 1 December 2020

**Resolved:** (Ms Horne/Mr Robertson)

That the Strategic Risk and Assurance Committee notes that the Environment Committee has approved that 'Climate Change' is classified as a strategic risk and is included on Council's Strategic Risk Register.

## 17. Resolution to Exclude the Public

**Resolved:** (Ms Horne/Cr Robertson)

### 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 Public Excluded Strategic Risk and Assurance Committee Minutes - 3 September 2020	) Good reason to withhold information exists under Section 7 Local Government Official Information and Meetings Act 1987	Section 48(1)(a)
C2. 2021 Internal Audit Update PwC - Public Excluded	)	
C3. Verbal update on any legal issues or risk		
C4. Fraud and Protected Disclosures Update		
C5. Cyber Risks / Issues - Verbal Report		
C6. Safety and Wellness Report - 1 August 2020 to 31 October 2020		

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 Section 7 (2) (j)



Item C2.	advantage to enable Council to carry out commercial activities without disadvantage	Section 7 (2) (h)
Item C3.	to maintain legal professional privilege	Section 7 (2) (g)
Item C4.	to protect information which is subject to an obligation of confidence and disclosure would likely prejudice continual supply of similar information where it is in the public interest for that information to continue to be available	Section 7 (2) (c) (i) Section 7 (2) (c) (ii)
Item C5.	to protect information which is subject to an obligation of confidence where disclosure would likely damage the public interest to prevent the disclosure or use of official information for improper gain or improper advantage	Section 7 (2) (j)
Item C6.	to protect the privacy of natural persons to maintain the effective conduct of public affairs through protecting persons from improper pressure or harassment to prevent the disclosure or use of official information for improper gain or improper advantage	Section 7 (2) (a) Section 7 (2) (f) (ii) Section 7 (2) (j)

**The meeting went into Public Excluded at 11.41am.**

*During the public excluded session **Appendix 1** was resolved to be released to the public via the Open Minutes.*

**The meeting was declared closed at 1.24pm.**

## Appendix 1

# Council Report

Attachment 1

**Committee:** Strategic Risk and Assurance Committee  
**Date:** 04 December 2020  
**Author:** Dan Finn  
**Authoriser:** David Bryant  
**Position:** People, Safety & Wellness Manager  
**Position:** General Manager Corporate Manager  
**Report Name:** Safety and Wellness Report - 1 August 2020 to 31 October 2020

### Report Status

*This report is taken as a publicly excluded item to protect the privacy of natural persons; AND to maintain the effective conduct of public affairs through protecting persons from improper pressure or harassment; AND to prevent the disclosure or use of official information for improper gain or improper advantage.*

Item 5

### Purpose - *Take*

1. To inform the Strategic Risk and Assurance Committee on safety and wellness performance and activities for the period covering 1 August 2020 to 31 October 2020
2. The Safety and Wellness report is attached (**Attachment 1**).

### Staff Recommendation - *Tuutohu-aa-kaimahi*

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

### Attachments - *Ngaa taapirihanga*

Attachment 1 - Safety and Wellness Report - Aug-Oct 2020 - Strategic Risk and Assurance

**THINK SAFE**  
**WORK SAFE**  
HOME SAFE EVERYDAY

Safety and Wellness

# STRATEGIC RISK AND ASSURANCE REPORT

August – October 2020



Item 5

Attachment 1

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# 1.0 Executive Summary

## 1.1 Overview

It would be fair to say that 2020 has presented Council with many significant challenges that have impacted on our people's safety, health and wellbeing for a sustained period.

The People, Safety and Wellness Team have partnered with business units and have engaged with agencies, external support and many other organisations during this quarter to ensure that we are working towards a preventative approach to health and safety, adopting learnings and benchmarking against performance standards to dial up our focus and efforts.

Our incident data and analysis tell us that the frequency of injuries causing time away from work or requiring medical/first aid intervention is trending downwards, which is positive. There is however much more we can be doing to better prevent reoccurrence and shift performance to where we are seen as 'leading' and 'world-class', which is where we aspire to be. During this quarter we have implemented a number of assurance activities designed to provide insight and identify opportunities to help lift our game.

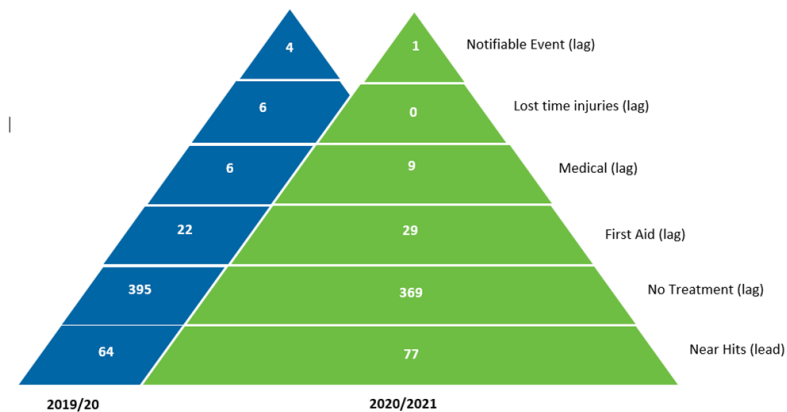
Our staff have a critical role to play in identifying solutions that help make their work and work environment safer. The voice of our people sits at the heart of good health and safety performance, supported by engaged and proactive leaders. The importance of safety leadership has been reflected in our most recent employee engagement survey, with Health and Safety featuring as our most highly rated factor.

The Health and Safety Team continue to develop and refine our Safety Management System (SMS). This will enable us to optimise our processes and procedures through system improvement and will provide important foundational blocks to support better safety performance and practice.

Our approach to health and wellbeing provides Council with many opportunities to prevent harm (physical and psychological) and to support our high-performance culture. In many ways these 'lead' type initiatives are designed to raise awareness, improve mind set and help focus our people to think safe, work safe and go home safe every day.

## 2.0 Safety Performance

### 2.1 Graphs



Financial Year

Figure 1: Performance Indicators for events for the reporting period 1 August to 31 October 2020

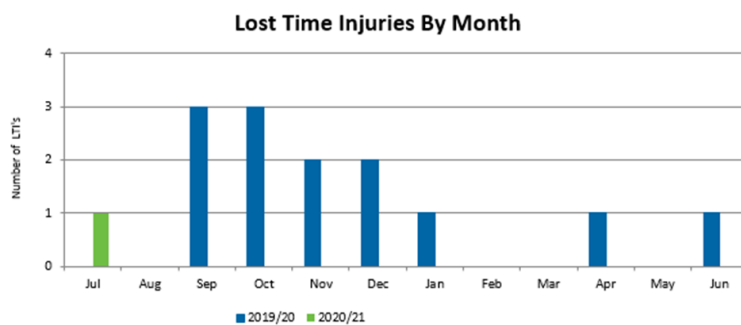


Figure 2: Lost time injuries by month for previous two performance/financial years

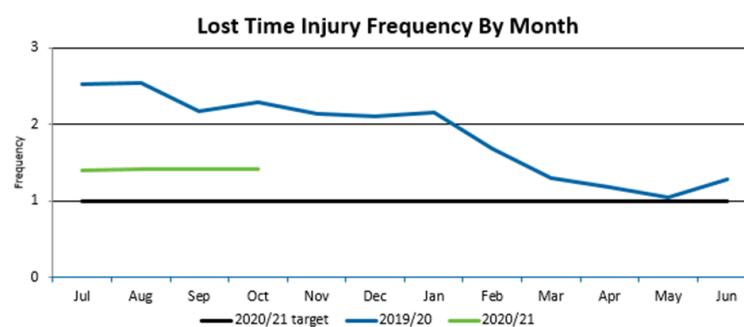


Figure 3: Lost time injury frequency rate per 200,000 work hours for FY19/20 and FY20/21

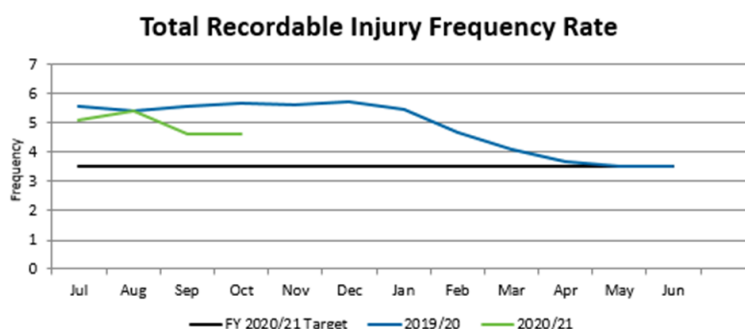


Figure 4: Total recordable injury frequency rate per 200,000 work hours for rolling 12 months

## 3.0 Health & Safety Trends

### 3.1 Trend Summary

During this reporting period (1 August to 31 October 2020) we incurred nil Lost Time Injuries (LTI's) compared to six LTI's for the same period last year. Between January – May 2020 we saw a sharp decrease in the frequency rate, which was largely due to Covid-19. Since May 2020 our overall LTIFR has increased only slightly.

It should be noted that LTIFR is a lag indicator and does not necessarily indicate good safety performance. It does however provide a measure, which can be used to benchmark against other organisations and is part of a suite of KPI's focused on injury management and prevention.

Between August and October 2020, 111 injury type events were entered into Vault. These events include a range of medical treatment, first aid and non-treatment injuries. Strains caused by twisting and lifting were mostly reported from operational teams and continue to be a key causal factor of soft tissue injuries.

Additionally, 241 other incidents were recorded in Vault. Analysis shows that aggressive behaviour, serious verbal abuse, arguing, shouting in a public places and criminal activity were the main categories for these types of incidents.

Libraries reported 85 incidents during this period related to interactions with aggressive members of the public. We also noticed an increase in trespassed repeat offenders entering our libraries.

Parking enforcement reported 37 incidents ranging from threatening behaviour, serious verbal abuse and offensive behaviour.

### 3.2 Notifiable Events

During this reporting period (1 August to 31 October 2020) there were five events notified to WorkSafe. One event involved a Council employee. The other four events were Contractors engaged to undertake work on Council's our behalf.

Date Notified	Vault #	Organisation	Incident	Action Taken
12/08/2020	19595	ICB Retaining and Construction	Laceration to hand, requiring stitching. Steel casings were being stacked behind new retaining wall. One casing slid and worker put hand out to prevent it from scratching wall. Trapped hand.	Review of handling procedures undertaken, use of guide ropes are now mandatory when slinging loads. A red alert was sent out to all staff and discussed at toolbox meetings.
18/8/2020	19575	Allied Security	Physical assault of noise control officer attending house party. Hospitalisation.	Police investigation carried out. Review of contract with Allied Security undertaken and discussions of aligning to best practice.
24/08/2020	19647	Waipa Civil	Contractor using hand-held prodder to locate underground services, punctured a 32mm PE gas main. No injury.	Incorrect tool selection. Waipa Civil will no longer be using hand prodders to detect services.
14/10/2020	19993	Council - City Delivery	Gas pipe struck with digger. No injury.	Internal safety investigation being undertaken.
17/10/2020	19954	Waipa Civil	Directional drilling caught up a 240V cable. Power sensor didn't activate therefore drill rig did not shut off. No injury.	Power sensor was tested and all ok. The sonde for the F2 drill locator had not been calibrated – if the depth was accurate this would have been avoided. We will be introducing a calibration and strike alarm check sheet that all drillers will have to complete with their morning pre-start checks.

Table 1: Notifiable events – staff and contractors 1 August-31 October 2020

### 3.3 Lost Time Injuries

Between 1 August and 31 October 2020, we recorded nil LTI's. At the end of October 2020 our LTIFR was 1.42 per 200,000 work hours and is only slightly above our target of 1.0.

### 3.4 Medical Treatment and First Aid Injuries

Between 1 August to 31 October 2020 we recorded 9 medical treatment injuries and 29 first aid injuries. At the end of October 2020 our TRIFR was 4.63 vs our target of <3.5.

### 3.5 Near Hit Reporting

Between 1 August to 31 October 2020 we recorded 77 near hits, which is a small increase on the 64 reported for the same period last year.



Upon review, there appears to be no significant trends in the data. This is due to a lack of clarity regarding reporting parameters and this will be addressed by increased training across the business when our replacement safety software system is introduced on the 31<sup>st</sup> May 2021.

Loss of balance, use of equipment and driving are however some of the identifiable factors contributing to near hits. These factors will be discussed with the Health and Safety Representatives in December 2020 to raise awareness of these issues.

### 3.6 Assurance

Between 1 August to 31 October 2020 there were 174 health and safety audits carried out consisting of 133 manager audits and 41 task activity audits.

During this reporting period there were 394 safety observations recorded across Council. This consisted of 321 safe and 73 unsafe observations.

#### Waterworld Summary

The Health and Safety Team have continued to support Waterworld to remedy the works required to close out the improvement notices and undertake the safety review.

The following is a summary of the safety event and analysis following the occurrence of high chlorine levels in the 50-meter pool at our Waterworld facility.

An internal operational review of this event indicated that the chlorine dosing pump was switched to manual on the 25<sup>th</sup> of April, which meant that it continually dosed chlorine at the maximum capacity of the pump for a period of four days. This resulted in excessively high chlorine levels. The operational review concluded that the software system readings could not be relied upon as the sensor was not functioning as intended. At over 20ppm chlorine, the sensor is corrupted.

During this event period there were no recorded instances by the responsible staff entering the pool complex. The entrance to the plant room door from which people were entering the complex during lockdown did not have Cardax installed to enable a full review. During other days of the lockdown period however we were able to verify that staff were entering the administration offices, as this requires a card to access and is recorded in the system. There are no video files available for this time period.

The graph (Figure 5) for the week taken from the Number 8 Software System shows that on Saturday 25<sup>th</sup> of April the chlorine levels rose from 0.6 ppm at 9.00 a.m. to 10 ppm at 10.00 a.m. and remained at this level until 9.00 a.m. on the 28<sup>th</sup> of April, when the readings rose from 10 ppm at 9.00 a.m. to 15 ppm at 10.00 a.m.

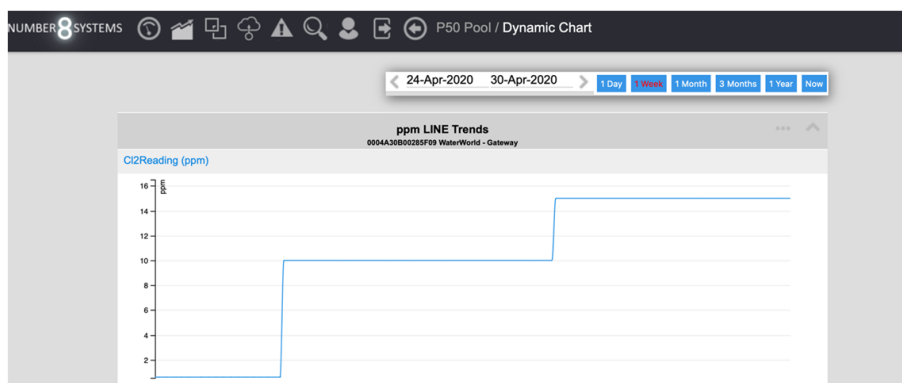


Figure 5 - Number 8 report - Chlorine dosing levels 24<sup>th</sup> to the 30<sup>th</sup> April 2020

The software had been operating consistently until the 28<sup>th</sup> of April (Figure 6) below.

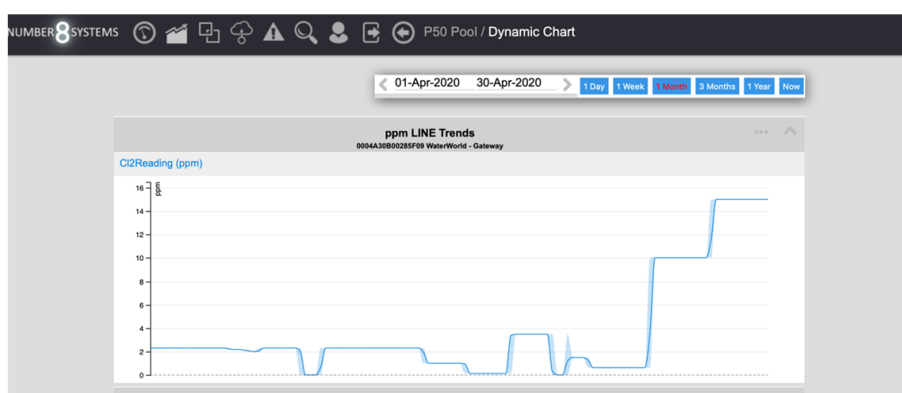


Figure 6 - Number 8 report - Chlorine dosing levels 01<sup>st</sup> to the 30<sup>th</sup> April 2020

The safety review found that it was possible for the chlorine levels to have risen as per the graph, that the overdosing of chlorine did not occur in a linear fashion and that there was not a single manual event that lead to the over chlorination of the 50 metre pool.

The staff on duty during this period did not undertake any water tests during this time. Water testing is used to validate the system readings. A water sample correctly taken any time after the 25<sup>th</sup> of April would have revealed the high chlorine levels. At 10 ppm normally, the pool would be closed.

Subsequent attempts by staff members responsible for the complex during lockdown to correct the chlorine levels with hydrogen peroxide increased the risk of a catastrophic event. These attempts indicate that some staff knew of the high levels of chlorine but did not discuss this with other staff members present.

Upon re-entry and opening of the facility under level 2 COVID-19 restrictions, three staff members and one member of the public subsequently reported acute injuries as a consequence of the chlorine gas omitted from the 50m pool. They fully recovered from these within 2-3 days.

Pool staff entered events surrounding the reopening of the pools into the Vault Safety System. Due to the injuries to staff, Worksafe were notified as required under the Health and

Safety at Work Act (2015). A site visit by WorkSafe and a subsequent inspection of the Waterworld facility on the 4<sup>th</sup> of June 2020 resulted in eight improvement notices and one prohibition notice.

#### Summary of the Safety Analysis

##### Individual Actions and Technical Events:

- Overdosing of the 50 metre pool occurred through a prolonged period of the chlorine pump running.
- Failure to ensure the second level of control was applied to monitoring of the pool water quality.
- Low threshold for a sensor failure determining chlorine flow. While this is an engineered solution it is not reliable as a stand-alone control. Manual dosing of chlorine without removing the sensor from the water flow may see chlorine levels near the ones that caused the sensor to fail.

##### Local Conditions:

- The complex had never entered an extended period of hibernation before and this created uncertainty over roles, responsibilities and technical requirements.
- Lack of systems documentation for the operation of plant and the complex in general e.g. Schematics, flow control etc.

##### Risk Controls:

- The two controls for monitoring water quality both failed.
- Inappropriate Personal Protective Equipment (PPE) available for the tasks (or a deliberate choice not to use).
- Inadequate knowledge regarding the management and use of Hazardous Substances at Waterworld led to an underestimation of the safety risk.

##### Organisational Influences:

- Procedures and training were not adequate to control the risk arising from the operation of the plant during this period.
- Confusion around roles and expectations during lockdown and reopening in anticipation of normal operations.

#### **Water Treatment Plant – Alum Tanks Issue**

On the 29<sup>th</sup> of July Council was issued an Improvement Notice at the Water Treatment Plant for the following breach:

- Failure to obtain stationary container systems and compliance certificates for the hazardous substance aluminium sulphate tanks numbers 1 to 3 located in the chemical building.

Plans have been in place for several years to replace these tanks with a purpose-built building. This is nearing completion. Due to Covid-19 construction was delayed, affecting our ability to obtain the stationary container systems compliance certificates.

Project work has progressed, and the improvement notice will be removed once the tanks have been cleaned and labelling removed. This is expected to be completed by the 4<sup>th</sup> of December 2020 and WorkSafe are comfortable with our explanations to date.

### **Service Strikes**

Hamilton has a complex network of underground assets delivering services to homes, businesses and factories around the city. These services can be put at risk due to poorly planned and executed excavation and construction.

Damage to underground services can be more than just inconvenient. Going without water for a few hours, or ultra-fast broadband for several days may be annoying, but damaging a high voltage power cable or a strategic gas pipeline comes with severe consequences and costs.

Due to the number of service strikes that have occurred and been reported on over the preceding 12 months we have engaged Geraint Rowlands from AGR Consultancy to undertake a review. This review will cover all the services that have been struck (including those struck by both Council staff and contractors), looking for common failures, improvements and recommendations based on better industry/sector practices. It will commence in late November and a report will be supplied in late January 2021. We will look to provide this report at the next Strategic Risk and Assurance Committee meeting in 2021.

### **3.7 Site Visits – Emerging Issues**

#### **Contractor Management**

Contractor Prequalification is not being completed by all Contractors prior to engagement and commencement of physical works, which is a gap that we have identified. Contractor Prequalification is an independently managed service that:

1. Impartially assesses the health and safety systems and other critical measures used by a contractor,
2. Provides Council with an indication of a contractors' ability to perform work safely,
3. Enables a contractor to demonstrate they have been independently assessed and can be trusted to work safely and to get the job done.

Our Procurement Team are reviewing our processes at present to ensure this is completed and we are looking to extend prequalification to include sub-contractors undertaking physical works across Council sites. Further work is needed to better manage our Contractors and the risks that they present. This forms a key stream of work as part of the Safety Reset for 2021.

#### **Hazardous Substances - Location Compliance Certificates**

Following recent audits by a hazardous substance compliance certifier, it was found that several of our facilities were non-compliant. Failed certifications are required to be notified to WorkSafe by the compliance certifier.

Business Units require location compliance certificates if they have explosive, flammable, oxidising, toxic or corrosive substances and the quantity exceeds the thresholds specified in the Health and Safety at Work (Hazardous Substances) Regulations 2017. For example, if they hold more than 100 kg of LPG OR more than 50 litres of petrol OR more than 250 litres of 60% nitric acid (in storage) in a single location, then a location compliance certificate is required.

It has become apparent that a number of these certificates are not being granted following inspections carried out by our compliance certifier. The sites noted are Waterworld, Gallagher's Aquatic Centre and Duke Street Depot. The Health and Safety Team are working

with the certifier and Business Units mentioned to remedy any actions required. We are now looking across the organisation to pre-empt any potential failings in other areas.

#### Security - Waterworld

An emerging trend identified is an increase in the number of vandalism and theft occurrences from vehicles at Waterworld. There have been 15 reports of car break-in's or thefts occurring in the past 12 months. The current remediation measures in progress include:

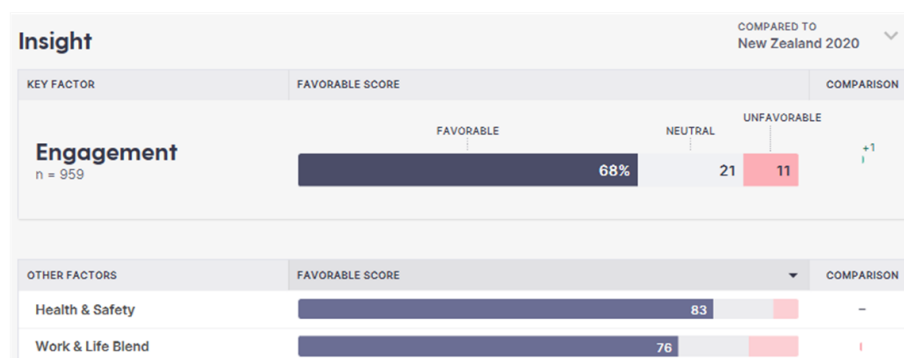
- The facility is working with City Safe to obtain a price to have CCTV cameras installed in the carpark
- Facilities has arranged with Allied Security to carry out random checks (3x a day) around the Waterworld carparks, until a solution is in place.

### 3.8 Worker Participation and Engagement



#### Engagement Survey

In October 2020 we launched our employee engagement survey. This year we partnered with a new engagement survey provider Culture Amp. Our overall engagement score was 68%. This is a 6% increase on our 2019 score and 86% of our staff participated in this survey.







Health and Safety and Work Life Balance were the top two favorably scored factors by Council employees.



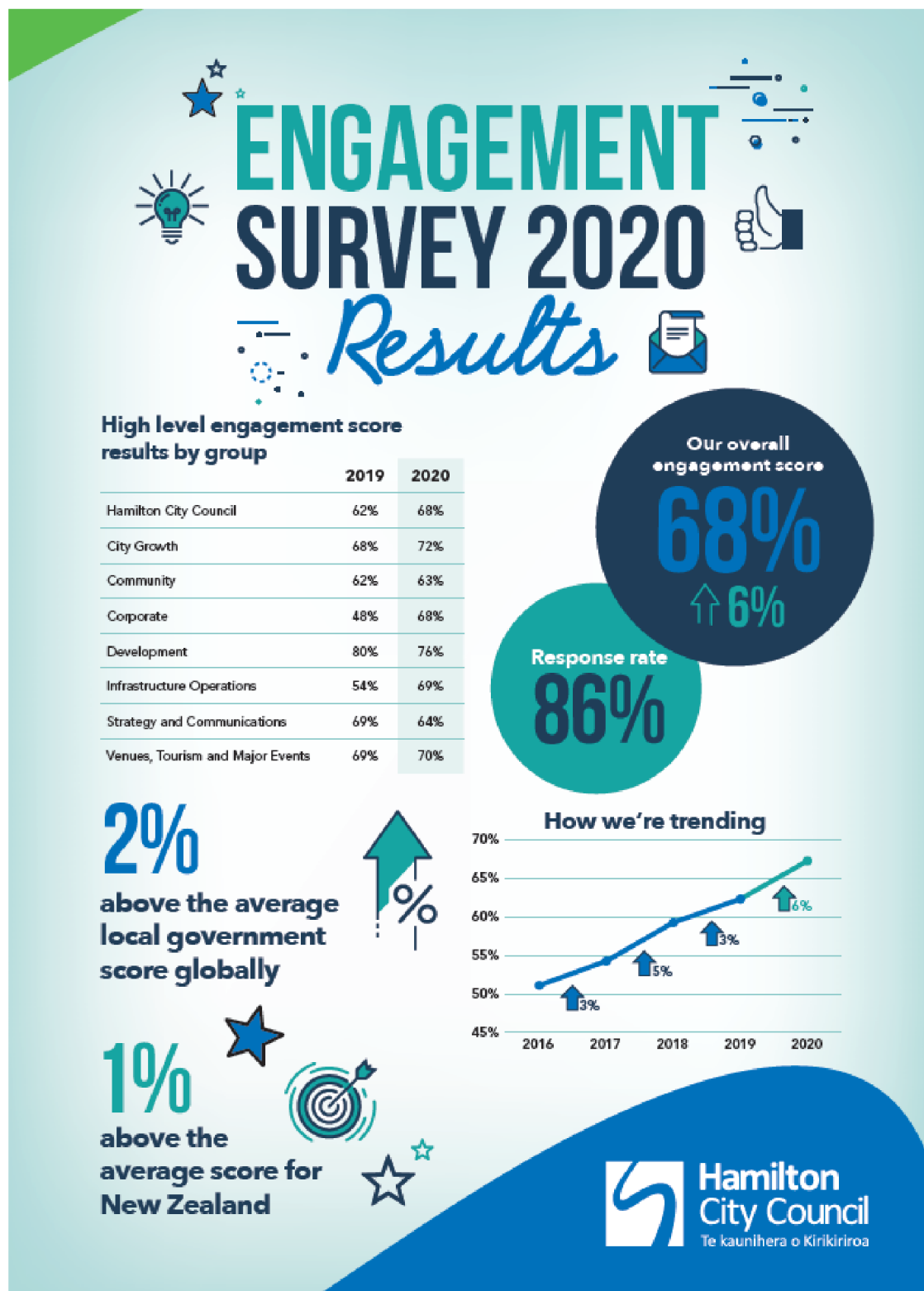
The results indicated that our people are comfortable voicing concerns or making suggestions about workplace health and safety. This was our second most favorably scoring question at 88%. Responses to the other four Health and Safety questions were also positively skewed. See snapshot below. This indicates that our people care about and are engaged with workplace Health and Safety and feel that Council is truly committed to this.

FOCUS	IMPACT	QUESTION		FAVORABLE SCORE
	 MEDIUM	I am comfortable voicing concerns or making suggestions about workplace health and safety	8	<div><div>88</div></div>
	 MEDIUM	I believe Hamilton City Council is truly committed to the health and safety of employees	35	<div><div>84</div></div>
	 MEDIUM	My manager demonstrates their commitment to Health and Safety by leading by example	11	<div><div>83</div></div>
	 MEDIUM	There is regular communication between employees and management about Health and Safety issues	13	<div><div>80</div></div>
	 MEDIUM	Workplace health and safety is considered to be at least as important as production and quality	21	<div><div>79</div></div>

Work Life blend was our second highest scoring factor. Most of our people fed back that they can make use of flexible work arrangements, take time out when needed and that generally their work load is reasonable for their role.

FOCUS	IMPACT	QUESTION		FAVORABLE SCORE
	 MEDIUM	I am able to arrange time out from work when I need to	31	<div><div>85</div></div>
	 MEDIUM	We are genuinely supported if we choose to make use of flexible working arrangements	62	<div><div>76</div></div>
	 MEDIUM	Generally, I believe my workload is reasonable for my role	44	<div><div>68</div></div>

This is a positive outcome following the focus on employee wellbeing and flexible working throughout 2020. Survey comments indicated that our people felt cared for and were proud of our response to COVID-19 and that our Flexible Work Programme (kicked off after the COVID-19 lockdown) is having an impact on their work and life balance.



Overall, we were very pleased with the engagement survey results and can use this information to make better and more informed decisions effecting our people and our work environment.

#### **Health and Safety Representative and Peer Support Meeting**

Health and Safety Representatives (HSR's) and Peer Support Groups met with the Health and Safety Team on the 8<sup>th</sup> of September. These regular meetings enable staff and Council to share initiatives whilst providing a safe environment for HSR's to speak openly regarding any safety concerns, issues affecting our safe and just culture and any work practices they have observed that would require escalation. We had a high number of both Peer Support and HSR's attending this meeting with David Bryant – GM Corporate speaking to the forum about Health and Safety from a Leadership perspective.

#### **Workplace Inspections – Health and Safety Representatives (HSR's)**

During this quarter there were no workplace inspections carried out across Council.

#### **Flexible by Choice**

Council's journey towards Flexible by Choice was accelerated through the COVID-19 pandemic lockdown and as an organisation we adapted well to remote working and continued to deliver great outcomes. On return to the workplace after the COVID-19 lockdown we have fully embraced flexible working at Council through our Flexible by Choice programme. As part of this programme of work we have reviewed and updated our Flexible Working guidelines and policies and created a new online module. This toolkit is available on our internal intranet.

We have also updated our Remote Working policy with a checklist and hazard register to ensure remote working environments are healthy and safe. HR Business Partners are working with leaders to ensure they are aware of and using the new toolkit.

### **3.9 Engagement with Regulatory Agencies**

#### **WorkSafe NZ**

Lance Vervoort, General Manager of Community Group and Mark Wagstaffe, Safety Assurance Lead met with Worksafe to discuss the safety events at Waterworld and subsequent improvement notices issued to both of our aquatic facilities (Waterworld and Gallagher's).

The proposed change to a 1% chlorine dosing system at Waterworld was also discussed, which would eliminate the risk of over chlorination moving forward.

Additionally, the Health and Safety Team have been working with WorkSafe Inspectors to close out the last remaining improvement notice, which relates to emergency response plans. This is in the process of being presented and signed off.

### **3.10 Engagement with other Organisations**

#### **Waikato/Bay of Plenty Local Authority Shared Services (WLISS) - Health and Safety Managers Meeting**

Councils response to COVID-19 was a topic that was widely discussed, from Pandemic Plans to how each Council wrapped support around their staff. Hamilton City Council was able to share some of stories and key learnings with this group.



#### WLASS Health and Safety Governance Group – Contractor Prequalification

In September this year, a contract for services was signed between WLASS, SHE Software NZ Ltd and RJ Safety Consulting Ltd, with the parties agreeing to novate all rights, title and interests of SHE NZ under the contract to RJ Safety Consulting. This was due to the contractor Prequalification scheme contract expiring with SHE on 31 October 2020.

There is a changing climate within the construction industry regarding contractor prequalification with Construction Health and Safety New Zealand (CHASNZ) and their prequal scheme Tōtika set to launch in February 2021.

Discussions were held with CHASNZ and SHE regarding the changes/impacts that will affect the WLASS prequalification scheme and determining what the relationship will look like in the long term, i.e. whether we have a direct relationship with SHE as opposed to Tōtika. This will emerge over time and we will be able to provide further updates.

## 4.0 Key Health and Safety Initiatives

### 4.1 Health and Safety Review Team

We continue to focus our efforts to drive an impactful review of our health and safety practices through the Safety Reset initiatives tabled and discussed at the previous risk workshop and committee meeting.

The following looks to provide Elected Members with an update on some of the key streams of work that we continue to progress:

**Critical Risk Mitigation** - *Ensure all of Council's critical Health and Safety risks are managed effectively.*

We have engaged and are working with Greg Dearsley, External Advisor, to help facilitate and conduct a review of our critical safety risks across Council. Critical risks are to be defined by the level of residual risk, which is the risk rating following controls put in place (high and above), duration and frequency of exposure and the number of persons exposed across Council. Based on this approach we expect that our list of critical safety risks will be consolidated.

Working with Greg, we will facilitate a series of "learning team" workshops followed by "control" workshops to realign controls with good practice for the following risks:

- Working at heights
- Electricity
- Driving
- Lone/remote and isolated working
- Hazardous substances
- Violent and aggressive people

**Technology and Systems Enablement** - *Develop an integrated technology platform that supports the Health and Safety and Risk Management Systems and enables Council staff and contractors to achieve Council's Health and Safety and Risk Management strategic objectives.*

Our replacement safety software solution is being progressed. We are however being hindered by the speed at which we can go due to limited resources and present work volume pressures. Additional resourcing to help with change management and communications is being procured.

We previously advised that our contract with Vault was due to expire in December 2020. Following a recent upgrade to Vault 3 unsolicited we no longer have the same time pressure to implement our replacement safety software solution, Ora. We therefore have extended the implementation time line and the "go live" soft launch date to 31 May 2021.

**Safety Management System** - *Ensure Council's Safety Management System is aligned to our Health and Safety Strategic Plan and designed to deliver world class safety outcomes.*

We will be launching the updated SMS manual across Council before the end of the year with the supporting frameworks to follow in the New Year. Five supporting framework documents are currently with our designers and are awaiting confirmation of a completion date for these.

**Independent Health and Safety Review** – *Engage an external Health and Safety expert to assess Council's safety leadership, risk management and culture through worker engagement.*

SafePlus is an assessment tool that was jointly developed by WorkSafe New Zealand, Accident Compensation Corporation (ACC) and the Ministry of Business, Innovation and Employment (MBIE). It aims to help organisations lift workplace health and safety performance through assessment against good practice requirements and provides tailored advice and guidance on how to improve.

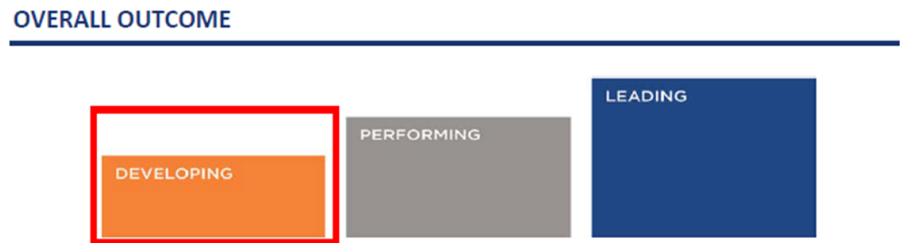
Following a desktop assessment of our key Health and Safety policies, guidelines and documentation, a SafePlus onsite assessment was completed by KPMG in October 2020. The scope of the assessment was limited to insights gained through SafePlus methodology relating to:

- The workgroups and sites visited (Operations Infrastructure, City Growth and City Delivery)
- The interviewees - executives, managers and frontline workers
- Deep dive or key risks selected by HCC:
  - Violence and aggression
  - Working on underground services
  - Work-related stress.

The assessment used a framework of ten performance requirements, organised under three key elements: Leadership, Worker Engagement and Risk Management. Each performance requirement had between three and five indicators, which explored in more detail how the workgroups and sites visited performed against the requirements.



Each performance requirement had a three-level maturity scale applied to it: Developing, Performing and Leading. Continual improvement underpins all the requirements and performance was measured against each requirement. The assessment approach was evaluative, and behaviour based with a focus on people, behaviour, culture, attitude, systems, resources, practices and values.



The overall outcome for this SafePlus onsite assessment is Developing.

**Note:** For the organisation's overall outcome to be Performing, it needs to be assessed as at least Performing in every requirement. If it is assessed as Developing in any requirement, then the overall outcome will be Developing.

## OUTCOMES BY PERFORMANCE REQUIREMENTS

The following table shows our assessment for each performance requirement:

LEADERSHIP	DEVELOPING	PERFORMING	LEADING
Effective health and safety governance			
Demonstrates visible commitment			
Continually improves performance			
Resources health and safety activities			
WORKER ENGAGEMENT			
Communicates effectively			
Empowers workers and representatives			
RISK MANAGEMENT			
Identifies risks			
Assesses risks			
Controls risks			
Ensures controls are effective			

The review showed Hamilton City Council (HCC) is moving forward in many health and safety areas. There was a consistent view that health and safety was better resourced and better than it was in previous years. People were proud to work for HCC and shared in the vision of 'A high-performing organisation, respected by all.'

Although the overall rating for this SafePlus onsite assessment was 'Developing', it is important to note that the SafePlus performance requirements were pitched higher than the minimum legislative compliance. A Developing rating indicated that there is some improvement needed to achieve the standards set by SafePlus, not that there is non-compliance to legislation.

### 4.2 Other Initiatives

#### Reviewing our State of Safety – (Business Unit Heatmap)

Acknowledging that the SafePlus Assessment only reflects a slice in time for the workgroups and sites selected, the CE has commissioned a further undertaking. This piece of work will enable us to better gauge our health and safety practices and progress towards enhanced performance across all Business Units.

We have engaged Geraint Rowlands from AGR Consultancy to assist with this work. Geraint will conduct Business Unit reviews, working alongside our Health and Safety Team. The outcome will be a structured and informed heatmap, that will become a starting point for further improvement at a Business Unit level.

By completing these reviews, we will gain further insight into each Business Unit's state of safety, and how well health and safety has been embedded and practiced. The gap analysis can then be monitored to follow and track progress by completing corrective actions identified through this process.

We will look to commence reviews towards the end of November 2020 and they are expected to be completed by March 2021. It is envisaged that this schedule will then form the basis for a formal bi-annual audit process set out in the Safety Management System.

#### **Safety Governance Committee**

As part of demonstrating good safety leadership and in line with the SMS and draft Safety Governance, Accountabilities and Responsibilities Framework, we are looking to reset our Safety Governance structure across Council.

As a starting point we have appointed an independent chairperson (see note below) to support a newly formed Safety Governance Committee. This will sit alongside our other Safety Committees, but at a more strategic and executive level and will be represented by SLT members.

The purpose of this Committee will be to ensure that there is greater emphasis placed in this area. Including increasing the level of visibility and strategic decision making to support health and safety performance and improvement across the whole of Council.

*Note: Greg is a well-respected industry leader. He is the Immediate Past President of the New Zealand Institute of Safety Management (NZISM) having held the President role from 2016 – 2020. Greg also represented NZISM on the Governance Group of the Health and Safety Association of New Zealand (HASANZ) from 2014 – 2020. In 2020 Greg was nominated by NZISM and voted onto the Executive Committee of the International Network of Health and Safety Professional Organisations (INSHPO).*

The following is the proposed safety governance structure – information flow, decision-making and oversight with Terms of Reference. The finer details are currently being worked through and to be confirmed.

## SAFETY GOVERNANCE STRUCTURE - DRAFT

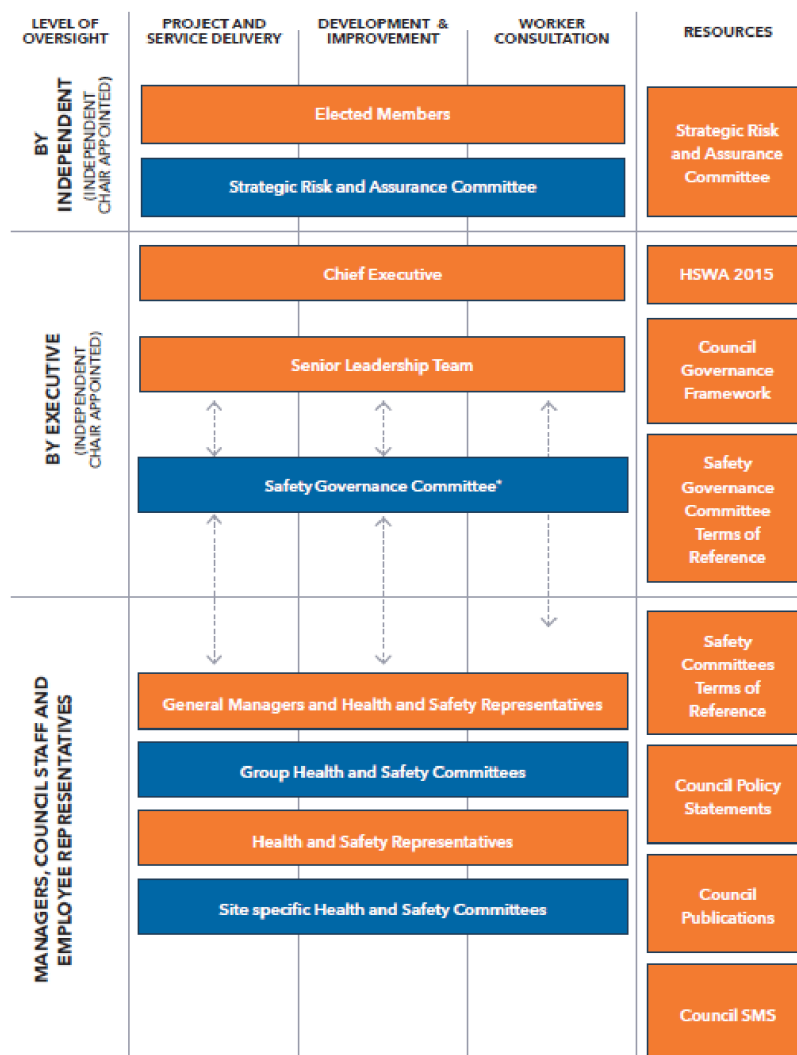


Figure 3: Safety governance structure – information flow, decision-making and oversight arrangements

\*The Safety Governance Committee is comprised of the Chief Executive, General Managers, Chairs of Group Health and Safety Committees, Unions and an independent chair.

### 4.3 Training and Competency

#### Leading Healthy Workplaces - Psychosocial Risks

To better equip our people leaders, we have completed phase one of a Leading Healthy Workplaces - Psychosocial Risks training programme. Only 19% of our people leaders completed this training in this initial phase. A further push will be needed in the new year to ensure a higher attendance rate during the phase two roll out. This training provides practical

tools on how to approach both the process and person aspects of psychosocial health and safety. In-depth training will also be offered to subject matter experts.

#### **Safety Training - Career Pathways**

Taking a more strategic and organisational approach we are looking to provide career pathways and appropriate health and safety training frameworks, to upskill employees in dedicated health and safety roles across Council. This will also provide an internal succession planning pathway for those passionate and interested in the health and safety sector, which has a limited pool of trained and suitable resources.

The Safety Team is working with Coachio, a specialised group of professional educators in the field of health and safety, to develop a comprehensive training and engagement framework aligned to our SMS. This framework will address training requirements across all levels and will assist with the implementation and execution of our Health and Safety Strategy, initiatives and roadmap.

**Other training completed during this reporting period include:**

Courses Provided Between August – October 2020	Number Attended	Month
Vulnerable Children - Staff	15	August X2 sessions
Disability Awareness	25	September X2 sessions
Leading Healthy Workplaces - Psychosocial Risks	46	September & October X7 sessions
Advanced Disability Awareness	7	October X1 session
Health & Safety Representatives	13	October X1 session

Table 2: Health, Safety and Wellness training completed August-October 2020

## **5.0 Health and Wellbeing**

### **5.1 Vitae - Additional Support for People Leaders**

Team Leaders and Managers have access to targeted support to help them and their teams deal with critical incidents through Vitae. Vitae provide workplace wellbeing and employee assistance services. This service complements our general and all staff EAP programme.

Due to a general increase in demand for EAP services during, and following the COVID-19 pandemic, we have continued to utilise Vitae for urgent requests for assistance. This is also in response to extended waiting times with our other EAP provider.

One initiative that Vitae is currently providing is weekly onsite support visits for the Parking Wardens, providing a safe space for them to debrief as required, due to the nature of their work.

Vitae Use	1 Nov 2019- 31 Jan 2020	1 Feb-30 April 2020	1 May-31 July 2020	1 Aug-31 Oct 2020
New Cases	0	2	4	5
Closed Cases	0	2	3	1
Average Hours per Client	0	2.5	3.25	2.13
Self-Referral		0	3	5
Referral by Manager		2	1	0

Table 3: Vitae Usage

## 5.2 Employee Assistance Programme (EAP)

During the reporting period (1 August to 30 October 2020) there were 54 active cases being managed through In-Step EAP. Of the 54 active cases, 24 were new and 30 were pre-existing cases.

Based on our employee population of 965 FTE, the utilisation rate for this period was 10%, which represents a decrease of 4.8% from the previous quarter. Although we did see a drop in the number of new cases, the number of active cases overall was very similar to the previous quarter: 54 for this period compared to 52 for the last period.

Following the continued usage of In-Step services following COVID-19 it would be fair to say that the EAP programmes offered to support our employees are well known and utilised.

The majority of active cases were employees who self-referred (79.6%). Other referrals came from:

- Managers and Human Resources (11.1%)
- Family members
- An EAP provider
- And a medical officer.

Five family members also accessed the service, with employees making up the rest (90.2%). In total 91 hours of sessions were used across 51 individuals, and an average of 1.8 sessions per client.

The most common trigger for EAP support was workplace stress and mental health, each making up 31.5% of the referrals. This aligns closely with the overall EAP trends across companies who access EAP services through In-step. The below graph (Presenting Issue Trend, Figure 7) outlines the changes in presenting issues across the last few years. There has also been an increase in workplace stress and mental health issues following the COVID-19 pandemic.

EAP activity was spread across six business units. The two organisational groups with the most activity was Community: 51.9%, who make up a large percentage of our total workforce and City Growth: 18.5%.



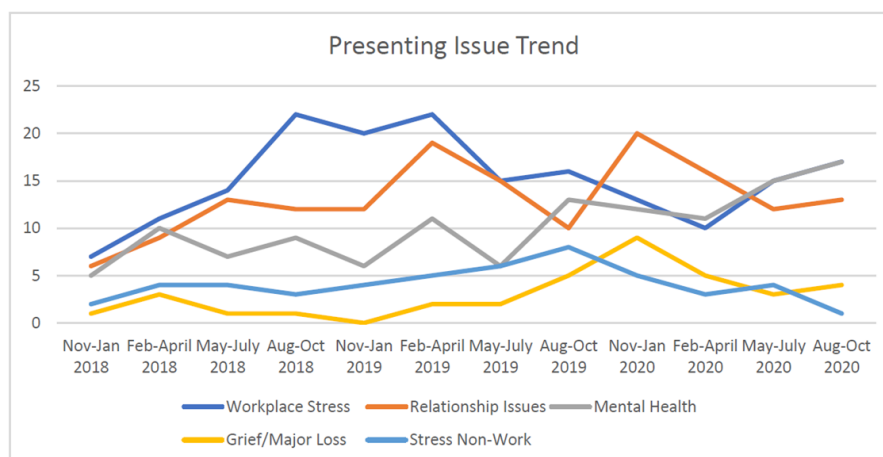
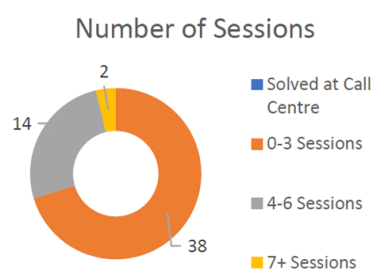


Figure 7: EAP Usage

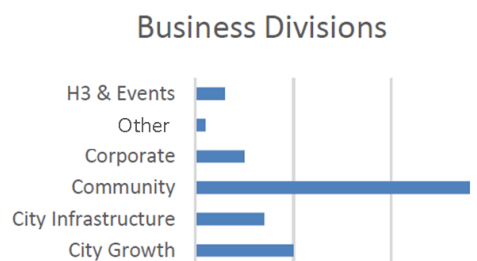
### Number of Sessions Per Case

The majority of EAP referrals are resolved within 3 sessions. Additional sessions are confirmed before going ahead. There is a common trend some cases go beyond the standard 3 sessions, this is comparable to other companies who access EAP through In-step.



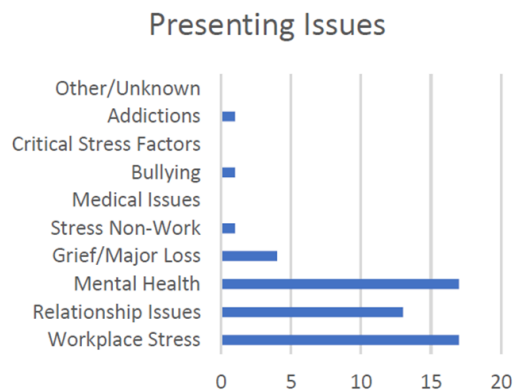
### Business Divisions

The usage across Council business units shows 'Community' and 'City Growth' to have the greatest usage.



### Presenting Issues

The most common requests for support were for: Workplace Stress (31.5%), Mental Health (31.5%) and Relationship Issues (24.1%). In-step is seeing a trend of increasing levels of work stress and mental health issues in the aftermath of COVID-19 in many of their client companies.



### 5.3 Bullying and Harassment Monitoring

We continue to report incidents relating to alleged bullying and harassment, which are captured and categorised under the following three areas:

- Peer support contact (early intervention)
- Informal reports (investigated internally)
- Formal reports (investigated externally)

	Peer Support	Informal Reports	Formal Reports
Total for period 1 August-31 October 2020	0	3	5

Table 4: Bullying and Harassment

#### Pink Shirt day

On Friday 16<sup>th</sup> October employees were asked to wear pink and unite against bullying in the workplace. Pink Shirt Day is all about aroha, kindness, celebrating diversity and removing bullying from workplaces. We encouraged staff to send us pictures of themselves and their workmates pink to cap off the week. We received some great pictures and many teams had a lot of fun in the process of supporting a very real and important workplace issue.



Over the past year, our teams have seen an increase in personal attacks and abuse towards them on social media. On multiple occasions this has left our staff upset, angry and at times in tears.

This Pink Shirt Day our Communications Team who often wear the brunt of abuse directed towards Council decided to take a stand. The Team created a video sharing some of the comments our people receive on social media. The video was posted on our social media channels and shared with other Councils.

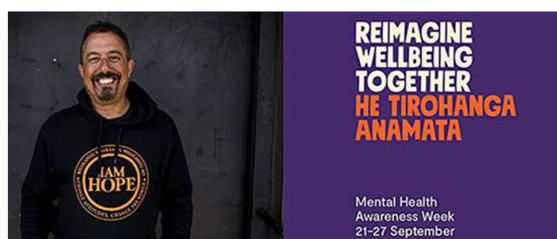
#### 5.4 Other Wellbeing Initiatives

##### **Mental Health Awareness Week, 21-27 October**

At Council we actively promote Mental Health Awareness Week. Acknowledging that this has been a challenging year for all of us, we wanted to do something special to support everyone's wellbeing. We invited comedian, turned mental health advocate, Mike King to join Richard on our weekly webinar to all staff.

This was a great opportunity for us to hear about Mike's personal journey and help us be open to having conversations about mental health. All staff were encouraged to tune in or watch the recorded webinar at a later date. The recording is now housed in our Wellbeing Hub.

Our mental wellbeing is important and something that needs to be looked after. Our people were challenged so use the week to look after themselves and check in on their colleagues.



##### **Return to Work Workshops**

In conjunction with our ACC business partner, the Health and Safety Team have been running a series of Return to Work workshops across the organisation throughout the year. We have 3 workshops left to complete this piece of work. The purpose of these workshops were to provide an overview of the process following injury. ACC also discuss the importance of open communication between staff and managers and how this can aid in helping returning staff back to work as soon as possible.

The following points were covered off in these workshops:

- Creating a supportive workplace environment
- Working with injured workers to identify suitable duties
- How to engage with the worker for the best outcome
- Ensuring the worker has enough information

We are also planning some key initiatives in the New Year to coincide with returning workers after their holiday break to encourage safe work practices and to raise awareness.

# Council Report

Item 6

**Committee:** Strategic Risk and Assurance Committee  
**Date:** 11 March 2021  
**Author:** David Bryant  
**Authoriser:** David Bryant  
**Position:** General Manager Corporate  
**Position:** General Manager Corporate  
**Report Name:** Chief Executive Report - Verbal Update

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

The Chief Executive will present a verbal update to the Strategic Risk and Assurance Committee on the key risks faced by Hamilton City Council.

## **Staff Recommendation - *Tuutohu-aa-kaimahi***

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

## **Attachments - *Ngaa taapirihanga***

There are no attachments for this report.

# Council Report

Item 7

**Committee:** Strategic Risk and Assurance Committee

**Date:** 11 March 2021

**Author:** Dan Finn

**Authoriser:** David Bryant

**Position:** People, Safety & Wellness Manager

**Position:** General Manager Corporate Manager

**Report Name:** Safety and Wellness Report - 1 November 2020 to 31 January 2021

<b>Report Status</b>	<i>Open</i>
----------------------	-------------

## Purpose - *Take*

1. To inform the Strategic Risk and Assurance Committee on safety and wellness performance and activities for the period covering 1 November 2020 to 31 January 2021.
2. The Safety and Wellness report is **Attachment 1** to this cover report.

## Staff Recommendation - *Tuutohu-aa-kaimahi*

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

## Attachments - *Ngaa taapirihanga*

Attachment 1 - Safety and Wellness Report

Attachment 2 - HCC Service Strike Report

Attachment 3 - SafePlus report

Attachment 4 - SafePlus Action Plan - Leadership

Attachment 5 - SafePlus Action Plan - Worker Engagement

Attachment 6 - SafePlus Action Plan - Risk Management

Attachment 7 - SafePlus Action Plan - Key Risks

**THINK SAFE**  
**WORK SAFE**  
HOME SAFE EVERYDAY

Safety and Wellness

# STRATEGIC RISK AND ASSURANCE REPORT

November 2020 – January 2021

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Attachment 1

# 1.0 Executive Summary

Attachment 1

## 1.1 Overview

As an organisation we continue to establish and promote programmes, initiatives and relationships that allow us to respond positively to our changing work environment and those unplanned events that impact on the health and safety of our people.

Focussed on continuous improvement through good safety and design, safer work practices and continued learning from previous events to prevent reoccurrence remains fundamental.

We continue to focus on driving an impactful review of our health and safety practices through the Safety Reset initiatives tabled and discussed at previous risk workshops and committee meetings. Some of our key streams of work have now commenced in 2021 and we continue to make steady progress on this programme of work, which includes:

- Critical Risk Mitigation (High-Level Critical Risk Learning Teams)
- Technology and Systems Enablement (Safety Software System)
- Safety Management System (SMS)
- Independent Health and Safety Review (SafePlus)

As well as safety, we continue to focus on the health and wellbeing of our people, and this year mental health and wellbeing of employees continues to be one of our key priorities. This is well supported through our Work Well initiative alongside the DHB, who have recently assessed and awarded HCC with Bronze accreditation.

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# 2.0 Safety Performance

## 2.1 Graphs

Item 7

Attachment 1

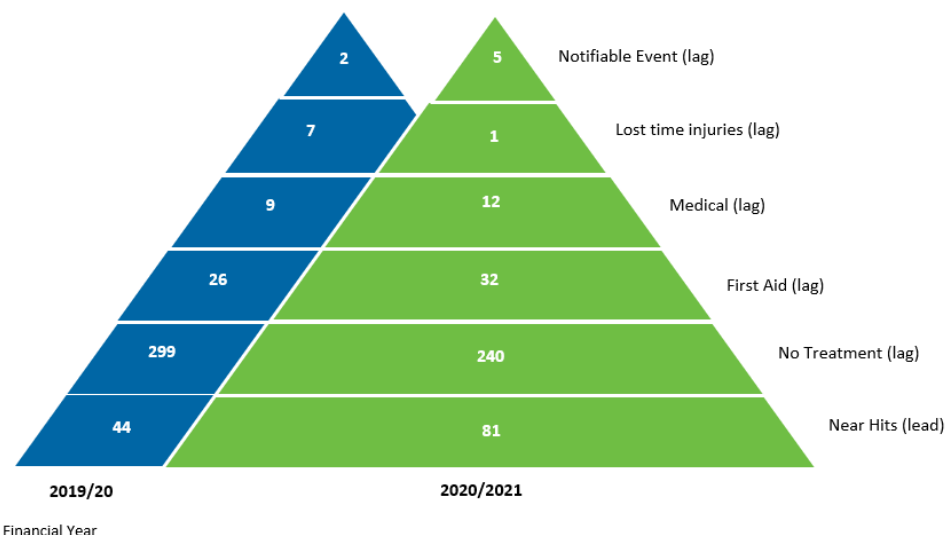


Figure 1: Performance Indicators for events for the reporting period 1 November 2020 - 31 January 2021

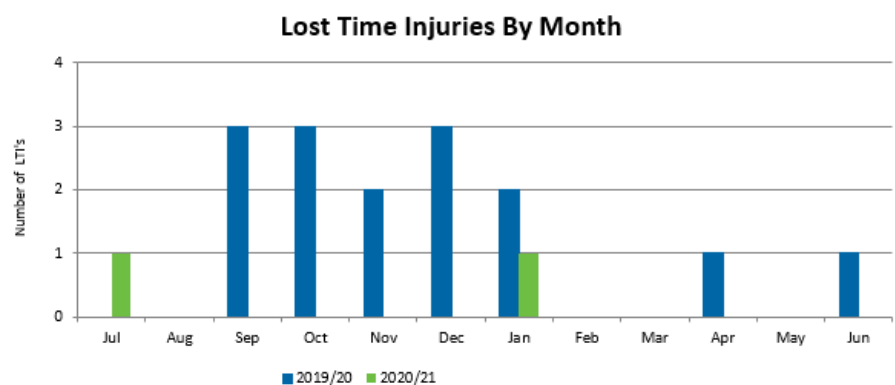


Figure 2: Lost time injuries by month for previous and current performance years, 1 July – 30 June

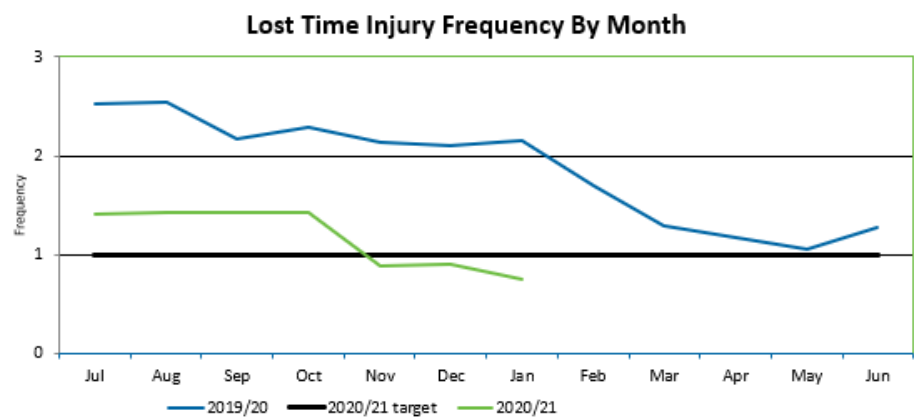


Figure 3: LTIFR per 200,000 hours worked for previous and current performance years, 1 July – 30 June

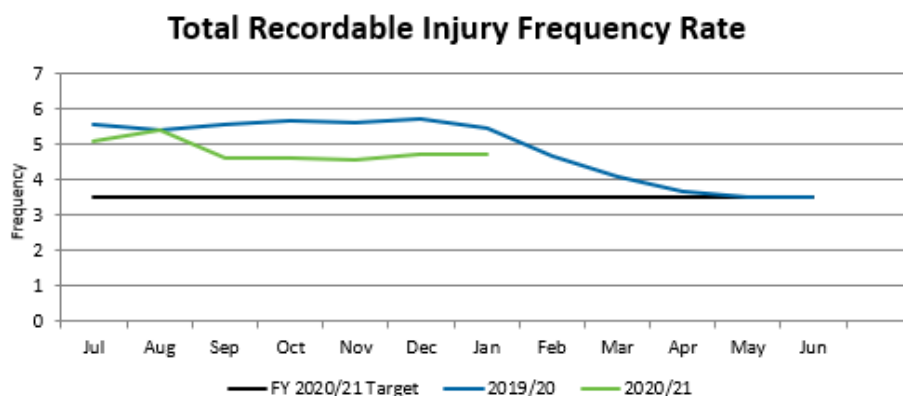


Figure 4: TRIFR per 200,000 hours worked over a rolling 12 months

## 3.0 Trends and Insights

### 3.1 Trend Summary

During this reporting period (1 November 2020 to 31 January 2021) we incurred 1 Lost Time Injury (LTI), compared to 7 for the same period last year.

If we were to look at the performance year to date (1 July 2020 – 31 January 2021) the number of LTI's this year (2 LTI's) are significantly lower when compared to the previous performance year (13 LTI's). This equates to an 85% reduction in the number of injuries recorded requiring time off work. This can be attributed to improved work practices, increased safety awareness and risk mitigation through improved job safety analysis (JSA). Early invention and injury management practices also play a part in minimising lost time.

Between 1 November 2020 and January 2021, 284 other injury type events were recorded. These include a range of medical treatment, first aid and non-treatment injuries. Upon further analysis of these types of injuries we continue to see a higher percentage of soft tissue injuries caused through manual handling as well as slips, trips and falls in our operational areas.

We continue to see customer fronting staff in our libraries, city safe and parking enforcement, subjected to aggressive and abusive behaviour by the public, with 77 negative inactions recorded over this reporting period, which makes up nearly 30% of the total events reported.

### 3.2 Notifiable Events

During this reporting period (1 November 2020 to 31 January 2021) there were five events notified to WorkSafe which involved two Council staff, two Contractors and one member of the public.

Date	Vault #	Organisation	Incident	Action Taken
------	---------	--------------	----------	--------------

Notified				
26/11/2020	20294	Council – City Waters, WasteWater Treatment Plant	Procedural error in the lockout of an electrical pump, which was being worked on under a live environment. This presented a real risk of electrocution.	Immediate review of lock-out procedures and documentation, staff training and competencies, and plant assessment to ensure appropriate tagging and labelling of equipment.
7/12/2020	20357	Council – City Delivery	A 10mm gas pipe that had been thrust through the wastewater pipe was ruptured in the process of a repair. Services were identified and potholing occurred. During the initial stages of the wastewater pipe repair contact was made with an electric cut off saw to the gas pipe, resulting in a rupture with gas released. Site made safe by Infrastructure Operations and Health and Safety.	An immediate investigation was undertaken by City Delivery and Infrastructure Health and Safety who identified causal factors and learnings to be shared and to be immediately adopted.
8/12/2020	20359	Contractor - Connells	HydroJet operator entered a confined space without following entry procedures and failed to use equipment properly. This resulted in the contractor slipping from ladder and falling from height, hitting his head on the manhole opening and landing on benching below, resulting in a fractured tail bone, severe concussion and laceration to the back of his head.	Council has received a full report from the Contractor - Connells.
10/01/2021	20614	Contractor - Waste Management	A member of public was emptying a ute load of green waste. While undoing the tailgate he	The man received immediate treatment and was taken to hospital. A full

**Item 7**

**Attachment 1**

			tripped and fell into the green waste pit resulting in multiple fractures to his ribs.	investigation is being undertaken by Waste Management, who will provide HCC their findings, learnings, and corrective actions. The report had not been received at the time of drafting this commentary.
21/01/2021	20658	Council – Gallagher’s Aquatic Centre	A member of public was pulled from the water not breathing and unresponsive. Staff immediately commenced CPR and were able to revive the person after several compressions, who then regained consciousness. Put into a recovery position and kept warm the person was then immediately transferred by ambulance to hospital.	Staff were immediately de-briefed and EAP offered. Key learnings to be shared and adopted regarding the use of inflatables, two lifeguard protocols to be adopted and alert devices (whistles) to be on-hand at all times.

Table 1: Notifiable events – staff and contractors 1 November 2020 -31 January 2021

### 3.3 Lost Time Injuries

Between 1 November 2020 and 31 January 2021, we recorded 1 LTI compared to 7 LTI’s for the same period last year. As of 31 January 2021 our LTIFR was 0.76 per 200,000 hours worked and is below our end of year target of <1.0.

### 3.4 Medical Treatment and First Aid Injuries

Between 1 November 2020 to 31 January 2021 we recorded 12 medical treatment injuries and 32 first aid injuries. As of 31 January 2021 our TRIFR was 4.71, which is above our end of year target of <3.5.

### 3.5 Near Hit Reporting

Between 1 November 2020 to 31 January 2021, we recorded 81 near hits, which provide an opportunity to share and learn from close calls that resulted in no injury and/or where there was no property damage. As a lead indicator, it is pleasing to see that we have had an increase of 84% in near hits reported, compared to 44 near hits for the same period last year.

# 4.0 Assurance & Engagement

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## 4.1 Assurance Activities

Between 1 November to 31 January 2021 there were 130 health and safety audits carried out, consisting of 39 manager audits and 91 task and critical risk audits.

There were 168 safety observations recorded across Council, which can be broken down into 114 safe and 54 unsafe observations.

### **Waterworld – WorkSafe Improvement Notice Update**

We have one outstanding improvement notice to close out by 1st March 2021. Work is on-track to satisfy this notice as we look to implement a new 1% chlorine dosing system that will be installed and commissioned by the end of February 2021.

### **Water Treatment Plant, Alum Tanks – Worksafe Improvement Notice Update**

Following the construction and transition to new chemical storage tanks the Water Treatment Plant received their Stationary Container Certification during December 2020. The decommissioning of the remaining aluminium sulphate tanks 1 to 3 was also completed.

The conditions of the Improvement Notice have now been fully met and Worksafe have advised that the improvement notice has been removed.

### **Service Strike Review**

As previously reported and discussed at the Strategic Risk and Assurance Committee, Council had engaged Geraint Rowlands from AGR Consultancy to complete a review of underground service strikes that occurred during the 2020 calendar year.

Please find attached as Appendix One the full report that was received 22 February 2021.

A working group will now be formed, led by the operational areas who perform and own these work practices, to implement the recommendations, supported by the People and Organisational Performance Health and Safety Team.

## 4.2 Emerging Issues

### **COVID-19 Resurgence**

Council continues to respond quickly and competently to changes in Alert Levels as New Zealand experiences intermittent regional clusters of Covid-19 cases. Taking advice and guidance from Government, we are able to respond quickly and move through alert levels using our previous protocols and new ways of working with refreshed learnings to keep our people safe and healthy.

## 4.3 Worker Participation and Engagement

### **Employee Representatives**

Attachment 1

Our Health and Safety Representatives (HSR's), alongside Peer Support, came together in December 2020 to reflect and celebrate a difficult and challenging year. Several highlights were shared including flexible by choice, our wellbeing hub and engagement survey results. Key statistical data was also shared on insights provided by our Employee Assistance Programme (EAP) and Vitae.

#### **Safety Governance Committee**

As part of our Safety Reset and improvement programme Council has formed a new Safety Governance Committee (SGC) to act as the principle internal forum. The role of this Committee is to provide strategic oversight through high level governance, focusing organisational effort on risks associated through Council's physical operations and to ensure safety risk mitigation programs are thoroughly implemented.

Meeting quarterly from March 2021, the Committee will be chaired by an independent expert (Greg Dearsly - Chairperson of the SGC) and have representatives from senior leadership, operational areas, health and safety and unions.

An update will be included in this report at the next Strategic Risk and Assurance Committee Meeting in June 2021.

### **4.4 Engagement with Regulatory Agencies**

#### **WorkSafe NZ**

Council continues to foster their relationship with WorkSafe and recently met to learn more about their new structure and new local inspectorates. Through these interactions we are able to access up-to-date information, share new ideas and share strategic thinking to ensure alignment.

We were interested to learn that WorkSafe are currently undertaking a national review of Health and Safety Representatives (HSRs) and have invited representatives across Council to participate in local workshops to be held in Hamilton. Findings from these workshops will be consolidated and learnings will be shared.

### **4.5 Engagement with other Organisations**

As a Health and Safety Team we continue to work with other organisations, either through informal networks or more formal partnerships (WLASS), to share and access up-to-date information on better practices, new ideas and strategic thinking to help us drive towards becoming a high-performance organisation.

During this reporting period we have worked with and had conversations about:

- WLASS Health and Safety Governance Group – contractor prequalification
- Business Leaders Health and Safety Forum – protecting mental wellbeing
- Bank of New Zealand – eco-portal and safety software solutions
- Livestock Improvement Corporation – eco-portal and safety software solutions

# 5.0 Programmes & Initiatives

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## 5.1 Health and Safety Review

We have continued to progress important streams of work designed to drive an impactful review of our health and safety practices. The following is meant to provide Elected Members with an update on some of the key streams:

**Critical Risk Mitigation (High-Level Critical Risk Learning Teams)** - *Ensure all of Council's critical Health and Safety risks are managed effectively.*

As a result of several events related to critical risks and in response to recommendations outlined in the SafePlus Assessment, Council is keen to understand and learn from its workers the issues they face in working in an environment where these critical risks are present.

We have commissioned a series of 'Learning Teams' to better understand the experiences of workers who are exposed to harm from these critical risks. The first of these Learning Team events are scheduled in February 2021 and will look at the issues related to Hazardous Substances and Working at Height. A further 4 critical risks will also be reviewed during March 2020.

These sessions will be facilitated by Greg Dearsly and potential solutions discussed and analysed for suitability and implementation. Further updates will be provided as part of our reporting rhythm and focus on continuous improvement.

Attachment 1



**Technology and Systems Enablement** - *Develop an integrated technology platform that supports the Health and Safety and Risk Management Systems, and enables Council staff and contractors to achieve Council's Health and Safety and Risk Management strategic objectives.*

We continue to work closely with our vendor (eco-portal) through the developmental stages to ensure our replacement safety software solution delivers appropriate functionality for the end user, compliance, and to meet our due diligence requirements to enable our world class aspirations.

Additional project resourcing is needed to help with change management, communications and back fill limited operational roles already at capacity, which has been highlighted as a risk, which we are working to address.

At this point we remain on track to deliver ORA (phase one) with a “go live” May/June 2021.

**Safety Management System (SMS)-** *Ensure Council’s Safety Management System is aligned to our Health and Safety Strategic Plan and designed to deliver world class safety outcomes.*

Work on our SMS has not progressed as we look to find suitable and qualified resources to support and backfill health and safety team members who are operating at capacity.

We will look to launch the updated SMS manual across Council including the supporting frameworks that have been finalised as soon as possible. Additional supporting framework documents are currently being drafted, however work on Ora is being prioritised first.

**Independent Health and Safety Review (SafePlus)** – *Engage an external Health and Safety expert to assess Council’s safety leadership, risk management and culture through worker engagement.*

All SafePlus recommendations have been consolidated into an action management plan aligned to the key elements assessed; leadership, worker engagement and risk.

The Health and Safety Team are working with specific groups and teams visited (Infrastructure Operations, City Growth and City Delivery) to identify opportunities and implement any relevant corrective actions locally.

In addition, the People and Organisational Health and Safety Team will be working to address any relevant recommendations for the whole of Council to adopt, many of which are already underway through our SMS, ORA, and other initiatives as part of our Safety Reset program.

Please refer to the full SafePlus Report - Appendix Two & Action Plan - Appendix Three.

## 5.2 Other Initiatives

### Reviewing our State of Safety – (Business Unit Heatmap)

To gain a richer understanding of safety maturity across all business units within Council a further stream of work has been commissioned to assess health and safety practices.

Reviews have been scheduled for each business unit starting in February 2021. It is envisaged that this piece of work will finish in March/April with regular updates being provided as assessments are completed. It is our intention to provide a ranking and help identify where greater support and focus is needed to drive improved engagement and health and safety assurance.

Gap analysis can then be monitored to follow and track progress by completing corrective actions identified through our regular assurance programs.



### Positive Performance Indicators

To be successful we know we need to measure performance using a combination of lead and lag indicators that provide insight on how well we are keeping our people safe at work.

There is no single indicator that is perfect and we know that using injury rates to focus effort to simply reduce injury statistics can sometimes have unintended consequences and mask the real picture.

We are currently working with other Councils on potential indicators and measures to monitor activities as well as those that will make the most impact on safety outcomes.

We will look to present these proposed measures at the next Strategic Risk and Assurance Committee Meeting so that we know what good looks like before commencing the new performance year effective 1 July 2021.

### 5.3 Training and Competency

#### Operational Risk Training – Waterworld / Gallagher's

The Health and Safety Team have been working with teams at WaterWorld to provide operational risk training workshops for staff following the notifiable event (20658) detailed on page 7.

#### Health and Safety Representative Training – Coachio

We have engaged Coachio to review our current Health and Safety Representative (HSR) training to ensure the language stemming from our SMS is incorporated into the documentation. This training has been tailored to our requirements to help achieve our health and safety outcomes.

Overtime, further modules will be developed in a structured way that enables sustained progression of skills, knowledge and experience over a three-year period as part of our succession planning and capability pathway.

#### Other training completed during this reporting period:

Courses Provided Between 1 November 2020 – 31 January 2021	Number Attended	Month
Basic Warrant Officer	6	November 2020
Understanding Unconscious Bias	12	November 2020
Vulnerable Children staff sessions	8	November 2020
Warrant Officer – Refresher x 2 sessions	20	November 2020
E-Bike Road Safety x 10 sessions	12	January 2021

Table 2: Health, Safety and Wellness training completed 1 November 2020 – 31 January 2021

# 6.0 Staff Wellbeing

## 6.1 Vitae - Additional Support for People Leaders

Vitae provide workplace wellbeing and employee assistance services that complement our general and all staff EAP programme. Vitae are currently providing weekly onsite support visits for the following Business Units/Teams:

- Parking Wardens
- City Delivery
- Zoo
- Pools following a recent notifiable event.

Vitae Use	1 Feb - 30 April 2020	1 May - 31 July 2020	1 Aug - 31 Oct 2020	1 Nov - 31 Jan 2021
New Cases	2	4	5	4
Closed Cases	2	3	4	3
Average sessions per Client	2.5	3.25	2.13	2.17
Self-Referral	0	3	5	4
Referral by Manager	2	1	0	0

Table 3: Vitae Usage

## 6.2 Employee Assistance Programme (EAP)

During the reporting period (1 November 2020 to 31 January 2021) there were 40 active cases managed through In-Step EAP. Of those 40 active cases, 21 were new and 19 were pre-existing cases.

Based on our employee population of 965 FTE, the utilisation rate for this period was 8.8%, which represents a decrease of 1.2% from the previous quarter. Lower utilisation across the holiday period is not uncommon.

Many active cases were employees who self-referred (80%). During this period there was a larger proportion of referrals for family members, 12.5%, compared to 5.6% last quarter. Other referrals came from Managers (2.5%) and Health and Safety (5%).

The most common trigger for EAP support was workplace stress (42.5%) and mental health (35%), making up 77.5% of referrals. Compared to other companies, Hamilton City Council have a larger proportion of employees accessing support for workplace stress.

EAP activity was spread across five business units. The three organisational groups with the most activity was Community: 55%, who make up a large percentage of our total workforce followed by City Growth: 20%. and Corporate: 15%

The below graph (Presenting Issue Trend, Figure 5) outlines the changes in presenting issues across the last few years.

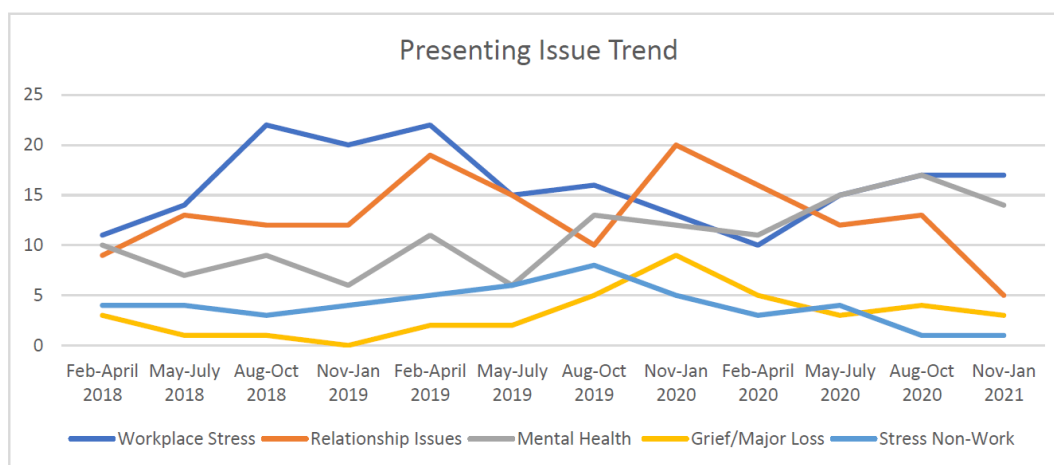
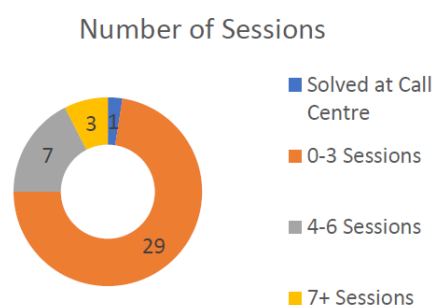
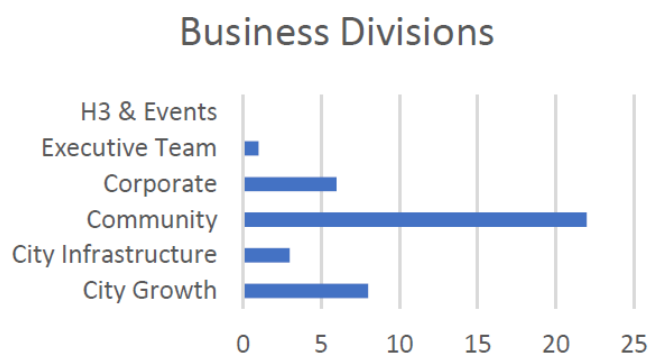


Figure 5: EAP issue trend

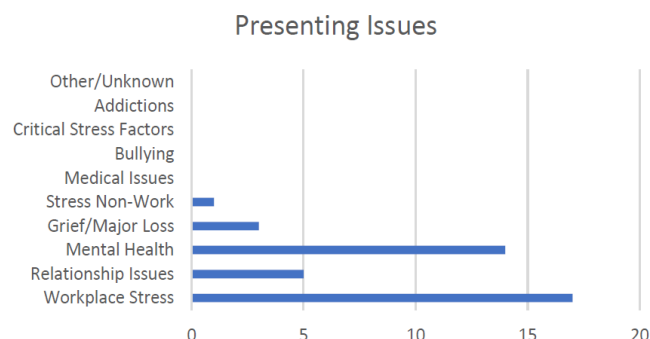
The majority of EAP referrals are resolved within 3 sessions (72.5%). Additional sessions are confirmed before going ahead. Of the sessions used this quarter, 25% used additional sessions (4+ sessions).



The usage across Council business units shows 'Community' and 'City Growth' to have the greatest usage.



The most common requests for support were: Workplace Stress (42.5%) and Mental Health (35%); both categories increased from the last quarter. Groups who reported higher levels of workplace stress included Corporate Services (66.7%) and Community (45.5%).



### 6.3 Bullying and Harassment Monitoring

We continue to report incidents relating to alleged bullying and harassment, which are captured and categorised under the following three areas:

- Peer support contact (early intervention)
- Informal reports (investigated internally)
- Formal reports (investigated externally)

	Peer Support	Informal Reports	Formal Reports
Total for period 1 November 2020 - 31 January 2021	0	3	5

Table 4: Bullying and Harassment

## 6.4 Other Wellbeing Initiatives

### Welcome Back

#### HEY YOU! WELCOME BACK



With many of our staff returning from a well-deserved break, our People, Safety and Wellness Team organised a special welcome back card and a Health and Safety business card for each and every one as we embark on a fresh new year.

Welcome back cards were sent to each unit with staff keeping them on their desks, or in their lockers, wallet or lanyard as a reminder that their health, safety and wellbeing comes first.

There was even a special spot to jot down three reasons why staff want to make it home safe and well every day. It could be their family, friends, hobby or pet. To start the year off right, staff were also asked to take a few minutes to reflect on the why behind their health, safety and wellbeing.

### WorkWell

We have some AWESOME news to kick off 2021 - Hamilton City Council officially has WorkWell Bronze Accreditation! The DHB carried out a site assessment in December with

the assessors interviewing one senior manager, two WorkWell Group members and two general staff members.



**BRONZE**  
STANDARD ACCREDITATION

Item 7

### White Ribbon Day



Attachment 1

Once again HCC promoted White Ribbon day on Wednesday 25 November 2020 encouraging men to challenge each other on stereotypical attitudes and behaviour that can lead to abuse.

Last year Council gained accreditation with White Ribbon and we continue to champion this cause. Below are a few of the special activities we rolled out in support of White Ribbon Day:

#### Special guest for our weekly webinar

White Ribbon Ambassador and New Zealander of the Year nominee David White was a guest on Koorero and Cuppa with Richard. He joined us to share his story after his daughter Helen, was killed by her partner 11 years ago.

David joined General Manager Jen Baird and our own White Ribbon Ambassador James Campbell, to talk about how to challenge harmful attitudes and behaviour. This was recorded and made available to all staff on our Wellbeing Hub.

#### Morning Teas

Our HR Business Partners planned a few special breakfasts, morning teas and lunches across different sites. We also encouraged teams to organise their own morning teas or shared lunch in honour of the day.

**White Ribbon Hikoi**

The Fairfield Enderley Resilience Network held a White Ribbon Hikoi, which we invited staff to attend.

**The Anzac Parade Bridge**

The bridge was lit white in honour of White Ribbon Day. We shared a picture with staff to promote the day.

## **Review report for HCC of service strike incidents that occurred in 2020.**

### **1 Introduction**

The purpose of report is to provide some background information, set out the scope, findings and recommendations from the review of strikes of underground services that occurred during works for Hamilton City Council (HCC) over the previous year.

The period approximately covers the 2020 calendar year and includes work completed by Capital Projects, Infrastructure Alliance and City Delivery.

This review was predominantly based on documentation. Interviews were completed with HCC Health and Safety staff to enable their input, gain context and gather additional information.

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## **Review report for HCC of service strike incidents that occurred in 2020.**

### **2 Scope of review**

The scope is to review underground service strikes that have occurred during works for HCC to see if there are any common factors or process failings.

The review is to include:

- A "desk top" review of documented incidents.
- Interviews with nominated staff.

A further investigation of each of these incidents has not been completed and is considered to be of little value given the time that has elapsed and likely difficulty in establishing the required details of the incident and service.

### **3 Guideline documentation**

#### **3.1 Worksafe documentation**

There are two applicable Worksafe documents.

##### Good Practice guideline – Excavation safety (July 2016)

###### *Section 4.2 – Utility Services*

*Before any excavation takes place workers should know what is underground and what is overhead. Consider services present until it is proven they are not there.*

*Establish where the services are:*

- *Liaise with all service owners as there are often multiple services and multiple owners.*
- *Some service owners provide on-site assistance to help identify services; use this assistance where available.*
- *Make sure plans and relevant locates and mark-outs are available, get plans and mark out the services.*
- *Accurately trace and mark out underground services. Drawings and service plans may be different from what is underground.*
- *Keep copies of current services plans on site.*
- *Use detection equipment that can detect services. There may be a need to use multiple types.*
- *Knowledge about what energy sources the services actually carry is essential.*
- *Service markings and colours can vary from current national standards and the service owner should be able to provide specific information.*
- *Check service depths as they may vary from the plan (eg the ground cover may have been altered since the service was laid). Pothole to determine service location and depth.*

##### Guide for Safety with Underground Services (October 2002)

This is referenced in the Good Practice guideline and provides more detail.

*Section 12 - The safe system of work has three basic elements:*

###### *12.1 - Plans and Mark-Outs*

*Plans or other suitable information about all buried services in the area should be obtained from each service owner before excavation work starts.*

###### *12.2 - Cable and Pipe Locating Devices*

*In addition to any mark-out service that has been provided, suitable cable and pipe locating devices should be used on site, in conjunction with any available plans, to determine as accurately as possible the position of traceable underground services in or near the proposed work area.*

###### *12.3 Safe Digging Practice*

*Excavation work should be carried out carefully, and follow recognised safe digging practice.*



### Review report for HCC of service strike incidents that occurred in 2020.

13 These key elements – plans and mark-outs, locators and safe digging – complement each other, and all three should be used when working near buried services.

29 In conjunction with location devices and plans trial hole by careful hand excavation are essential before excavation is commenced. Hand digging must continue until all of the services have been found.

30 Incorrectly used hand tools are a common source of accidents but when carefully used, they can normally provide a satisfactory way of exposing buried services, once the approximate positions have been determined.

From these documents the process steps of “Obtain plans, mark out services then physically locate” can be seen to be considered accepted practice.

## 3.2 Waka Kotahi NZ Transport Agency documentation

Waka Kotahi has a document that covers service location.

### Minimum Standard for Utility Identification and Protection on Road Projects (September 2020)

The Introduction states:

*This document provides a minimum standard for utility identification and protection on road projects in New Zealand. It has been produced by an industry working group representing utilities, contractors and designers.*

*In this document, you will read about:*

- the benefits of using a minimum standard for utility identification
- a coordinated approach to application and planning
- methods and processes for locating underground utilities
- relevant measures for health, safety and the environment

It states it is intended that the document complement rather than compete with existing utility procedures already in use in New Zealand.

## 4 Underground services

### 4.1 Service location process

<b>Step</b>	<b>Requirements</b>
Obtain plans	<p>This involves an application to “before you dig” which is a free online service.</p> <p><i>“beforeUdig is an online service which enables anyone undertaking excavation works to obtain information on the location of underground pipes and cables in and around any proposed dig site; helping to protect themselves and valuable assets during these works.</i></p> <p><i>It provides a ‘one stop shop’ for contractors to communicate about their planned activities with utilities and asset owners.</i></p> <p><a href="https://www.beforeudig.co.nz/nz/home">https://www.beforeudig.co.nz/nz/home</a></p> <p>This covers the following asset owners in Hamilton.</p> <ul style="list-style-type: none"> <li>• Hamilton City Council</li> <li>• WEL networks</li> <li>• Chorus</li> <li>• Ultrafast Fibre</li> <li>• Vodafone</li> </ul>

### Review report for HCC of service strike incidents that occurred in 2020.

	<ul style="list-style-type: none"> <li>• First Gas</li> </ul> <p>It is possible that some services plans will not be included such as private owners or other utility owners who are not members of beforeUdig.</p> <p>The application also includes an option to select an onsite locate from the asset owner.</p> <p>They also have a process to certify locators and have a list of these individuals on their website.</p>
Service locate and marking	<p>This is required as service plans may be different to actual locations.</p> <p>A suitable competent locator is required who able to understand plans, identify physical signs and is experienced in the equipment being used.</p> <p>To do this a location device is used and area scanned to find the service shown on the plans and the indicative location marked.</p> <p>The mark out involves a visual check for above ground indicators of services (signs, posts, pit covers etc.) to assist locate known services and indicate the presence of unknown services not shown on the plans.</p> <p>A second function of the process of marking known services is a service location check for unknown services in the work area.</p> <p>What other items can be discovered depends on the location method and the service.</p> <p>There are a number of ways to complete this:</p> <ul style="list-style-type: none"> <li>• Asset owners marking their own services (A number of different visits).</li> <li>• Companies that provide a location service for all services (Single visit).</li> <li>• Internal resources.</li> </ul> <p>There are benefits to each approach.</p> <p>The outcome is a series of different coloured spray marks on the ground to indicate the assessed location and depth of the service located.</p> <p>These marks and depths are indicative and have a variable margin of error depending on the service and location method.</p> <p>Ideally the person doing the locate work should talk directly to the person who has done the location. This allows the detailed information and uncertainties about the mark out to be passed on.</p> <p>As a minimum an Electromagnetic locate (EML) scan should be done over the excavation area to attempt to identify unknown power and other metallic services.</p> <p>There are a number of factors that limit the effectiveness and accuracy of the location such as:</p> <ul style="list-style-type: none"> <li>• Nature of service.</li> <li>• Service size and depth.</li> <li>• Loading in electric cables.</li> <li>• Availability of trace wires.</li> <li>• Ability to create a trace signal.</li> <li>• Trace signals "jumping" into adjacent cables.</li> <li>• Multiple services providing "confusing" information.</li> <li>• Ground conditions.</li> <li>• Experience of the operator of the location equipment.</li> </ul>

## Review report for HCC of service strike incidents that occurred in 2020.

Service physical location	<p>This is required as the marking of the service is only indicative for plan location and depth.</p> <p>The standard of installation of services is also variable so it cannot be assumed that there will be a minimum cover.</p> <p>Without this physical location there is a residual risk of the service being struck.</p> <p>There is a degree of understanding required of service types, typical service and duct colours to confirm that what has been found is the service being looked for.</p> <p>An understanding of the results of the mark-up ensures that the number and type of service to be located is known, especially in congested areas.</p> <p>This process involves physically locating the service to confirm location and depth.</p> <p>This requires a localised excavation at the point the service is marked to the estimated depth that will be extended from the mark until the service is located.</p> <p>There are two methods:</p> <ul style="list-style-type: none"> <li>• Hand dig (with possible excavator assistance) This does contain a risk of service damage and depends on selection of hand tool, technique and care in its use.</li> <li>• Hydro excavation (hydro vac) This method presents minimal risk to the service and enables smaller excavations. Generally more costly than hand dig.</li> </ul> <p>Both methods can be effective and safe so the selection depends on the situation.</p> <p>What is considered a reasonable extent of excavation to complete is dependent on the service and the residual risk of not physically locating the known service.</p> <p>If the existing service has not been located, the area of the new service alignment has to be proved to be clear of the existing service that has not been found for there to be no residual risk of it being struck.</p>
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### 4.2 Location methods

There are two methods used to locate underground services without disturbing the ground.

EML	<p>EML (electromagnetic locate) is used to identify metallic services such as power, telecommunications and metal pipework. Non-metallic services can also be located with this method if the service has been laid with a trace wire. Electromagnetic signals may be emitted by power cables and EML works by detecting this signal or detecting energy from telecommunications signals. A signal can be induced into a metal service or trace wire by clamping a separate transmitter onto it. The EML unit can then trace this signal.</p> <p>The service or trace wire needs to be intact and accessible. Electric cables, even high voltage, with little or no current will provide a weak signal so may not be detected.</p>
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## Review report for HCC of service strike incidents that occurred in 2020.

GPR	<p>GPR (ground penetration radar) is used for non-metallic pipes or cables. GPR units have their own transmitter and receiver within the unit. GPR works by the unit sending a signal into the ground and listening for reflections from that signal.</p> <p>The effectiveness is dependent on ground conductivity or conditions and the nature of the service and how it was laid.</p>
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Each method has benefits and limitations.

It is believed an EML scan is the minimum that should be done as part of the location process.

Whether the use of a GPR is considered reasonable depends on a number of factors.

It is worth noting that a location survey properly done by a competent person using either an EML, GPR or both does not provide a guarantee of a 100% detection rate.

### 4.3 Service types

This provides a basic summary of the nature of underground services.

<u>Service</u>	<u>Description</u>
Telecom (Chorus)	Metallic.
Fibre	Non-metallic.
Gas	Non-metallic and metallic.
Electricity	Metallic.
Water	Generally non-metallic with some existing metallic.
Stormwater and wastewater	Generally non-metallic with some existing metallic.

## 5 Strike incidents review

### 5.1 Introduction

The review assesses each incident from the information available and if possible to:

- Establish if the steps in the service location process were followed.
- Establish the cause of the strike.
- Assess likely responsibility for the strike.

The incident information is from:

- Vault – The HCC Safety software that contains incident information.
- Summaries that are not in Vault.

Then the incidents had an overall review to identify trends and common factors.

## Review report for HCC of service strike incidents that occurred in 2020.

This process was completed for the following Business areas:

- Capital Projects.  
These are contractors.
- Infrastructure Alliance.  
This is Downers and a mix of their own employees and contractors.
- City Delivery.  
This is HCC and generally HCC employees.

Each area was reviewed and specific commentary made about the findings in each.

The findings were then combined to provide an overall summary.

### 5.2 Review approach

The approach of the review was to assess each incident from the information against a number of criteria in the service location process, timing of strike and means of damage.

There are nine criteria used and the reason for their selection is:

<u>Criteria</u>	<u>Reason</u>
Total strikes	This a record of the number of strikes.
Type	This is service type and allows an analysis by type.
Plans held	This is a check if step 1 of the service location process was completed.
Plans accurate	This is to assist in the analysis of responsibility.
Service marked	This is a check if step 2 of the service location process was completed.
Service located	This is a check if step 3 of the service location process was completed.
Strike timing	This is to allow an analysis of when strikes occur. This is either during the location process of when work being done. For City Delivery this is further broken down into planned and reactive work.
Method of strike	This is to allow an analysis of frequency of different methods.
Excavating PCBU fault	This is an analysis of responsibility for the strike based on information available and some assumptions.

A criteria may not be applicable in some instances depending on the incident. For example it is not applicable to mark a service that is not shown on a plan.

Detailed analysis against these criteria is provided for each area.

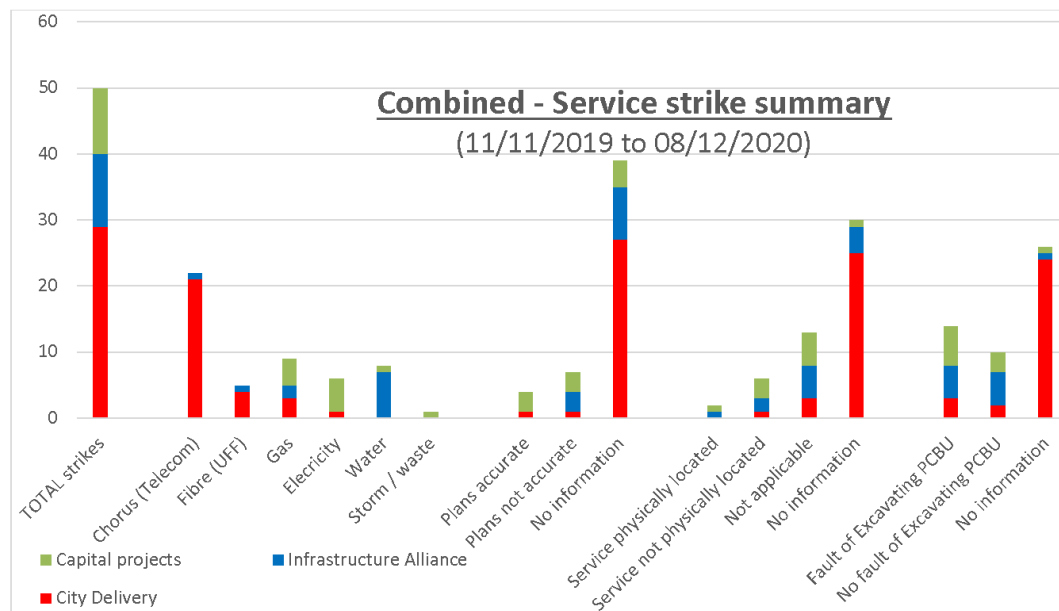
The period of the review for each Business area is:

- Capital Projects – 11/11/2019 to 08/12/2020
- Infrastructure Alliance – 28/01/2020 to 30/11/2020
- City Delivery – 26/11/2019 to 07/12/2020

## Review report for HCC of service strike incidents that occurred in 2020.

### 5.3 Overview

The overview of findings for the five main criteria are shown in this chart.



This information shows that:

- There were a total of 50 service strikes recorded.
- Chorus (Telecom) is the service most struck (44%).
- Information on whether the plans are accurate or not is typically not being recorded (78%).
- Information on whether the service was physically located is typically not being recorded (60%).
- There was sufficient information to indicate responsibility in less than half of the cases (48%).

This information is influenced by City Delivery recording of service strikes:

- Ten strikes are included in Vault as an incident to provide a record.
- Twelve strikes were identified during a work breakdown analysis that are not included in Vault and these are included in the incidents in this review.
- As a result these incidents have "no information" shown in most of the analysis criteria.

### 5.4 Exclusions and limitations

The following incidents were excluded:

- Underground services that were struck during work after being exposed.  
This is as the service was not damaged during the location or installation process.
- Water services that were damaged because a surface Toby box was struck during work.  
This is as the service was damaged during surface work.
- Capital Project's verbal advice of there being no more than five fibre strikes that are not recorded in Vault.  
This is due to a lack of information and that the omission will not alter the recommendation to record all service strikes.

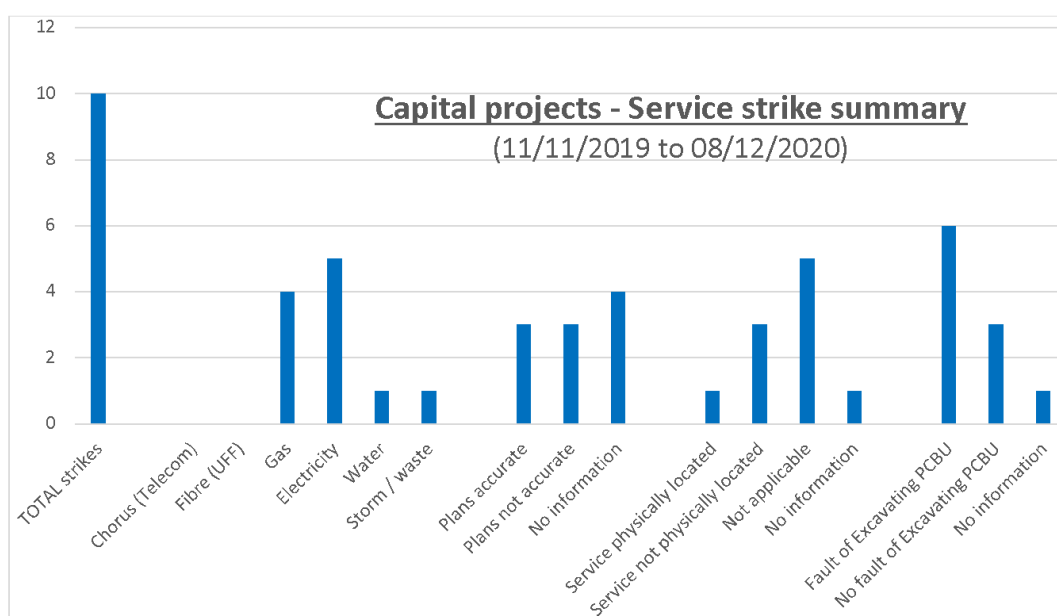
## Review report for HCC of service strike incidents that occurred in 2020.

### Limitations:

- As no volume of work is known the number of strikes is not a measure of frequency so comparisons between areas cannot be made on this basis.
- As no assessment of location of strikes or comparisons of the nature of work has been done comparisons between areas on type of service struck have not been made.
- No assessment of the requirements in the procedure for Corridor Access Requests (CAR) regarding obtaining service plans has been completed.
- No assessment of training and experience has been completed.
- There are differing levels of risk of harm and impact on others depending on the service struck. The potential for this as a contributing factor to services being struck has not been assessed.
- The current situation, potential effectiveness and practicality of having plans available for City Delivery reactive work has not been assessed.

## 6 Capital Projects

The overview of findings for the five main criteria are shown in this chart.



This overview shows that:

- There were a total of 10 service strikes recorded.
- Electricity is the service most struck (50%).
- Information on whether the plans are accurate or not is being recorded (60%).
- The service was noted as being physically located in 25% of applicable incidents.
- There was sufficient information to indicate responsibility in majority of the cases (90%).
- The information indicates the excavating PCBU was responsible in 60% of the cases.

The assessment of the rest of the information is:

- |  |   |
|--|---|
| Incident recording and Vault documentation | <ul style="list-style-type: none"> <li>• There are details in Vault that provide an overview of the incident.</li> <li>• Contractor's reports are attached for every incident.</li> <li>• Capital Project's advice is there are up to five fibre strikes that are not recorded in Vault. These are not included in these incident numbers.</li> </ul> |
|--|---|

### Review report for HCC of service strike incidents that occurred in 2020.

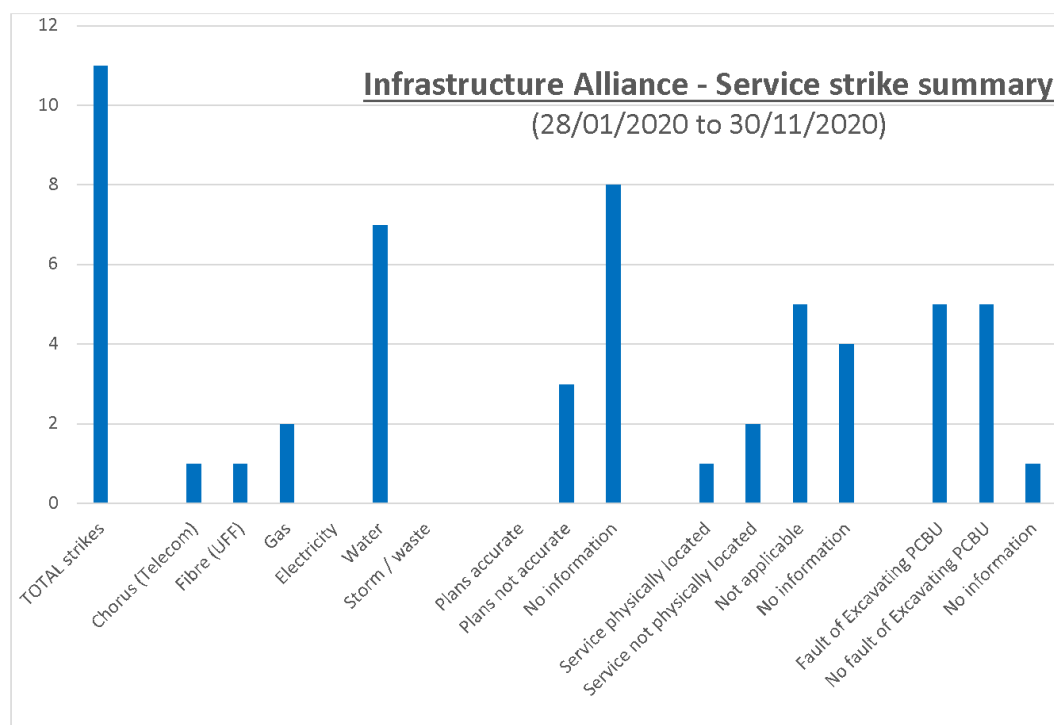
Service location process	<ul style="list-style-type: none"> <li>Plans were held in majority of cases (70%).</li> <li>The service was marked in 40% of applicable incidents.</li> <li>The service was noted as being physically located in 25% of applicable incidents.</li> </ul>
Strike timing and method	<ul style="list-style-type: none"> <li>Majority of strikes occurred during work (90%).</li> <li>Drilling was the main cause of strikes (50%).</li> </ul>
Causes	<ul style="list-style-type: none"> <li>Service not shown on plans.</li> <li>Damaged during location by hand tool.</li> <li>No location process completed.</li> <li>Service on plan missed so not marked.</li> <li>Assumption that service found were one being looked for.</li> <li>Assumption on depth of service.</li> <li>No observation of drill head when passing service.</li> </ul>
Latest incident review	<ul style="list-style-type: none"> <li>08/12/2020 – Sewer laterals damaged by drill rig. The report sets out that the location process was followed and all existing services on the plans were located. Plans were inaccurate and did not show laterals. Report indicates reasonable service location steps were taken.</li> <li>Cause – Service not on plans.</li> <li>No corrective actions are required by the contractor which seems appropriate. No corrective actions are noted in vault. It is believed that recording these HCC sewer laterals and updating the plans would be appropriate.</li> </ul>



## Review report for HCC of service strike incidents that occurred in 2020.

### 7 Infrastructure Alliance

The overview of findings for the five main criteria are shown in this chart.



This overview shows that:

- There were a total of 11 service strikes recorded.
- Water is the service most struck (64%).
- Information on whether the plans are accurate or is being noted (27%).
- Information on whether service was physically located in not clear in information viewed.
- There was sufficient information to indicate responsibility in majority of the cases (90%).
- The information indicate the excavating PCBU was responsible in 45% of the cases.

The assessment of the rest of the information is:

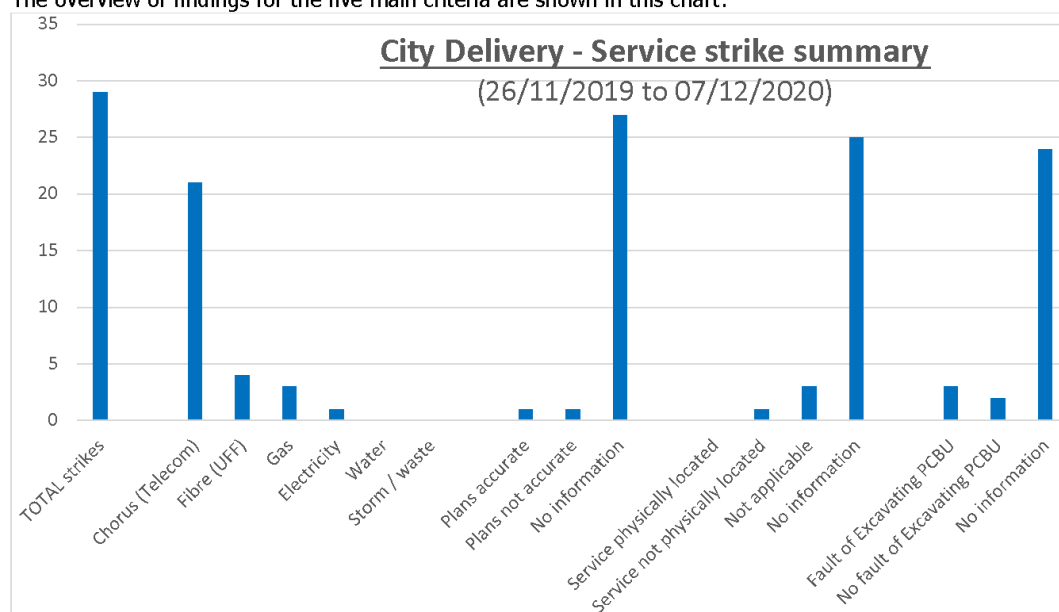
Incident recording and Vault documentation	<ul style="list-style-type: none"> <li>• These incidents are not recorded in vault.</li> <li>• The contractor, Downer, maintains their own incident system.</li> <li>• Downer provided a summary of incidents for this review.</li> <li>• Individual reports or investigations were not requested for this review.</li> </ul>
Service location process	<ul style="list-style-type: none"> <li>• Plans were noted as being inaccurate in 27% of cases.</li> <li>• There was limited information on whether the service was marked.</li> <li>• There was limited information on whether the service was physically located.</li> </ul>
Strike timing and method	<ul style="list-style-type: none"> <li>• Majority of strikes occurred during work (64%).</li> <li>• An Excavator was the main cause of strikes (64%).</li> </ul>
Causes	<ul style="list-style-type: none"> <li>• Service not shown on plans.</li> <li>• Cable at ground level (45mm and 70mm deep).</li> </ul>

### Review report for HCC of service strike incidents that occurred in 2020.

- Change in direction of service.
  - Use of excavator instead of a spade.
  - Damaged during location by hand tool.
  - Service not positively located.
- Latest incident review
- 30/11/2020 – Water line struck.  
Summary notes dig and potholing permit and a spotter was place.  
Water line attached to valve unexpectedly dog legged.  
Summary indicates service location procedure in place.
  - Cause – Not possible to state with details available.

## 8 City Delivery

The overview of findings for the five main criteria are shown in this chart.



This overview shows that:

- There were a total of 29 service strikes recorded.
- Chorus (Telecom) is the service most struck (72%).
- Information on whether the plans are accurate is not being recorded (92%).
- Information on whether the service was physically located is not being recorded (92%).
- There was insufficient information to indicate responsibility in majority of the cases (83%).

The assessment of the rest of the information is:

- Incident recording and Vault documentation
- 7 strikes have details in Vault that provide an overview of the incident.
  - 10 strikes are included in Vault as an incident to provide a record (34% of total).
  - 12 strikes were identified during a work breakdown analysis that are not included in Vault and these are included in the incidents in this review (41% of total). These are 3 Ultra-fast Fibre (UFF) and 9 Chorus (Telecom).
  - The Majority of strikes have no information to assess against the criteria (76% of total).

### Review report for HCC of service strike incidents that occurred in 2020.

Service location process	<ul style="list-style-type: none"> <li>The Majority of strikes have no information to assess whether this process was followed. (76% of total).</li> <li>The advice was that the process for City Delivery planned work is that service plans were held as a CAR is required for this work. This has not been assessed or verified.</li> </ul>
Strike timing and method	<ul style="list-style-type: none"> <li>Majority of strikes occurred during work (80%) of the 5 incidents where information is available.</li> <li>Hand tools and excavators were equally the cause of the 5 incidents where information is available.</li> </ul>
Causes	<ul style="list-style-type: none"> <li>Service not shown on plans.</li> <li>Cable locator did not pick up cable.</li> <li>Assumption on depth of service.</li> <li>No location process completed.</li> </ul>
Latest incident review	<ul style="list-style-type: none"> <li>04/12/2020 – Telecom struck while hand digging during planned work. Report sets out assumptions were made in regard to service location. No locator device (CAT) was used. No information is included about whether plans were obtained, workers were trained, and if location equipment was available. No information is included about whether procedures are appropriate or followed.</li> <li>Cause – Service location process not followed.</li> <li>Two corrective actions are included which are to have Toolbox sessions and confirm staff have been trained in latest procedure. No corrective actions are noted about equipment availability or compliance with procedures. It is believed that establishing if there are corrective actions required for these would be appropriate.</li> </ul>
Planned and reactive work	<ul style="list-style-type: none"> <li>Information was provided to set whether a strike occurred during planned or reactive work and this was assessed to see if there were any trends. The Majority of strikes occur during planned work (64% of total).</li> </ul>
Procedures	<p>City Delivery have a Work Instruction (WI) for Locating Utility Services (Version 2 Nov 2020).</p> <ul style="list-style-type: none"> <li>This sets out the process for planned and unplanned work.</li> <li>It states plans should be held for planned work and available on site.</li> <li>It states hand held locators are to be onsite.</li> <li>It states that potholing must occur to locate and expose services.</li> <li>It is not clear that services should be located and marked or that a CAT scan of the work area should be completed for planned work.</li> <li>It is not clear who is to complete service location and mark-out or the general scan for unknown services.</li> <li>The requirements for unplanned work done without service plans include a requirement to contact the gas asset owner to request location information and notify them of the potential for damage before work starts.</li> <li>The requirements for unplanned work done without service plans around high capacity Telecom or fibre include a requirement to notify the asset owner of potential of damage before work starts.</li> <li>There are contact numbers in the WI: <ul style="list-style-type: none"> <li>The WI has Vector as an emergency number for the gas distribution network. Vector cover from the meter into the house. The emergency number for the gas distribution network needs to be First Gas 0800 802 332.</li> </ul> </li> </ul>

### Review report for HCC of service strike incidents that occurred in 2020.

- The Chorus number for damage to the Telecom or fibre network is 0800 463 896. (The 0800 111 124 number in the WI is for service faults)

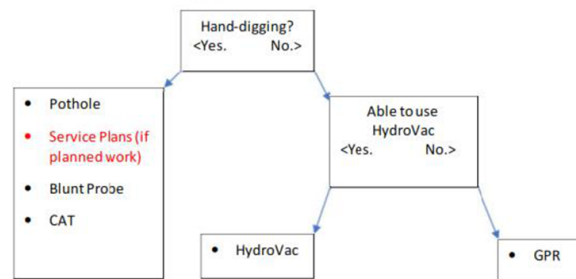
#### Service location reports

The use of an external provider to locate services and provide a written report for planned works is implemented in some instances. This location includes the use of GPR. This provides a written record of the services found and marks left on the ground. This has benefits when the person doing the work does not have been able to talk directly to the person who has done the location.

#### GPR and service location reports

The use of GPR (By external provider) to locate services was discussed. This is not used in all situations. The current approach advised is:

Whether or not the work is planned or reactive, the main instigator of the process and controls is based upon if the task is hand digging, as demonstrated below;



## Review report for HCC of service strike incidents that occurred in 2020.

### 9 Conclusion

This review is of service strike incidents and the process around location of services.

There are a number of potential contributing factors when a service is struck that are outside of the scope of this review. A recommendation is that those that are in HCC control should be reviewed for improvements that will reduce the likelihood of a service strike.

It is worth noting that this review focuses on the services that are recorded as being struck. No information has been received about the volume of work completed in the same period and the number of existing services not damaged during the installation of the new services. This would provide some context about the frequency of service strikes that have occurred across each business unit.

Typically the general incident information reviewed is about what happened immediately prior to, and after the strike occurred.

A number of causes have been identified from procedural failures to incident specific conditions and behaviours.

Implementation of the correct processes would have likely prevented a number of these incidents. It is also clear that for some incidents the service was struck when the correct process was followed.

Having every investigation determine and state if the correct location process was followed would establish accurate corrective actions for that particular strike, establish accountability and allow identification of common causes across all service strike incidents.

For a service to be struck there are five basic possible reasons:

- The service was not shown on plans (Person doing the work is not responsible).
- EML scan did not locate service (Person doing the work is not responsible).
- GPR scan if completed did not locate service (Person doing the work is not responsible).
- The service was not positively located or proved to be outside of alignment (Person doing the work is responsible).
- The service was struck during positive location (Person doing the work is responsible).

Another possible reason that is more nuanced is:

- The service deviated in an unexpected manner between the points where it had been positively located. Responsibility for this strike would depend on the detail of the incident and location actions completed.

Given the variable quality of plans, variability of service installation, limitations of location devices and cost it is unrealistic to expect that there will never be a service struck in the future.

It is reasonable to expect that should a service be hit then all reasonable steps were taken to locate the service before work started.

The incident investigation should establish the details and whether what was done to locate the service is considered reasonable and so who is accountable for the strike.

What is considered reasonable should be based on the service, the potential for harm and also the impact of a service interruption. Any tolerance for service strikes should consider these factors and be established in advance of the works.

To reduce the likelihood of a service strike the recommendations cover two aspects:

- New services – Future proof design. Verify and document current installations to ease the service location process, improve safety and reduce cost.
- Existing services – Consistently implement service location processes across HCC work to reduce the number of strikes. Establish causes and corrective actions for service strikes that do occur.

## Review report for HCC of service strike incidents that occurred in 2020.

### 10 Recommendations

Review factors outside of the scope of this report that contribute to the likelihood of a service strike occurring.

#### Design:

- Alignment and service corridors requirements as a means of improving location and installation of new services as strike reduction strategies.

#### Service plans:

- Accuracy of existing service plans.
- Updating of information for existing services when located, exposed or struck.
- Accuracy of plans for new services laid.

#### Installation of new services:

- Verification of service installation and trace wires.
- Collation and verification of as built information of new services laid.

#### Contractor management:

- Service location processes used.

Review implementation of the following recommendations within the scope of this report.

#### Service location procedures:

- Ensure service plans are held for all planned work.
- Ensure service location is completed and services located "pot holed".
- City Delivery to clearly confirm requirements for location procedures and methods based on work type and update Work Instruction accordingly.
- City Delivery Work Instruction has two contact numbers that need correcting.
- City Delivery Work Instruction the covers reactive work should include risk controls to limit the potential of a service strike including not mechanically excavating if possible and delay work until plans are available.
- City Delivery to consider a separate Work Instructions for location Utility Services for planned and unplanned work to clearly set out the different approach to be used.

#### Reporting and investigation:

- Establish consistent reporting and investigation requirements for both internal and contracted HCC work.
- Record all service strikes in one location (The HCC incident database).
- Ensure all strikes are investigated.
- Ensure the investigation identifies the location process steps used or not completed.
- Ensure the investigation identifies the cause of the strike.

Review the processes of sharing findings from investigations that could benefit others including:

- HCC employees
- Contractors.
- Asset owners.

<b>Assessment and report completed by: -</b>	<b>Date: -</b>
Geraint Rowlands	22/02/2021

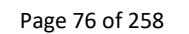
*This report was initially issued on the 25/01/2020 and comments received. These amendments were made:*

1. Business unit title and report periods in charts for Infrastructure Alliance and City Delivery corrected.
2. Last two paragraphs in conclusions added to comment on tolerance and summarise recommendations.

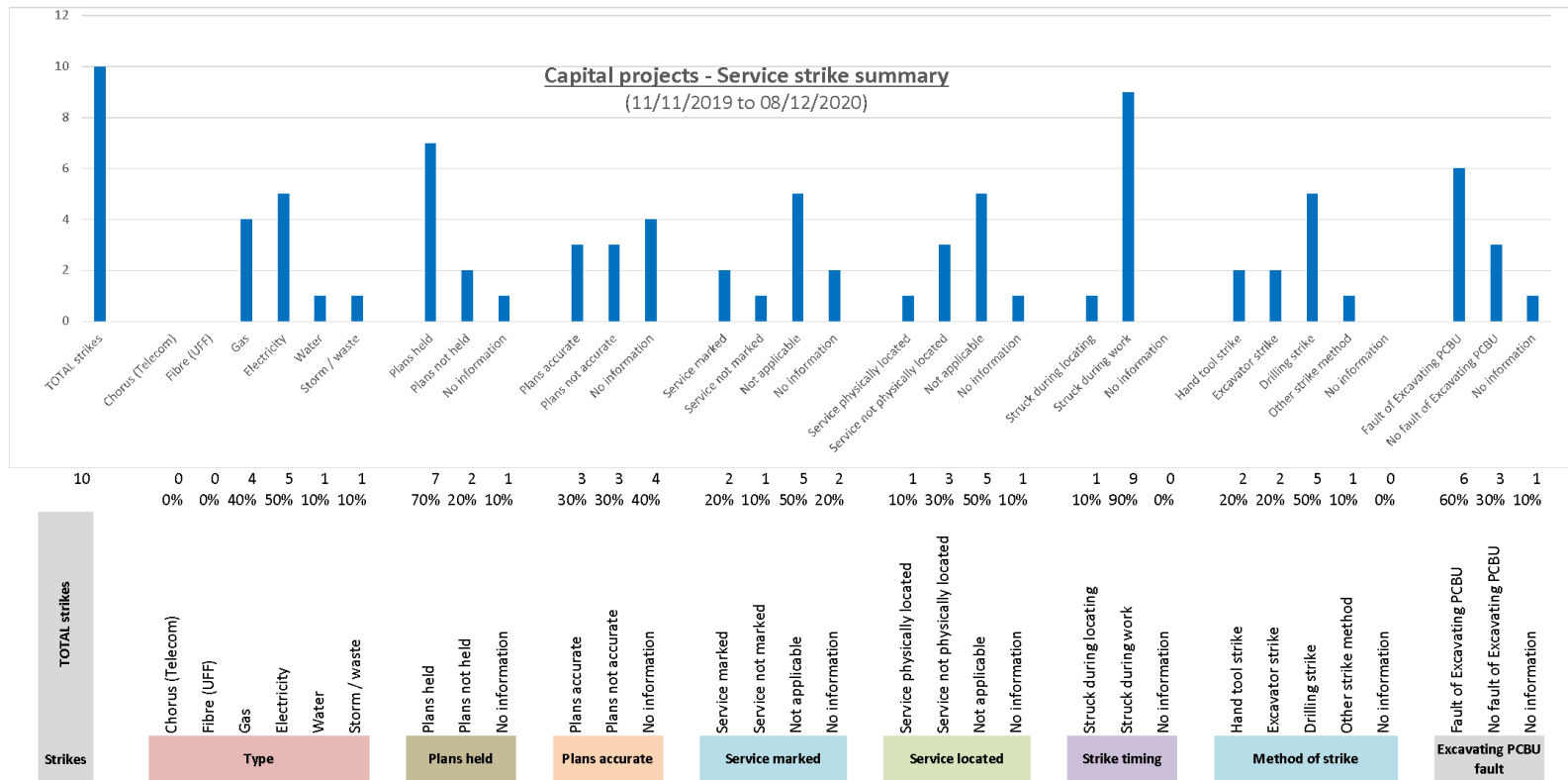
**Review report for HCC of service strike incidents that occurred in 2020.**

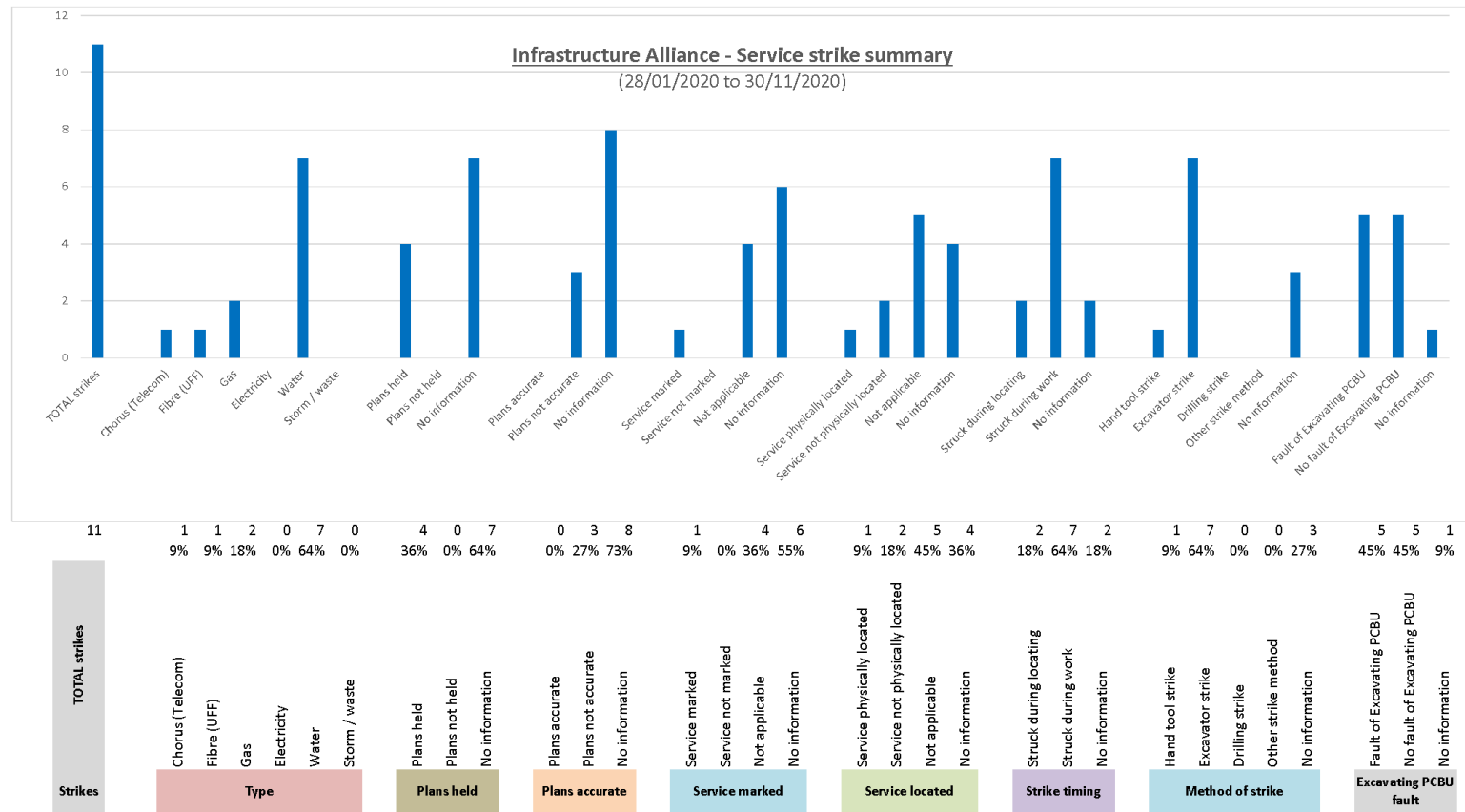
**Appendix A – Incident Charts and data**

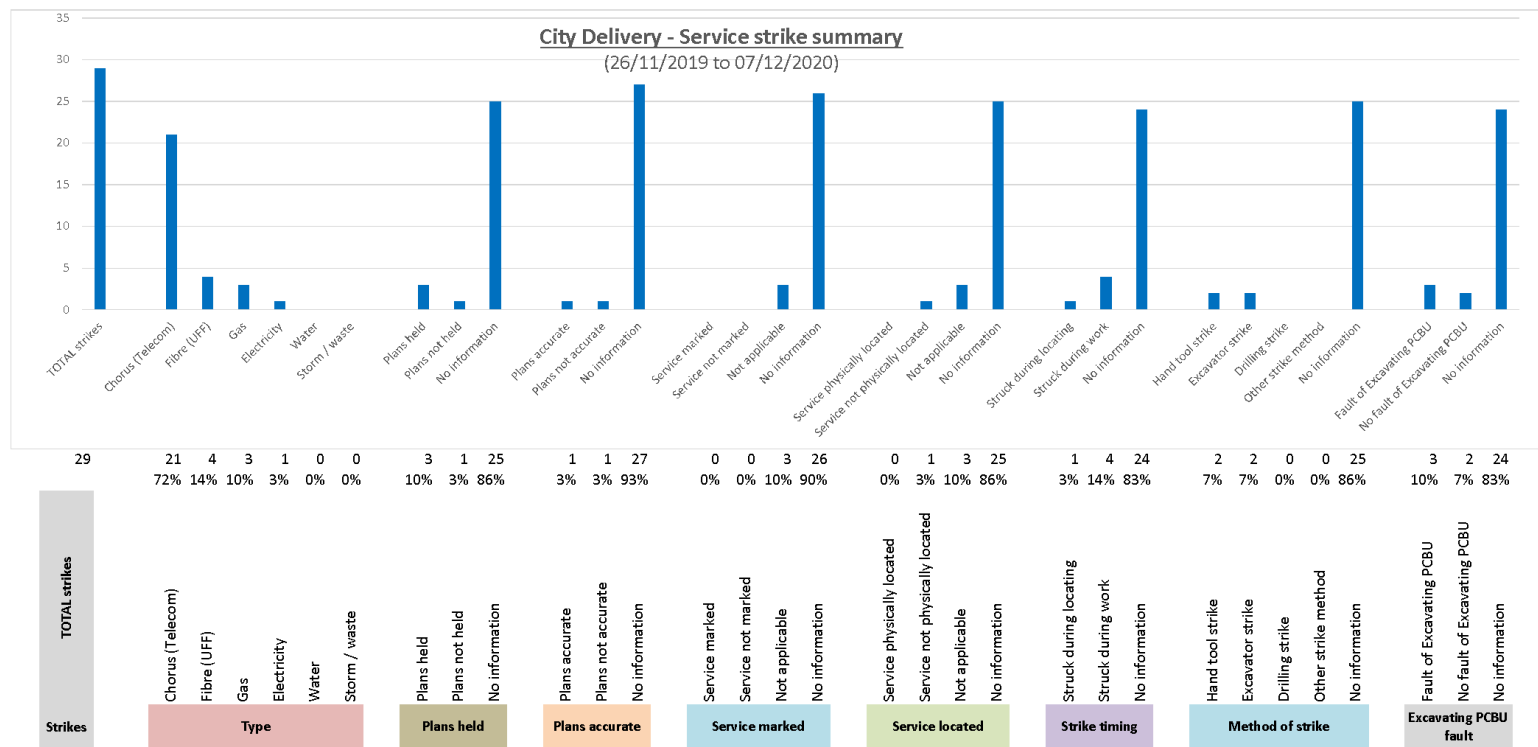
- Combined - Service strike summary (1 page).
- Capital projects - Service strike summary (1 page).
- Infrastructure Alliance - Service strike summary (1 page).
- Capital Delivery - Service strike summary (1 page).











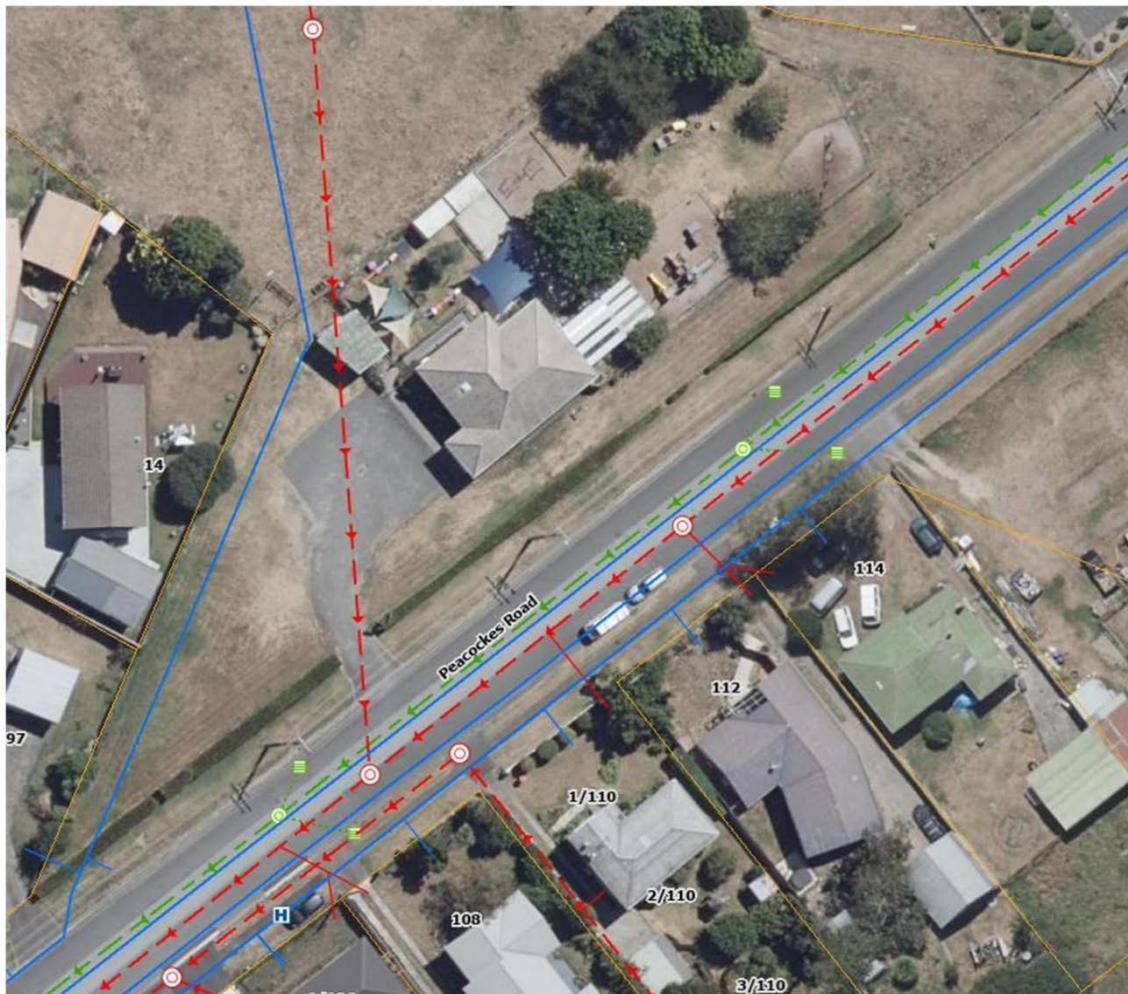
**Review report for HCC of service strike incidents that occurred in 2020.**

**Appendix B – Capital Projects**

- Incident report for 07/12/2020 service strike (2 pages).

<b>Particulars of Incident:</b>	
Date: 7/12/2020	Time: 2:30pm
Location: 99 Peacocks Rd	
<b>Type of Incident</b>	
<input checked="" type="checkbox"/> Incident <input type="checkbox"/> Injury <input type="checkbox"/> Illness <input type="checkbox"/> Environmental <input type="checkbox"/> Notifiable Event	
Reported By: [REDACTED]	Phone: [REDACTED]
<input type="checkbox"/> Officer <input checked="" type="checkbox"/> Employee <input type="checkbox"/> Contractor <input type="checkbox"/> Visitor	Email: [REDACTED]
<b>The Person Involved:</b>	
Name: [REDACTED]	Address: [REDACTED]
Occupation: Drill Foreman	
Age: [REDACTED]	Phone: [REDACTED]
Was a Drug and/or Alcohol Test performed <b>Y/N</b>	Result: N/A
Length of Employment: 2 Years	<input type="checkbox"/> Officer <input checked="" type="checkbox"/> Employee <input type="checkbox"/> Contractor <input type="checkbox"/> Visitor
<b>Witness/s</b>	
Name: [REDACTED]	Phone: [REDACTED]
<b>The Incident:</b> <i>Describe what happened (space overleaf for diagram)</i>	
<p>On the 3/12/2020 [REDACTED] and his crew potholed for a 120m drill shot to pull a 315mm water main on the North berm of Peacocks Rd, they found all existing services that were on the plans, the waste water and storm water laterals for 99 Peacocks Rd are not on the plans and with a waste water main running through the property of 99 Peacocks Rd this lead us to believe that the lateral would have been connected to that main. I have attached a copy of the plans.</p> <p>On the 4/12/2020 they drilled out the 120m and welded the string of 315mm pipe.</p> <p>On the 7/12/2020 they pulled back the 120m of 315mm pipe.</p> <p>We received an email from Jeremy Toms at 5:53pm on the 8/12/2020 stating that we have hit the storm water and waste water lines for 99 Peacocks Rd.</p> <p>On the 9/12/2020 we dug up both the laterals and managed to lower the new 315 main so that City Delivery could repair the sewer lateral.</p>	
<b>Property Damage:</b> <i>What damage was caused and how:</i>	
Both the waste water and storm water laterals were damaged for 99 Peacocks Rd	
<b>Analysis:</b> <i>What do you think caused or contributed to the incident?</i>	
The services not being on the plans is the major factor as to why they have been damaged, Waipa Civil spends a lot of time trying to locate waste water laterals that are on the plans including CCTV of the main at our cost. (We need to know there is a lateral there though)	
<b>Prevention:</b> <i>What action has been taken to prevent a reoccurrence?</i>	
Have all preventative actions been reviewed by management and completed <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Is an Incident Investigation required <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Manager Sign: Daniel Mes	Date completed: 15/12/2020
<b>Notification and Investigation (WORKSAFE PHONE: 0800 030 040 (24 hours))</b>	
WorkSafe advised by: N/A	Date/Time:
Investigation conducted by: N/A	Date/Time:
Hazard/Risk Register updated by: N/A	Date/Time:
WorkSafe Reference: N/A	Number:

**In the event of a notifiable event, an Incident Investigation must be completed and submitted to WorkSafe**



**Review report for HCC of service strike incidents that occurred in 2020.****Appendix C – City Delivery**

- Planned and reactive work data analysis (1 page).
- Incident report for 04/12/2020 service strike (1 page).
- Sample service location report (7 pages).
- Work Instruction for Locating Utility Services (5 pages).

### HCC City Delivery - Services strikes (Period 04/02/2020 and 07/12/2020)

Analysis of service strike by recording, type and work type underway.

Vault ID	City Delivery - Service strike records and work type (Reactive/Planned)					
18306	4/02/2020	Hit Telecom	Reactive	Record breakdown		
None	10/02/2020	Hit UFF	Planned - New WW Connection	Total strikes	No	%
17917	13/02/2020	Hit Gas	Planned - Main Locate	In Vault	13	52.0%
18308	21/02/2020	Hit Telecom	Planned - Main Locate	Not in Vault	12	48.0%
18309	3/03/2020	Hit Telecom	Planned - New Connection	Strike by service type		
18310	11/03/2020	Hit Telecom	Planned - Upgrade	Chorus (telecom)	No	%
None	25/03/2020	Hit Telecom	Reactive	UFF	19	76.0%
18155	6/05/2020	Hit Telecom	Planned - New Connection	Gas	4	16.0%
18312	18/05/2020	Hit Telecom	Planned - New Connection	Strikes by work type		
18313	27/05/2020	Hit Telecom	Reactive	Planned	No	%
18314	12/06/2020	Hit Telecom	Unknown	Reactive	16	64.0%
18315	17/06/2020	Hit UFF	Planned - New Connection	Type unknown	7	28.0%
None	26/06/2020	Hit UFF	Planned - New Connection	Planned work service types (of total strikes)		
None	26/06/2020	Hit Telecom	Planned - New Connection	Chorus (telecom)	No	%
None	5/08/2020	Hit Telecom	Reactive	UFF	3	75.0%
None	5/08/2020	Hit Telecom	Planned - New Connection	Gas	2	100.0%
None	24/08/2020	Hit Telecom	Planned - New Connection	Reactive work service types (of total strikes)		
None	1/09/2020	Hit Telecom	Planned - Upgrade	Chorus (telecom)	No	%
None	8/09/2020	Hit UFF	Reactive	UFF	1	25.0%
None	12/09/2020	Hit Telecom	Unknown	Gas	0	0.0%
19809	17/09/2020	Hit Telecom	Planned - New Connection	Type unknown service types (of total strikes)		
19993	14/10/2020	Hit Gas	Planned - Upgrade	Chorus (telecom)	No	%
20024	19/10/2020	Hit Telecom	Reactive	UFF	2	10.5%
None	30/10/2020	Hit Telecom	Reactive			
None	4/12/2020	Hit Telecom	Planned - New Connection			
20357	7/12/2020	Hit Gas	Reactive			

#### Assessment notes

1 - If a strike is not in vault it has been added into the assessment incidents as a record. Noting that no details are provided.

2 - 07/12/20 Gas strike is excluded as as service strike as a worker hit an exposed gas pipe with a power tool during work.



**Hamilton City Council**  
**Full Incident Report**



Item 7

**Underground Services Struck**

<b>Type of Event</b>	<b>Event ID</b>	20345
Injury <input type="checkbox"/>	<b>Case No.</b>	
Illness <input type="checkbox"/>	<b>Date of Incident</b>	04/12/2020
Incident <input checked="" type="checkbox"/>	<b>Notifiable Event</b>	NO
Near Hit <input type="checkbox"/>		

**Events Details**

<b>Person Type</b> Employee	<b>Event Date</b> 04/12/2020
<b>Employee Name</b> [REDACTED]	<b>Event Time</b> 11:00
<b>Employee Number</b> [REDACTED]	<b>Event Department</b> City Delivery
<b>Department</b> Construction & Maintenance	<b>Event Team</b>
<b>Team</b> Construction & Maintenance	<b>Event Location</b> 1787 River Road
<b>Position</b>	<b>Formal Investigation</b> No
<b>Supervisor</b> [REDACTED]	<b>Event Category</b> Underground Services Struck
<b>Reported By</b> Andrew McNally	<b>Severity</b> Low - low consequence / First Aid Injury
<b>Reported By Date</b> 04/12/2020 14:44 (NZDT)	<b>Priority</b> --
<b>Entered Date</b> 04/12/2020 14:44 (NZDT)	<b>Priority Due</b>
<b>Milestone Date</b>	<b>Event Completed</b>
	<b>Event Status</b> Underway

**Event Description** Telecom strike- Whilst potholing, worker struck underground telecom cable

**Investigation (Standard)**

<b>Person Appointed</b> [REDACTED]	<b>Date Appointed</b> 04/12/2020
<b>Investigation Due</b> 16/12/2020	<b>Investigation Completed</b> 16/12/2020
<b>Investigation Status</b> Completed	
<b>Findings</b>	Assumptions were made in regard service location It is well known in the industry that service plans can be inaccurate. It is also well known that telecom services are at shallow than 400mm. Despite this knowledge the team on site proceeded without CAT usage.
<b>Actual Outcome</b>	Likelihood Consequence Risk Score
<b>Potential Outcome</b>	Likelihood Consequence Risk Score

**Corrective Actions**

ID	Action	Person Responsible	Date	Status
15871	Toolbox sessions undertaken on assumptions being made on service locations to set the expectation of the requirements of the SOP	[REDACTED]	17/12/2020	Completed
Comments:				
15872	Confirm all staff have been trained on the latest "Locating Underground Services" SOP and there are records of this training	[REDACTED]	30/12/2020	Not Started
Comments:				

Attachment 2

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---

Multi pole

1 of 7

Locate Address: Cylde Street

Report Date: 12/11/2020

## LOCATE, IDENTIFY AND PROTECT

The information contained in this document is intended solely for the use of USL and it's subcontractors, no part of this report or appendices may be reproduced, stored in retrieval system or transmitted in any of or by any means electronic, mechanical, photocopying or otherwise, without the prior written permission of USL

## 1 Clyde Street Hamilton



Disclaimer

2 of 7

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**1.0      DISCLAIMER**


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1. This agreement governs the provision of cable and other underground locating services ("the services") by Underground Locators Limited to the person or organisation named on the front of this report ("you").
2. You warrant that the services are acquired by you for business purposes only.
3. You acknowledge that the services are intended to assist in locating cables shown on plans provided by service companies.
4. The procedures and equipment used in providing the services are not designed for the purpose of detecting unknown cables or other underground services, and cannot be relied on for that purpose.
5. Plans provided by the service companies give no more than a general guide as to the location of cables or other underground services at the time of installation. The plans may not have been updated.
6. You must therefore confirm the position and depth of all cables and other underground services using an appropriate methodology such as careful digging with insulated hand tools or the use of Hydro Vac in the case of critical infrastructure prior to machine excavation.
7. Underground Locators Limited is in no circumstances liable for any damage to or disturbance of cables or services, or for any injury, loss or other consequences of such damage or disturbance, including (without limitation) for loss of use, data, production, profit, revenue, business, contract or anticipated saving, damage to goodwill, reputation or share price, loss of customer or customer losses, loss by reason of full or partial shutdown or non-operation, or for any delay, financing costs or increase in operating costs or any economic loss or for any special, indirect or consequential loss or damage which may be suffered by you, or by any other person or organisation including (without limitation) any operator, owner, customer, service company, or subscriber. You will at all times indemnify Underground Locators Limited against any liability for any such injury, loss or damage, and for all consequences thereof.
8. Without prejudice to the above provision, if Underground Locators Limited should in any circumstances have any liability to you in tort, contract or otherwise in connection with the services, its liability shall be confined to damages in a maximum sum not exceeding the moneys actually paid to Underground Locators Limited by you for the services.
9. The above protections and indemnities also apply for the benefit of all employees, officers, agents and contractors of Underground Locators Limited.
10. You acknowledge that this document contains the entire agreement between you and Underground Locators Limited, and that no representation, warranty or other stipulation inconsistent with this document is expressed or implied on the part of Underground Locators Limited.

**1 Clyde Street Hamilton**



Item 7

Job details

3 of 7

**LOCATE JOB DETAILS:**

**Locate address:** 1 Clyde Street

**Comment:**

**USL Job number:**

**USL Locator:** [REDACTED]

**Other personnel involved:**

**Date and Time:** Thu 12 Nov 2020

**UTILITY PLAN DETAILS:**

**Were plans on site ?:** Yes

**UTILITIES LOCATED:**

**Communications:** Yes

**Power:** Yes

**Gas:** Yes

**Water:** Yes

**Sewer:** Yes

**Stormwater:** Yes

**Other:** Yes

**Comments:** Unknown services found mark with white

**Locator Signature:**

Attachment 2



1 Clyde Street Hamilton



Untitled

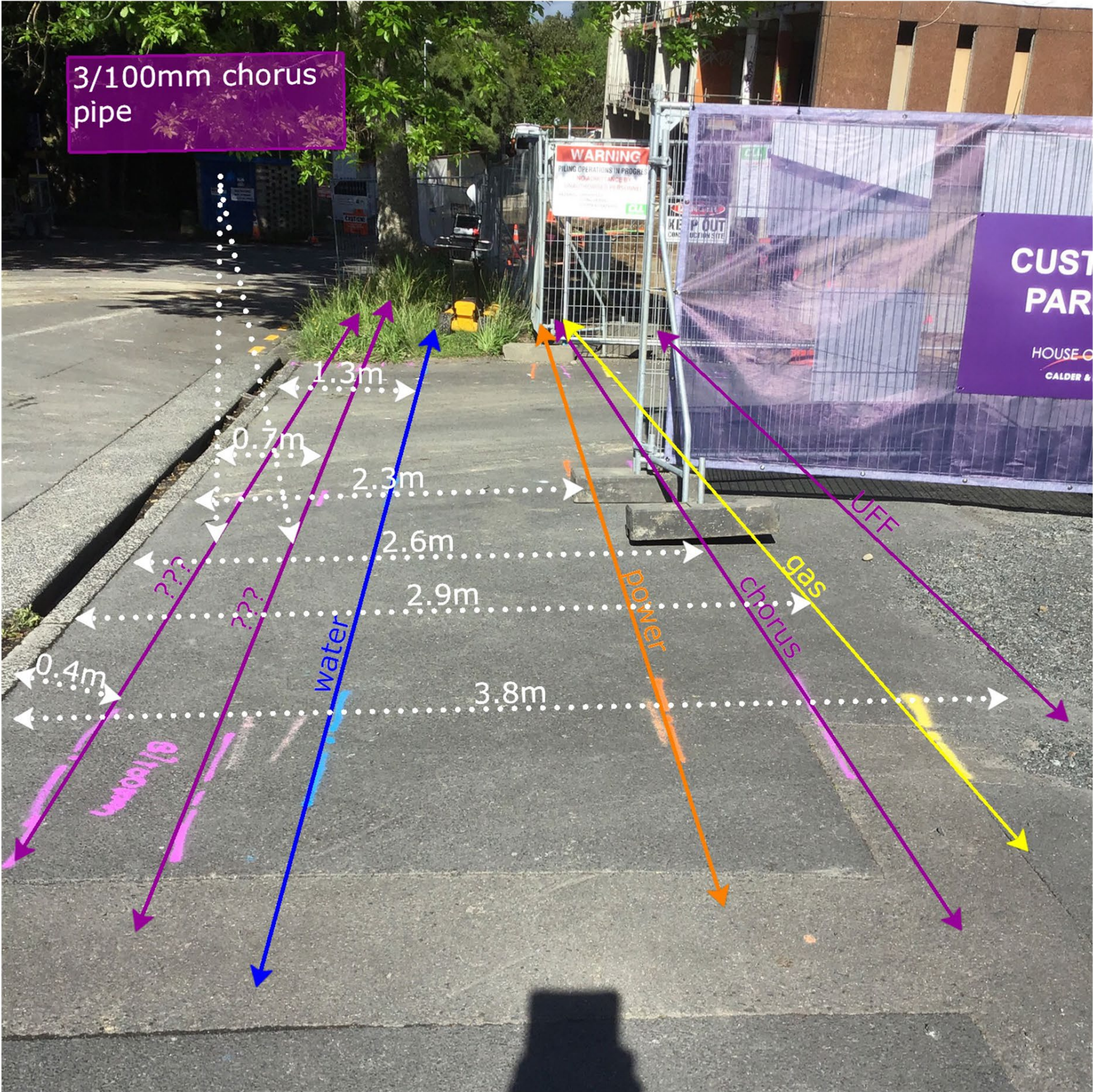
4 of 7





Untitled

5 of 7





1 Clyde Street Hamilton



Untitled

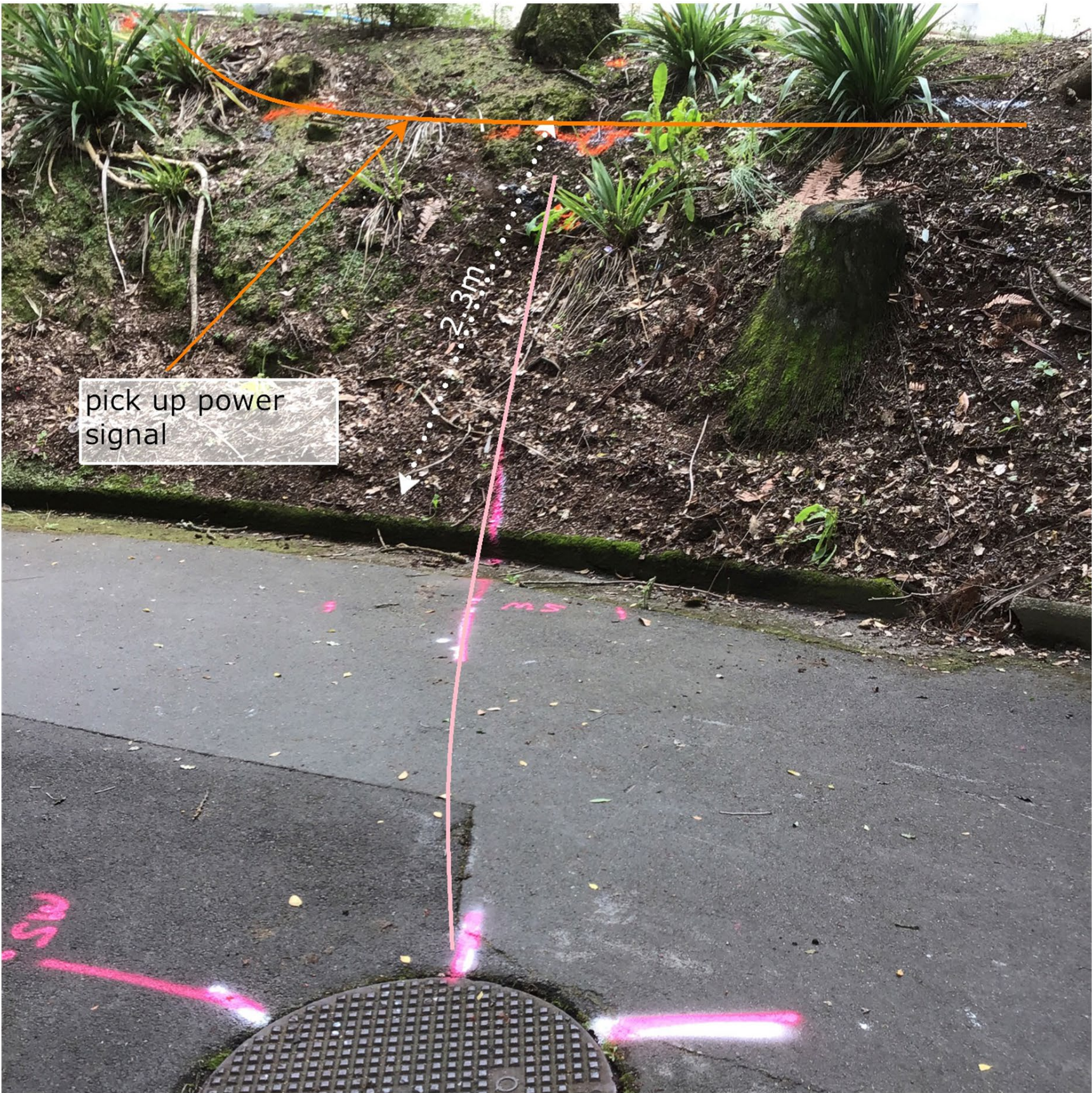
6 of 7





Untitled

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## City Delivery Unit

Version	2	Work Instruction for:  <b>Locating Utility Services</b>	Section:	OM2.227
Date of issue:	July 2016		Page:	1 of 5
Date of Review:	Nov 2020		Authority: UM	

## TASK/WORK INSTRUCTIONS

This Work Instruction to be carried out with all Site/Task Hazards identified (Site Hazard ID Form) and controlled as noted in City Delivery Register of Hazards and Controls

	Physical		Ergonomic		Psychosocial		Biological		Chemical		Environmental
x	Slips Trips Falls	x	Manual Handling		Dealing with Aggressive/ Violent people	x	Bacteria/ Viruses	x	Hazardous Substances	x	Working at Height/ Over Depth
x	Noise	x	Repetitive Actions		Working with or near dangerous animals		Vapours/ Fumes/ Mists/ Gases		Drugs and/ or Alcohol		Working over/ Near Water
x	Improper use/ Failure of plant or equipment			x	Fatigue/ Stress/ Workload	x	Contaminated Equipment		Respiratory hazards	x	Working in or near excavations/ trenches
x	Underground Services			x	Lone working	x	Fungi			x	Working around electricity
	Driving									x	Working on or near roads
	Unguarded machinery										Working in Confined Space

The following procedures **MUST** be followed when carrying out this task

- ✓ SOP 1.1 PPE Requirements
- ✓ OM 2.221 Manual Handling

**RISK:**

Underground infrastructure assets or utility services such as **Power cables/ducts and Gas transmission or service pipes pose a risk of serious injury or even death to workers if damaged while excavating** within their proximity.

UFB, Fibre optic ducts carry light signals generated by Class 3B lasers, exposure to the beam maybe harmful to the body particularly the eyes and skin.

Telecommunication cables and ducts, Water, Stormwater, Wastewater services do not pose a serious risk of injury, but damage to any of the forementioned infrastructure assets/utility assets while excavating may cause considerable loss of service to their customers and/or significant repair costs.

**Buried services are widespread and it should be assumed that they are present until proven otherwise.**

## City Delivery Unit

Version	2	Work Instruction for:  <b>Locating Utility Services</b>	Section:	OM2.227
Date of issue:	July 2016		Page:	2 of 5
Date of Review:	Nov 2020		Authority: UM	

**RISK MANAGEMENT:**

**It is the responsibility of the worker excavating to locate and identify all utility services.**

**Planned work:**

- Service plans should be obtained prior to all excavation work starting, these plans must be valid/current and available onsite for workers to reference. Plans are indicative only.
- On request some utility service owners will trace and markout their services on the ground surface, again these markouts are indicative only.
- Hand held locators (CAT, or CAT & GENNY) are to be on site to further assist in the location of buried services, they must be checked prior to use to ensure calibration dates are current.
- **Pot holing must occur** to locate and fully expose services in conjunction with plans, markouts, and hand held location devices.
- Workers should be trained in the use of the hand held locators supplied.

**Emergency/After hours work:**

- **Pot holing must occur** to locate and fully expose services in conjunction with plans, markouts, and hand held location devices.
- When unforeseen or emergency after hours works occur it is not possible to obtain gas utility service plans at short notice, for emergency location information regarding the Gas network phone, **Vectors Emergency Line - 0800764764** - and inform the operator you need information regarding the possibility of gas pipes being present in the vicinity of your intended excavation site for safety reasons. This should be done promptly once onsite so repairs can be started in a timely manner.
- Hand held locators (CAT, or CAT & GENNY) must be on site to further assist in the location of buried services, they must be checked prior to use to ensure calibration dates are current. Workers should be trained in the use of the locators supplied.
- Power cables can be picked up with CAT hand held locators, the excavation site must be swept to locate these cables prior to any excavating to ensure there are no power cables present.
- If emergency assistance is required regarding Power cables, emergency safety disconnections, notify damage or faults ring- **WEL Networks Emergency Line -0800800935**
- In all situations **Pot holing must occur** to locate and fully expose services.

**UFB Fibre optic:**

- These services are unable to be located by Hand held locators as they have no metallic components. Service plans must be requested, plans are indicative only and **Pot holing must occur** to locate and fully expose services.

**Telecommunication Cables:**

- These can be fibre optic in ducts or small to large pairs of copper cables.
- When unforeseen or emergency after hours works occur and it is not possible to obtain service plans at short notice, and where the risk of major disruption to commercial properties/businesses would occur if high capacity cables and/or fibre were damaged (CBD) Contact the following providers emergency after hours numbers **Chorus- 0800111124, Vodafone-0508555007**, and explain the situation to the operator. This should be done promptly once onsite so repairs can be started in a timely manner.
- In all situations **Pot holing must occur** to locate and fully expose services.

## City Delivery Unit

<i>Version</i>	2	<b>Locating Utility Services</b>	<i>Section:</i>	OM2.227
<i>Date of issue:</i>	July 2016		<i>Page:</i>	3 of 5
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**Potholing:**

- **“All underground Services shall be physically identified, by way of pot holing using hand tools only, before any excavation can be carried out with machinery”**  
Work Safe NZ Guide for Safety with Underground Services. Last update August 2014
- Dig parallel to underground service when locating with shovel and not to dig across the service, potholing of services must continue by careful hand excavation (hand dig) until the services have been located and fully exposed
- A machine (HydroVac) should be used wherever possible when not hand digging.
- Look for warning tape, power slabs when potholing, if found take care when proceeding to uncover service, beware these warning tapes/slabs are not always present.
- Spades and shovels should be used, they should not be thrown or spiked into the ground but eased in with foot pressure.
- Picks, pins, may be used with care to free lumps or stone, etc and to break up layers of chalk or sandstone.
- Every effort should be made to excavate alongside the service rather than above directly above it. Final exposure of the service by horizontal digging is recommended as the force applied to hand tools can be controlled more effectively.
- If you cannot locate a utility service shown on a supplied plan or which has been marked out on the ground surface contact the utility asset owner/provider for further assistance.
- Once services are fully exposed machine excavating/trenching can proceed ensuring care is taken not to damage any of the exposed services.

**Damaged Services:**

- All services damaged while excavating must be recorded onto the Hazard ID sheet the relevant supervisor will enter this information into the Vault system.
- Duke St Admin must also be notified so all details of the damage can be entered onto the damage register to ensure there is record for invoicing purposes.

**UFB Fibre Optics:**

- If a UFB duct is damaged do not look directly into the duct, these lasers operate in the infrared region and the light they give out is invisible to the naked eye, this light can be harmful to skin and in particular the eyes.

**Gas pipes:**

- If a Gas pipe/service is ruptured while excavating, switch off all machinery and remove all sources of ignition from the area if safe to do so, including mobile phones.
- Evacuate the yourselves and others to a safe area, notify residents in the vicinity of the situation and warn/prevent anyone entering the area. Roads can be blocked with cones and barrier arms to prevent traffic from entering the affected area.
- Leave the damaged pipe to vent, do not attempt to cover the pipe with material, including digger buckets. If the gas has ignited do not attempt to extinguish flames.
- **Call the Fire service on 111 and Vector Emergency line on 0800764764** provide location details.  
Once the Fire service arrives onsite they will take control of the site and remain onsite until it is safe.

## City Delivery Unit

<i>Version</i>	2	<b>Locating Utility Services</b>	<i>Section:</i>	OM2.227
<i>Date of issue:</i>	July 2016		<i>Page:</i>	4 of 5
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- Notify City Delivery admin, or your supervisor/teamleader when time permits, all sudden releases of gas must be notified to Worksafe NZ.
- If you smell gas or find a existing gas leak report it to Vector on their emergency line immediately.

**Power cables:**

- If a power cable is damaged, contact WEL Networks immediately -0800800935- advise the operator of the damage and location. Further actions may be requested such as an emergency safety disconnection if required.
- Workers and the public should keep clear of the damaged cable as power can jump, you don't have to touch a damaged power cable to receive a shock.
- If a worker has received an electric shock, Dial 111 and ask for an Ambulance, administer first aid if safe to do so, ensure of your own safety.
- Contact City Delivery admin to report any damage , the location details will be recorded and the relevant service provider notified.

**References:**

Work Safe NZ Guide for Safety with Underground Services. Last update August 2014  
 WEL Networks-Cable location safety information.  
 Vector-Gas pipeline safety guide.

2. **COMPETENCIES:** Preferably the holder of a National Qualification in Water/Wastewater Reticulation level 3 or working under the supervision of a holder.

**3. CHANGE HISTORY:**

V1 Sept 2020- Reformat. Add Hydrovac Use  
 V2 Nov 2020- Add Potholing, digging along/across, change excavator to Hydrovac

**4. The following workers have read this Work Instruction and sign that they understand the process for this task**

Name	Dates	Signature

City Delivery Unit				
Version	2	Work Instruction for:  <b>Locating Utility Services</b>	Section:	OM2.227
Date of issue:	July 2016		Page:	5 of 5
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**OCTOBER 2020**

## **Hamilton City Council**

### **SafePlus Onsite Assessment and Advice Report**



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## Kōrero Whakataki - Introduction

SafePlus aims to help lift the performance of workplace health and safety in New Zealand businesses. It assesses how well a business is performing against good practice health and safety requirements and provides tailored advice and guidance on how to improve. SafePlus was jointly developed, with industry, by WorkSafe New Zealand, Accident Compensation Corporation (ACC) and the Ministry of Business, Innovation and Employment (MBIE), in collaboration with health and safety experts.

### WHAT IT IS

SafePlus includes a framework of ten performance requirements, which are organised under three key elements: Leadership, Worker Engagement and Risk Management.

Each performance requirement has between three and five indicators, which explore in more detail how the business performs against the requirements.

Each performance requirement has a three-level maturity scale applied to it: Developing, Performing and Leading. Continual improvement underpins all the requirements. Performance is measured against each requirement.



### ASSESSMENT FOCUS

The assessment approach is evaluative and behaviour-based with a focus on:

- People
- Behaviours
- Culture
- Attitudes
- Systems
- Resources
- Practices
- Values

### HAMILTON CITY COUNCIL'S ASSESSMENT

The SafePlus onsite assessment was completed by KPMG New Zealand in September/October 2020.

#### ASSESSMENT SCOPE

The scope of the assessment was limited to insights gained through SafePlus methodology relating to:

- The workgroups and sites visited (Operations Infrastructure, City Growth and City Delivery)
- The interviewees - executives, managers and frontline workers
- Deep dive or key risks selected by HCC:
  - Violence and aggression
  - Working on underground services
  - Work-related stress.

This report reflects a slice in time with the above workgroups and at the above sites and was a comparatively small sample of the frontline workers and managers of the operational teams. It should not be extrapolated beyond the scope noted above.

#### OUT OF SCOPE

- Sites not visited
- Stakeholders not interviewed
- A full technical review of all documentation, work processes, deep dive risks and other risks.

### TŪTOHUNGA - ACKNOWLEDGEMENT

Thank you to HCC for your time, effort and engagement, and for the manaakitanga shown.

#### MORE INFORMATION

See [www.safeplus.nz](http://www.safeplus.nz)

# Illustration of Performance

## OVERALL OUTCOME



The overall outcome for this SafePlus onsite assessment is Developing.

Note: For the organisation's overall outcome to be Performing, it needs to be assessed as at least Performing in every requirement. If it is assessed as Developing in any requirement, then the overall outcome will be Developing.

## OUTCOMES BY PERFORMANCE REQUIREMENTS

The following table shows our assessment for each performance requirement:

	DEVELOPING	PERFORMING	LEADING
<strong>LEADERSHIP</strong>			
Effective health and safety governance			
Demonstrates visible commitment			
Continually improves performance			
Resources health and safety activities			
<strong>WORKER ENGAGEMENT</strong>			
Communicates effectively			
Empowers workers and representatives			
<strong>RISK MANAGEMENT</strong>			
Identifies risks			
Assesses risks			
Controls risks			
Ensures controls are effective			

## He Whakarāpopototanga - Executive Summary

Hamilton City Council (HCC) is moving forward in many health and safety areas. There was a consistent view that health and safety was better resourced and better than it was in previous years. People were proud to work for HCC and shared in the vision of 'A high-performing organisation, respected by all.'

Although the overall rating for this SafePlus onsite assessment is 'Developing', it is important to note the SafePlus performance requirements are pitched higher than minimum compliance to legislation. A Developing rating indicates there is some improvement needed to achieve the standards set by SafePlus, not that there is non-compliance to legislation.

### LEADERSHIP

HCC's senior leaders are committed to improving health and safety performance and driving a positive health and safety culture. They are aware of responsibilities under the Health and Safety at Work Act 2015 (HSWA), including the due diligence duty required of officers (Elected Members and Chief Executive).

Governance over health and safety sits predominantly with the Strategic Risk and Assurance Committee (SRAC), which receives a written report each quarter on HCC's health and safety performance. For Elected Members (officers) not on the SRAC, it is incumbent on them to read the report, ask questions of other officers or, in some other way, gain the information needed to satisfy health and safety obligations. There is no formal mechanism or process to ensure all officers meet their due diligence duty, for instance, through a summary that highlights current and emerging health and safety concerns (either quarterly or ad hoc), and health and safety is not an agenda item at full Council meetings.

The quarterly reports to the SRAC tell an incomplete story around assurance. They do not provide readers with a sufficiently forward-focused view that (among other things) highlights issues and concerns, presents planned initiatives and invites discussion and decision. Incident data, which lacks analysis and insight, is too much to the fore and too few lead indicators or positive performance indicators (PPIs) have been developed. Key topics, such as relationships and resources, are not featuring strongly. In addition, the reports and ensuing conversations do not accentuate the successes that are achieved every day to get people thinking safe, working safe and getting home safe.

The vision or direction for health and safety needs to be clearly communicated. It is expressed in different ways in documents. At the frontline, most workers said the health and safety vision was 'Think Safe - Work Safe - Home Safe - Every Day'. They liked that it was short and made sense - and wasn't written in 'corporate-speak'.

Most people could not say if there were any goals that sat under the vision that would provide tangibility and accountability. Workers could not recall being part of a process - or hearing of a worker-centric process - to develop a succinct set of goals and accompanying objectives. For instance, most workers did not know about the 'Roadmap' that sets out the strategy for health and safety. Those that had seen it pinned to their noticeboard were unclear on its purpose.

Workers felt the Chief Executive and other senior managers were approachable and cared about people's welfare. Their visibility around the various workplaces and work sites is not as prominent as most workers would like. There were concerns that senior leaders are not seeing and interacting with enough people to fully understand the work and its risks, hear about successes and frustrations, and provide the top-level support needed in areas like mental health and post-event welfare.

For the most part, business decision-making considers health and safety implications and the Health and Safety Team are increasingly included in the early stages of design, procurement and process changes. A more systematic and formalised involvement, incorporating workers' views, would further embed concepts, such as Safety in Design and the application of high-level risk controls.

## WORKER ENGAGEMENT

Workers reported channels were available for them to have a voice on matters that affect their health and safety. Communication through direct managers, either at regular team meetings or in personal conversations, were considered the most effective.

Workers felt comfortable raising issues, concerns or ideas with managers. We heard a strong, consistent message from most workers that working relationships were collegial and supportive. They believed much of the credit for this positive workplace culture was due to the behaviour of managers and team leaders and their desire to continually improve working conditions.

HCC has an established worker engagement system in place. Workers are represented at Team, Unit and Group levels by Health and Safety Representatives (HSRs). HSRs receive training and are allocated enough time to fulfil their function as a representative. However, the role is not generally a coveted one. HCC could give greater mana to HSRs for the work they do and publish more success stories about what HSRs are achieving for the workforce.

The Group Health and Safety Committees (HSCs) have a balanced and diverse membership, with a predominance of frontline worker representation. They are mostly chaired by management. HCC could support HSRs to take over the chair role and empower both HSRs and HSCs in the process.

There is no workers' representation committee that sits above the Group HSCs to act in a coordination and communication role. Therefore, the Group HSCs can operate as silos and key, agreed messages from the frontline may not make it (as unadulterated as possible) to the Senior Leadership Team (SLT) and Council/SRAC.

## RISK MANAGEMENT

HCC has identified and assessed its health risks and safety risks. At the operational level, risk controls are in place and workers were confident the controls were effective at preventing harm, so far as reasonably practicable. Policies and procedures mandate and guide work practices. Equipment is, for the most part, sufficient and fit for purpose.

Health risks and safety risks are recorded in risk registers and in Vault, HCC's safety management software. Variances are present in how risks are named and described, and in the wording, amount and categorisation of controls. In addition, there is wasted time maintaining separate documents that contain the same risks and a missed opportunity for cross-learning. Our conversations with workers indicated the risk management process is geared too much toward the assessment end and there is not enough effort going into controls and monitoring. The process is viewed as more of a compliance exercise rather than a way of helping with job planning and continual improvement.

Current risk assessments are based on a simplistic, two-dimensional risk matrix of likelihood and consequence. Assessments using the established bow tie analysis methodology were completed about two years ago but have not been used to inform critical controls. The hierarchy of risk control is referenced in documentation, but we saw little evidence of it being documented and our conversations with workers revealed more training could be needed on this point. Administrative controls, such as training and conformance to legislation and procedures, and personal protective equipment (PPE) were generally mentioned first; higher level controls like elimination, substitution and engineering featured but sometimes needed prompting.

HCC does not have a framework that describes its various health and safety assurance activities, something akin to a three lines of assurance model. First line checks are carried out on conformance to policies, procedures and work instructions. They do not overtly link to critical risks, concentrating instead on physical aspects such as workspaces, equipment and emergency response items. Paperwork and conversations are not sufficiently provoking and highlighting the unusual and extraordinary aspects of a work activity to uncover whether different decisions, processes and controls need to be employed.

Workers were aware of the importance of reporting incidents and an event investigation process is in place. However, a proportional approach needs to be taken to ensure effort is expended on incidents that will deliver the most gain. We recommend a shift to a mindset of learning rather than investigating. Doing so can improve reporting rates, deliver richer findings and provide better manaaki to the people involved in the event.



## Leadership

### Requirements

1. The business has effective governance and leadership in health and safety.
2. Senior leaders visibly demonstrate their commitment to health and safety through their actions.
3. The business strives to continually improve health and safety practice and performance.
4. The business resources health and safety activities.

## KITENGA - OBSERVATIONS

### 1. GOVERNANCE AND LEADERSHIP

*The business has effective governance and leadership in health and safety.*

HCC has identified its officers as being the Elected Members, Chief Executive and General Managers.<sup>1</sup> Our interpretation of the Health and Safety at Work Act 2015 (HSWA), and our reading of material from SOLGM and Institute of Directors, would preclude General Managers as officers. We believe General Managers do not exercise significant influence over the management of the whole business. However, we think HCC should continue to encourage governance-level education, awareness and thinking at Tier 2 and that there are no disadvantages to General Managers engaging in governance matters (providing it is clear that due diligence in terms of HSWA, s 44 is the preserve of Elected Members and Chief Executive).

Officers are aware of their legislative duties under the Health and Safety at Work Act 2015 (HSWA). We heard that some elected members have a sound base knowledge of health and safety matters due to other, current roles. An induction session is held for elected members to apprise them of health and safety accountabilities and education sessions were delivered in 2017 and 2018 on due diligence. We did not see a structured plan for continued education on health and safety governance nor a matrix or register that outlined the health and safety competence of each officer that together would show how officers are meeting due diligence obligations.

Active governance of health and safety is carried out by the Strategic Risk and Assurance Committee (SRAC), a sub-committee of the Council that meets quarterly or as required. Two external appointees sit on this committee as the Chair and Deputy Chair, along with five elected members and a Māngai Māori representative. A report on the HCC's health and safety performance is tabled at this meeting and HCC staff members provide verbal clarification and elaboration.<sup>2</sup> We were informed that there is a good level of curiosity shown by some officers about the contents of the report and about other health and safety-related topics, but discussions often focus too much on operational details rather than strategic issues. Part of the responsibility for this situation lies with the report; another factor is a lack of understanding about the work activities and the associated health risks and safety risks.

All officers - not just those on the SRAC - have a personal and proactive duty to exercise due diligence over health and safety matters. One way to achieve this obligation is to be informed and engaged. We understand the SRAC health and safety report is accessible to all officers and a risk overview is provided a week before the SRAC meeting. We were unclear on how officers, who cannot or do not attend the SRAC meeting, receive information on what was discussed at the SRAC meeting. We did not see a documented summary communicated to the full Council nor did we see the topic of health and safety appear as a standing item at Council meetings. Current and emerging concerns on the status of critical risk management may not be fully known by all officers and reactive decision making may occur.

We did not see an evaluation of the collective and individual status of officer due diligence over health and safety matters. Such an evaluation would outline how both the Council and individual officers have met the legislative obligations contained in HSWA, s 44.

Health and safety is a regular topic at Senior Leadership Team (SLT) meetings and in conversations among senior management. A 'safety moment' generally starts a meeting and can be anything from an incident to a success to a topical story. The SLT Half Day meetings include a 30-minute slot for a health and safety discussion. We were told these discussions are generally about current issues, such as incidents and investigations or planned initiatives and programmes. The quarterly SRAC report is tabled at these meetings but a more frequent and current written, consolidated report with consistent, future-focused metrics is not presented.

SLT members have access to dashboards in Vault for their area of responsibility, as well as for the entire organisation. The first tab takes the reader to 'performance indicators', which are predominantly about negative, historic events, such as injuries.

<sup>1</sup> HCC, 'Management Policy - Health and Safety', 12 December 2018.

<sup>2</sup> We read three iterations of the 'Safety and Wellness: Strategic Risk and Assurance Report' that were dated November 2019, February-April 2020 and May-July 2020. These reports are attached to the SRAC minutes and, thus, publicly accessible.

While the 'Strategic Risk and Assurance Report' on HCC's health and safety performance can be an interesting read, its 17 pages or so are largely recounts of what has happened and explanations of what should be evident. For a governance-level report, it is too long, too detailed, too operational and, crucially, too backwards-looking. Although it does provide senior leaders (and others) with a degree of confidence that health and safety actions are happening, and that legislative responsibilities are being met, it does not provide enough clarity and analysis to kindle anticipation and provoke action in its intended audience of strategic-level decision-makers. The report does not provide enough assurance over the state of the three, main areas of interest: risks, relationships and resources. We acknowledge that the format of this report is subject to changes requested by senior leaders and that it is a work in progress.

In the May-July 2020 report, for example, about eight pages are dedicated to past events. Graphs and tables compare the current year to the previous one as a means of indicating progress. There are explanations of what a Health and Safety Representative (HSR) does and the purpose of the Waikato LASS Health and Safety Group. The report did not include enough signs of success (things going well, so continue investing) and signs of unease or impending failure (decisions need to be made soon or right now).

The May-July 2020 report starts with an Executive Summary that discusses two areas: Covid-19 response and a 'safety reset'. There is no overview of assurance. The next section, titled 'Safety Performance', consists of four graphs about injuries. We argue safety performance is not measured on the presence - or not - of injuries. While we agree senior leaders should be informed of incidents, including injuries, the information should be for reasons of strategic importance or to flag a possible breach of the legislated duty of care. Minor or trivial injuries may, for instance, not be of interest to the readers of this report (councillors and SLT members) unless perhaps part of a trend. 'Health & Safety Trends' is the next section but there is little trend analysis to help senior leaders answer two, pressing questions: 'Do we need to be concerned?' and 'Do we need to make a strategic decision?' The SRAC minutes do not record details on whether these questions were asked or answered, except to say that 'Staff responded to questions from Committee Members' about a variety of topics.<sup>3</sup>

One of the four lag indicators used to illustrate HCC's safety performance is Total Recordable Injuries Frequency Rate (TRIFR). As a predictive measure of health and safety performance, we believe TRIFR provides HCC with little to no value. And, as a measure of risk control effectiveness, it is also of limited use. Reasons include:

- The dataset of recorded injuries is too small to provide meaningful analysis to indicate trends.
- No indication of severity is stated, so a muscle strain incurred while pruning can be viewed the same as an inhalation of chlorine gas.
- Dividing injuries by number of hours worked assumes that each hour worked is the same as every other one when that is clearly not the case. A worker at Pukete maintaining an effluent pump faces different health risks and safety risks to a call centre worker manning the phones in the evenings.
- Accidents are random. Sometimes there are no patterns and no smooth lines, which makes trying to fit data to a graph to show progress towards an arbitrary target a fruitless exercise.

A better approach, we think, is to record incidents, including injuries, as raw data. As mentioned above, the incident may indicate a possible breach of legislation. It may alert senior leaders to an issue. With analysis of context, frequency and severity, the incident can initiate debate and further examination. At present, incidents, including those that must be notified to WorkSafe NZ, are presented in chronological order in the report, not by criticality.

The data and narrative in the report does not clearly align to the progress being made towards the attainment of HCC's health and safety vision and goals, and the status of critical risk management. There is little information on whether there are any barriers or frustrations, a need for more investment or the reasons for delays. Therefore, it is difficult to see what is required at a strategic level for the vision to be realised and to comprehend what HCC thinks matters the most and over what period.

<sup>3</sup> HCC, 'Strategic Risk and Assurance Committee: Open Minutes', 3 September 2020, p. 2.



Good practice is to report on a greater proportion of lead indicators or positive performance indicators (PPIs)<sup>4</sup> than lag indicators. The rationale is that it is better to look forward and be proactive than react to events in the past. Although the performance report does include some PPIs, they are not consistently reported on and are not part of the first section, 'Safety Performance'. It is not until page 9 that we encounter the first lead indicator in a sub-section called 'Assurance'.<sup>5</sup> Two short paragraphs record that 146 audits and 431 observations took place. The results of this activity - trends, highlights, concerns, and so on - are not presented.

Another example of a lead indicator being reported on with insufficient evaluation is 'Training and Competency, a sub-section on page 14. We read that 36 staff members attended a workshop on psychosocial risks and 13 staff members attended a course on vulnerable children. But what did these people do with this training? Did their new-found knowledge and skill contribute in any way to better health and safety outcomes for workers? Did they find the training worthwhile? Is there a need for more training? Are they now competent? These questions are all unanswered. As in other sections of the report, the reader is being told 'what' is happening but there is no elaboration on the 'so what' and 'now what', which, we suggest, are the two areas of most interest to senior leaders.

Despite being aimed at senior leaders, especially officers, the report provides little information that would assist an officer in meeting the first reasonable step expressed in HSWA, s 44.<sup>6</sup>

The report does provide information related to the second reasonable step: 'to gain an understanding of the nature of the operations of [HCC] and generally of the hazards and risks associated with those operations.' But a written report each quarter is only one means of meeting this due diligence step. Getting out and about and visiting workers at their work sites is another. Yet another is to hear first-hand from those doing the work. We heard that work site visits happen sporadically and infrequently. There are understandable challenges and constraints around arranging and conducting visits and, arguably, without reasonable frequency and high engagement, they can be of limited value. As to hearing first-hand from workers, we understand that SRAC, Council and SLT rarely receive in-person or videoed presentations from frontline workers about health and safety topics.

Our final point about health and safety reporting, whether it is to senior leaders or frontline workers, is that HCC should consider moving to a dashboard format. Pictures and graphs can present the data in a more engaging and easily digested way than pages of text. HCC has existing Power BI capability and the expertise and communication skills of its Health and Safety Team<sup>7</sup> members to fill in any blanks and provide more insight. A strength of the dashboard approach is displaying information in a consistent manner from reporting period to reporting period. For example, the management of underground services strikes (incidents, corrective actions, monitoring and assurance activities, contractor reports, and so on) can occupy the same position on the paper or screen, allowing the reader to check the status and track progress - essentially, to follow the story. We understand that the new health and safety platform (ORA) will facilitate this shift to a more sophisticated presentation.

Health and safety considerations influence business decision-making, and concepts, such as Safety in Design and operational lifecycles, are gaining more attention. We note the draft 'Safety Management System'<sup>8</sup> includes the

<sup>4</sup> Positive performance indicators (PPIs) are selected measures of critical risk effectiveness. They may be lead and lag indicators. A key consideration is that they point in the desired direction of travel. Different PPIs may be used for different reports, for instance, governance-level reports may include PPIs that highlight significant changes or new risks.

<sup>5</sup> In the first graph on page 4 (the event triangles), we noted the bottom figure called 'Near Hits (lead)'. Our view is that they are not; they are a lag indicator because something has happened. The incident threshold has been passed and, but for timing, positioning or luck, it could have been an accident. The confusion can arise due to perceptions around timing and severity. Spotting a potential workaround or shortcut in a work instruction or Job Safety Analysis (JSA) can be considered by some people as more of a 'lead' than someone nearly putting their spade through an 11kV cable.

<sup>6</sup> HSWA, s 44(4)(a) 'to acquire, and keep up to date, knowledge of work health and safety matters'. Although an officer's duty to exercise due diligence over health and safety is a personal and proactive one, some PCBUs will assist their officers to gain a greater understanding of, for example, current issues and planned initiatives in a broad health and safety sense, legislative changes, upcoming court cases and prosecutions. They may also provide information on the work being done by various workgroups, changes to current work, emerging critical risks, and so on. This information may be presented as part of the regular, standard report or as a separate briefing paper.

<sup>7</sup> When we refer to the Health and Safety Team in this report, we include all the specialised or dedicated employees engaged in health and safety matters at corporate and Group levels.

<sup>8</sup> HCC, 'Safety Management System: Principles and Requirements', draft, no date. We understand this document was started in early 2019. It is referenced in the 'PSW Strategy 2019-2020' and 'People and Performance Strategy 2020-2023'. On page 41 of the 'Strategic Risk and

Safety in Design concept in its Pillar 2 and references a Safety in Design Framework. HCC's Health and Safety Team members are involved, at times, in planning, procurement, task review, and so on but their involvement could be more systematically and formally sought at the early stages, for example, of a tendering process, procedure review or major equipment procurement. Our conversations with managers and workers, and our reading of the performance reports, indicated that there could be greater visibility given to these proactive steps.

## 2. VISIBLE COMMITMENT

*Senior leaders visibly demonstrate their commitment to health and safety through their actions.*

Expectations are set out in various documents and are communicated verbally and in written form by senior management. These expectations filter down to the frontline and, for the most part, workers felt HCC was trying to do the right thing, that it knew what the risks were, and that it was aiming to improve outcomes.

However, many workers said the importance of health and safety was not simply, consistently and clearly communicated by senior managers. They commented that the words, 'Think Safe - Work Safe - Home Safe - Every Day', appear on most health and safety documents and it was a message that was well understood. It was also something that could be measured. But workers said it didn't roll off the tongues of senior managers enough and wasn't always being contextualised for their work activities and environments.

There was confusion around HCC's vision or direction for health and safety. The message of 'Think Safe - Work Safe - Home Safe - Every Day' was believed by some workers to be the vision statement. Some workers didn't think there was a vision. Other people thought it was 'A high-performing organisation respected by all', an opinion validated by the 'Health and Safety Roadmap' document.<sup>9</sup> The Chief Executive states in the draft Safety Management System (SMS) that it is 'everyone home safe and well every day'.<sup>10</sup> The health and safety policy does not speak of a vision, rather it talks about a commitment to 'maintaining a safe and healthy workplace and workforce'.<sup>11</sup>

We did not see an expression of commitment to worker health and safety emanating from Elected Members in their capacity of officers under HSWA. For instance, the health and safety policy, although it mentions officers exercising due diligence, does not state that officers will lead and be accountable for health and safety - and how they will do that. The policy is not signed by the Mayor and Chief Executive, as the most senior officer and senior manager respectively. Instead, the policy says, 'Management are responsible and accountable for leading and managing health and safety.' The policy is approved by the BSLT, which we understand is the management group that sits under SLT; it is not approved by Council and/or SLT.

We note, however, two signed commitments from the Chief Executive that relate to health and safety. One is 'The Pledge' from the Business Leaders' Health and Safety Forum (a personal declaration by the Chief Executive to work towards a 'zero harm workplace'), the other is the 'WorkWell Pledge' that is skewed towards health and wellbeing.

It is well recognised that one of the keys to 'good' health and safety is senior leaders being physically present in the workplaces, by which we mean not just going to a meeting room or manager's office. For HCC's senior leaders, it could involve walking the streets of the CBD with Safety Officers and parking wardens, peering down manholes, standing on a stop bank looking at a willow tree in a culvert, or talking with staff as they clean out dog cages. These normal, day to day interactions were seen as vital by frontline workers and managers, because they would breathe life into the corporate-speak of 'safe and healthy workplace and workforce' and boost morale. One worker said, 'We love it when our GM comes out and sees us.' Another commented that it made them feel special when the Chief Executive said 'Hello' and knew their names, adding 'Even though we're just the guys in the hi vis.'

However, a common feeling was that these interactions between senior leaders and the frontline were too scarce. As one worker reported, 'We never see any senior leadership here. Zero. Haven't seen GM for the whole year.' Two

Assurance Committee: Open Agenda' for 23 June 2020 is the statement, 'Further development of SMS is on hold pending decisions on the Safety Software Solution.'

<sup>9</sup> HCC, 'Health and Safety Roadmap', no date. We saw this document printed on A4 paper and pinned to noticeboards. It states 'Our Vision: A high performing organisation respected by all', followed by 'Our Goal: To create a safe working environment that is free from harm'.

<sup>10</sup> HCC, 'Safety Management System: Principles and Requirements', draft, no date, p. 2.

<sup>11</sup> HCC, 'Management Policy - Health and Safety', 12 December 2018.

other workers said that the previous mayor would come down but not the new one. A frontline worker wondered if the senior leadership really knew what was involved in their jobs and knew what risks they faced.

Workers understood why visits to their workplace could be short, infrequent or non-existent and they acknowledged the impact the pandemic had on plans. Nevertheless, they maintained that senior leader visibility needed improvement. An idea we discussed with some managers and workers was around timely and consistent communication about where senior leaders had visited, who they had spoken to, and what they had talked about or seen when they were at that place. Without that visibility, a few workers told us they would struggle to believe in any health and safety messages coming out of 'those corporate types'.

Visibility of senior leaders is also crucial in the contracting space. In the health and safety report for May-July 2020, HCC reports that:

Contractor Management continues to be an area of focus as we continue to see gaps in the safety documentation provided by some of our contractors as well as observing some unsafe practices on sites. The SMS will provide high level structure for our staff to follow along with forms and templates, however we will need to invest in time and education to support our contractors if we are to see a lift in their performance in this area.

We agree that a high-level structure and some paperwork will help, and so will investment in time and education. Also important is the investment in the relationships between HCC and contracting organisations at the senior levels. Some workers thought there could be more engagement from HCC's senior leaders to support what they are doing at the operational level. Of particular note was the communication of positive messages about specific instances of good practice.

HCC does not have a documented system or framework for positive reinforcement that would assist people at all levels to recognise good health and safety practice. Therefore, recognition can be reliant on personalities rather than driven by organisational expectation. A result is that it is sporadic and infrequent in some workgroups and reasonably strong in others. We heard about Bravo awards but the approach to how many were presented, for what, and when varied considerably.

A positive reinforcement framework may also shift thinking more deliberately to what is going right rather than paying undue attention to the incidents that randomly occur or checking up on trivial things. It may also increase proactivity from peers and managers to seek examples of good practice - and then highlight and recognise them either privately or publicly.

For the most part, workers thought senior leaders created an environment of trust and fairness that would enable unsafe practices, actions and situations to be addressed fairly and appropriately. We asked if there was an explicit, documented policy or set of guidelines - something akin to the just culture model<sup>12</sup> - that defined how HCC treated people involved in an incident or disagreement. No-one could immediately think of one. We note at the start of the draft SMS the Chief Executive mentions 'developing and embedding a "just" culture' but we did not see other documented references to this concept. For instance, in the 'Current Best Practice: Event Reporting and Investigation' the tone is largely procedural. There is no commentary on how accidents are usually not the fault of a worker but the failure of a system, on why HCC is keen to learn from events, on how HCC and other actors will care for the worker during the investigation process (acknowledging the physical and mental stresses at play), and what will happen at the end of the learning process.

<sup>12</sup> Just culture is one that sets organisational expectations around individual accountability and seeks to ensure issues or disagreements are generally resolved at the team or function level within appropriate timeframes and to the satisfaction of the parties. See, for example, [Airways NZ article](#), [Safeguard article](#) and [E tū union's guide](#). Also, see Sidney Dekker, 'Just Culture: Restoring Trust and Accountability in your Organization', 3rd edition, CRC Press, 2016.

### 3. CONTINUAL IMPROVEMENT

*The business strives to continually improve health and safety practice and performance.*

Three of the five performance indicators for this SafePlus performance requirement refer to goals for health and safety improvement.

The first performance indicator is about setting goals. Ideally, these goals are set in consultation with workers and their representatives and they are simple and succinct. Achieving this strengthens the likelihood of them resonating with workers, aids understanding and recall, and demonstrates meaningful engagement and empowerment. Workers told us they had not been part of any work around setting health and safety goals.

That is not to say HCC does not have statements or declarations about improving outcomes and realising aspirations. It does. They exist in various documents as goals, priorities, commitments and principles. Perhaps due to there not being a core set of well embedded and communicated statements that were co-developed by frontline workers and their representatives, people either said there weren't any or they would talk about an array of activities.

One such document is the health and safety policy that talks about the commitment to 'maintaining a safe and healthy workplace and workforce' and 'creating a safe working environment...free from harm.' Another document is the 'Health and Safety Roadmap',<sup>13</sup> which we observed as an A4-sized poster on a couple of noticeboards. When we pointed to it, and then asked workers what they knew about it, they expressed little to no knowledge of its origin and could not articulate what it meant to them. Some workers said it came from 'corporate' or the 'ivory tower'; others thought it was part of the values programme. While most workers didn't disagree with the messaging on the poster, a common reaction was that it was a top-down view. To illustrate, statements like 'We care about our people' and 'We care about their health, safety and wellbeing' create a hegemonic relationship because 'we' is associated with management. What becomes lost is the holistic, collaborative nature of the health and safety culture aiming to be achieved.

The 'Health and Safety Roadmap' acts as a strategy but there are also expectations and direction in the 'People and Performance Strategy 2020-2023'. The relevant strategic priority is titled 'Enhancing our Safety Performance', which has four objectives. Ironically, the first objective is 'Define, update and align safety performance expectations.' The next three objectives relate to implementing the draft SMS, a software solution and a safety assessment tool. The priority and objectives do not completely align to the wording in the 'Health and Safety Roadmap' nor the draft organisational strategy.

The 'Health and Safety Roadmap' contains one safety goal: 'To create a safe working environment that is free from harm.' Although admirably aspirational, it is, we believe, unrealistic and unattainable. We debated this point with a couple of workers, and they agreed. HCC's work activities will not be 'free from harm' and, indeed, some HCC workers intentionally head into areas of work that are harmful, for example, a disorderly conduct situation at 2am on Hood Street or blocked stormwater culverts in a rainstorm.

The following two performance indicators in this Performance Requirement cannot be achieved as they are contingent on the first performance indicator. They are, respectively, planning and implementing actions to meet health goals and safety goals, and monitoring and evaluating progress against health goals and safety goals.

The absence of goals has, arguably, contributed to a lack of cohesion and orientation for health and safety. If we accept the common view that the vision is 'Think Safe - Work Safe - Home Safe - Every Day', a clearly articulated framework or strategy that provides direction and detail. A number of workers commented on this lack of clarity. They mentioned that HCC is operating predominantly in the here and now, possibly more reactively than it wants, and that without simple goals is compromised in how it can move towards a desired future state.

This is not to say that health and safety activities are not happening. They are. Among other things, risks are being managed at the frontline so far as reasonably practicable; policies and procedures are being developed; critical risks are being identified and controls strengthened; workers are being involved in decisions; incidents are being

<sup>13</sup> HCC, 'Health and Safety Roadmap', no date.

investigated; and, systems are being reviewed. Everyone we spoke to said that progress was being made and that health and safety was better than it had been.

Because a SafePlus onsite assessment deliberately does not focus on documentation, we only conducted a light review of parts of the HSMS documentation.<sup>14</sup> At the systems level, HCC has several Current Best Practice (CBP) documents. They correspond to a standard format, align with legislation and set out the purpose, scope and procedures in an orderly way. But we heard little mention of these documents from workers and formed the opinion they are not in wide and common use. We understand these CBP documents are being phased out. An updated and improved SMS has been sitting in draft since mid-2019 and is expected to be implemented in the near future.

A source of frustration at some workplaces was the insufficiency or absence of well-constructed Standard Operating Procedures (SOPs). It has led, according to some workers, to an excess of paperwork for jobs that are routine or straightforward because each one needs a separate document, such as a Permit to Work (PTW) or a Job Safety Analysis (JSA). While not decrying the need for these documents in some circumstances, they felt that clear SOPs that are designed and reviewed by workers are a more effective means of communicating the risks and process steps. Mindful of who actually uses the documentation, they said the design of the SOPs should strip out unnecessary text, include pictures and photos, and highlight the critical areas. We discussed the importance of simplifying this paperwork to ensure that the unusual, extraordinary and complicated factors were on prominent display. That idea was seized on by some workers, who found completing the job paperwork repetitive and boring and reiterated the point it was them who faced the residual risks, not managers and health and safety experts. A couple of workers in that group wondered if managers looked at the paperwork when it was essentially the same from day to day.

Frontline workers and managers reported that there were reasonable levels of consultation on business decisions, such as choice of contractor, equipment purchase, working arrangements, change to work processes, and so on. The level of consultation depended on many factors, including how consultative the manager was, how engaged and resourced the Health and Safety function were, how much time was allowed at the start of the decision-making process, and how significant the decision was or could be. These factors brought in variances. For example, at one workplace, more time is deliberately being allocated at the planning stages; at another site, line managers and frontline workers had close, collegial bonds that facilitated robust consultation; and, at yet another workplace, workers felt they had little say in what was going to happen and had stopped getting involved.

Good job planning was a topic discussed often by workers. Some workers commented that there were occasions when health and safety could be 'tacked on at the end' of the planning process rather than thought about at the start. It was a case of 'We're going to do this job...now, how do we manage safety?' An example was how to eliminate or minimise the risk of getting struck by a vehicle on the road corridor. For most jobs in this area, the task is scoped and planned, and temporary traffic management is then organised. The risk controls put in place are generally at the lower end of the hierarchy of control, that is, administrative and PPE. The belief is that cones and signs and hi vis vests will protect workers from being hit. Admittedly, it is a way of thinking not helped by the way in which the 'Code of Practice for Temporary Traffic Management' is written.<sup>15</sup> (See Performance Requirement 9 in this report for more detail on the hierarchy of control and HCC's approach to it.)

#### 4. RESOURCING

*The business resources health and safety activities.*

HCC has taken strides in recent years to better resource health and safety. These strides have seen increases in the capacity and capability of the Health and Safety function, strengthening of worker participation and representation, and more communication around health and safety matters. To move from Developing to Performing for this SafePlus requirement, more discussion needs to be had about shifting from 'just enough' to 'confidently sufficient'.

<sup>14</sup> We focused on the CBP documents and the draft SMS document. A minor niggle is that the term 'best practice' is, we believe, a bad practice, as nothing stays best for very long, if ever, in a changing world.

<sup>15</sup> New Zealand Transport Agency Waka Kotahi, <https://www.nzta.govt.nz/roads-and-rail/code-of-practice-for-temporary-traffic-management/>. The CoPTTM is under review and it is likely that there will be a shift in thinking about critical risk controls. By that we mean a move from administrative controls, such as signs and cones, to better work design that eliminates or isolates traffic.

Put another way, HCC is answering the question, 'What do we need to make this healthy and safe?' It needs to push more towards the question, 'How do we make this even healthier and safer than it already is?'

Some workers were unsure how the various specialist health and safety appointments worked together to deliver an organisationally coherent approach. Their concern was that Groups were going ahead with their own plans and that there could be a disconnect with the corporate strategy around health and safety. This sense of disengagement was noted by some managers, who felt health and safety should be positioned in a more operational space rather than within the human resources area. They made a further point that all the health and safety specialists should be located in one team and have the ability to work across the organisation. We understand this is the case now and that the team of around ten health and safety specialists sits outside the People, Safety and Wellness Team. Therefore, it could be that more communication on this arrangement is needed to increase awareness.

For the most part, workers felt they had enough resources to ensure the work they did was carried out safely and healthily. We heard a consistent message from workers and managers that if a case could be made for a health and safety initiative or improvement, HCC would find the money and time to make it happen.

But some workers said staffing numbers were getting too low (acknowledging Covid-19 had an effect) and, at times, there was a lack of equipment. They thought these issues should be talked about more at operational meetings with better communication from senior leaders about remediation plans. It was at this point in our discussions that goals and accountabilities were expressed and the need to report these resourcing issues as risks to health and safety.

A few comments around staffing were: 'things get tight here when someone's off crook - we're a couple of people down and have been for a while', 'being short-staffed means we get stuck on one job and lose the flexibility to move to other tasks and share experiences', and 'we're probably about three to five guys short - makes it hard to get a hand when you need one.' Some of these workers said workarounds and shortcuts could result.

Managers and workers had a sound understanding of their roles and responsibilities in relation to looking after themselves and others. These responsibilities are outlined in various documents and are verbally reiterated at meetings, performance reviews and in informal conversations. The Connected programme also plays a part in strengthening the importance of personal and team-centred responsibilities.

Training is well resourced and administered. Workers reported that opportunities were available to gain competence in both mandatory and non-mandatory areas. However, some workers could not recall whether there was a competency matrix or framework that outlined their job and its tasks, and the competence needed for those tasks. They spoke of a training record but not a competency record. As an example, confined space training is completed for all employees involved in this area. Refresher courses are scheduled and undertaken. But determining competence is a step further than attending training and it was this step that workers thought could be improved. It could involve more peer to peer observations, more emergency response scenarios (desktop and field simulated), more critical control reviews and more line manager assessments.

Examples of where the shift in thinking from training to competence is implemented is in the City Safe and Parking teams. These teams have a robust system of training, on-job induction, assessments and ongoing coaching.

Managers are required to complete checks and there are mechanisms in Vault to assist with the activity. Competence is not yet a focus of these checks. The entries in Vault are primarily observations from frontline workers on their colleagues and are more about the wearing of PPE and how the job site is set up than on competence. A point from some workers was that the assessments and observations were not targeted at particular skills or knowledge, or at specific critical risks.

These checks, which are a good example of a PPI, are recorded in the performance report that goes to SRAC. However, as mentioned earlier, there is no narrative to accompany the figures that would indicate how well these checks are contributing to the vision and goals. For instance, HCC is 'looking at the immediate and longer-term challenges that Covid-19 poses'<sup>16</sup> and we heard that its response was swift and reasonably successful. But this

<sup>16</sup> HCC, 'Safety and Wellness: Strategic Risk and Assurance Report', May-July 2020, p. 3.

information (that may have been gleaned from the 146 health and safety audits or the 431 safety observations in the period May-July 2020) is not visible in reporting.

We did not see a documented assurance model or framework for health and safety.<sup>17</sup> Such a model would clearly set out the activities at each assurance line, including frequency, scope, expected outcomes, responsibilities, and so on. These assurance activities would help HCC evaluate attainment of several of its health and safety policy commitments. (This topic is further explored in the Risk Management section.) We note there is a draft 'Safety Assurance Framework', which states that the 'safety assurance structure is based around the Three Lines of Defence Model'.<sup>18</sup>

HCC has well established processes to accommodate employee incapacity and ill-health. Team leaders and managers understood the processes and knew they could immediate assistance from senior managers and the People, Safety and Wellness function.

Workers shared some stories of when either they, or a colleague, were well supported during their injury or illness and then in their return to work. We were informed senior leaders demonstrate empathy and concern for employee wellbeing. All frontline workers and managers spoken to were of the opinion that HCC would be supportive of them and their whānau in times of crisis.

## MAROHI - RECOMMENDATIONS

### To improve performance, HCC could:

1. Document that officers are Elected Members and the Chief Executive.
2. Develop a structured plan for officers to meet due diligence obligations and record the competence and involvement of officers in health and safety matters.
3. Develop an organisational health and safety strategy that (among other things):
  - a. Sets out the vision, goals and objectives
  - b. Allows for Group and Unit contextualisation.
4. Develop a set (or sets) of PPIs to enable consistent, accurate reporting on risks, relationships and resources.
5. Record senior leader interactions with workers as PPIs and report back to the work area - and wider organisation - the results of interactions.
6. Strengthen health and safety performance reporting by (among other things):
  - a. Providing officers with information pertinent to HSWA, s 44(4)(a,b)
  - b. Showing progress towards achieving health goals and safety goals
  - c. Showing progress towards elimination or minimisation of critical risks
  - d. Explaining how existing controls are contributing to critical risk management
  - e. Providing information based on PPIs that focus more on outcomes than outputs
  - f. Producing contextualised reports for specific audiences.
7. Produce a health and safety policy that is approved by the most senior level of the organisation and that demonstrates commitment from the most senior leaders to positive health and safety outcomes.

<sup>17</sup> A Three Lines of Assurance (or Defence) model or framework helps an organisation to allocate responsibilities appropriately for the management and monitoring of critical risks. The first line comprises workers and operational managers and executives who work each day to achieve organisational objectives, including health and safety. The second line provides organisational oversight and verifies that the first line is operating to risk management expectations. It does this through, among other things, setting policies and procedures, consulting and advising, conducting field checks and audits, and reviewing processes. The third line gives assurance that the overall system is working to expectations. It is an independent, objective view, initiated typically at senior leadership level. We note the Institute of Internal Auditors has recently updated the model. See, for instance, this [news article](#) for more information.

<sup>18</sup> HCC, 'Safety Assurance Framework', draft, May 2019, p. 6.

8. Develop mechanisms that deliver positive reinforcement in a timely, consistent and proportional way, and communicate more frequently and widely the stories about good practice and performance.
9. Implement the draft health and safety management system.
10. Develop SOPs in consultation with workers and their representatives that simply and effectively convey the steps in the process or task and the associated risks to health and safety.
11. Strengthen the 'training to competence' framework through frequent field checks and regular refresher training and shift to reporting on competence rather than training.
12. Consolidate the Health and Safety function into a strategic and operational team that works across the organisation and communicate its role, its work and its successes.

### GUIDANCE AND ADVICE - LEADERSHIP

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- Institute of Directors/WorkSafe NZ – Health and Safety Guide: Good Governance for Directors, 2016: [https://www.iod.org.nz/Portals/0/Governance%20resources/Health%20and%20Safety%20Guide\\_Good%20Governance%20for%20Directors.pdf](https://www.iod.org.nz/Portals/0/Governance%20resources/Health%20and%20Safety%20Guide_Good%20Governance%20for%20Directors.pdf)
- Business Leaders' Health and Safety Forum (BLHSF) - leadership: <http://www.zeroharm.org.nz/leadership/>
- BLHSF – What is safety leadership? A guide for Chief Executives: <http://www.zeroharm.org.nz/assets/docs/leadership/What-is-safety-leadership-A-guide-for-Chief-Executives-Oct-2014.pdf>
- New Zealand Society of Local Government Managers - Health and Safety at Work, Duties of Officers: <https://solgm.co.nz/health-and-safety-at-work/module-one-part-d-duties-of-officers/>
- BLHSF – Monitoring what matters: A guide for CEOs: <http://www.zeroharm.org.nz/assets/docs/our-work/monitoring/Monitoring-what-matters.pdf>
- BLHSF – Learning from success: <http://www.zeroharm.org.nz/assets/Uploads/Learning-from-Success.pdf>
- BLHSF - Health and safety leadership for Boards: <http://www.zeroharm.org.nz/assets/docs/leadership/Safety-Leadership-for-boards-Kirstin-Ferguson-May-2015.pdf>
- BLHSF - CEO health and safety conversations: <http://www.zeroharm.org.nz/assets/docs/leadership/CEO-HS-conversations-that-have-impact-2015.pdf>
- Institution of Occupational Safety and Health (IOSH) - Reporting performance: guidance on including health and safety performance in annual reports: <http://www.iosh.co.uk/~media/Documents/Books%20and%20resources/Guidance%20and%20tools/Reporting%20performance.pdf>
- WorkSafe NZ – Lead indicators: <https://worksafe.govt.nz/dmsdocument/3350-lead-indicators>
- Safe Work Australia - Issues in the Measurement and Reporting of Work Health and Safety Performance: A Review: <https://www.safeworkaustralia.gov.au/system/files/documents/1703/issues-measurement-reporting-whs-performance.pdf>





## Worker Engagement

### Requirements

5. The business communicates effectively.
6. The business engages with, and empowers, workers and representatives.

## KITENGA - OBSERVATIONS

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### 5. COMMUNICATION

*The business communicates effectively.*

Communicating to a large and diverse workforce is challenging. HCC recognises this challenge and uses a range of channels to communicate health and safety messages. Some workers thought HCC was relying too heavily on printed material - hard copy and digital - and commented that HCC could be more forthcoming in asking people what they thought were the most effective channels.

Most workers mentioned team meetings as an effective means of finding out health and safety information. In many instances what was discussed were the immediate or current issues and concerns, maintenance and facilities problems and solutions, equipment and clothing, and so on. In other words - and understandably - day to day, operational things are on the agenda. The risk is that the health and safety component of the meeting can be largely transactional, not strategic, and too short-term focused.

We heard that some teams are moving away from this traditional approach of predominantly talking about issues and actions and, instead, starting with work positives and successes as a segue into better work design, resourcing and process improvements. It is an example of treating health and safety as integral to performing quality work. Establishing this kaupapa more deeply moves HCC into the Safety-II world.<sup>19</sup>

Some workers said Covid-19 had impacted on the frequency of some team meetings and that senior leaders were scarcer in their attendance. They commented they had rarely seen their General Manager at either a Unit or Team meeting or out on the work sites.

Progress towards the achievement of health and safety objectives, organisational commitments and the management of critical risks does not comprehensively and consistently feature in a structured way at meetings. Missing is a succinct overview of health and safety performance. A result is that frontline workers and managers had little formal, validated comprehension of how well - or not well - their workgroup and HCC were doing in looking after the workers, except for their knowledge about certain accidents that had happened.

We heard many anecdotes about performance and maturity. They were offered as proof that work was going ahead safely and healthily. In addition, when prompted, workers could put a numerical score on aspects of health and safety. For instance, workers were able to confidently state how the critical risks of violence and aggression and work-related stress were being managed (as an aggregate, around an 8/10 and a 5/10 respectively). To validate their score, workers could list the various controls and assurance mechanisms in place that contributed to their judgement, and could, furthermore, suggest additional controls that would lift the score. Workers said these discussions around scoring the maturity or performance of critical risk management (as an example) were not featuring consistently at their workplace.

We saw several health and safety noticeboards. They were, for the most part, well presented and displayed a variety of information from safety posters through to procedures and meeting minutes. But most workers said they were one of the least effective communication channels. 'Wallpaper' and 'waste of space' were two comments we heard, and one HSR wondered, 'Does anybody read this stuff?' That question was answered in the negative at two workplaces we visited when we pointed out the 'Health and Safety Roadmap' poster and asked workers about it. They hadn't consciously looked at it until then and were not aware of where it had come from and when it was pinned to the board.

Keeping noticeboards up to date is a chore and not always done. For example, on one noticeboard only one person of support people was still employed by HCC or in the workgroup stated.

<sup>19</sup> Safety-II is, in summary and among other things, an approach that values workers' resilience and adaptation to variability, promotes the benefit of building on success rather than failure, and places an emphasis on having sufficient resources to ensure positive outcomes. See, for example, the work of Erik Hollnagel and Sidney Dekker [www.safetydifferently.com](http://www.safetydifferently.com) and the Business Leaders' Health and Safety Forum, 'Learning from success', October 2016.

Our impression was that the noticeboards are used as a passive storage place and not as a focus for interaction. HSRs said they were not referred to in meetings. There is a drive in the health and safety world to reduce 'safety clutter', that is, the plethora of paperwork that clogs the process of getting work done. When workers heard that, they acknowledged the noticeboards added to the clutter.

Workers have opportunities to raise concerns and issues. The most common route was to speak to a line manager, and it was generally agreed that managers would attempt to resolve matters in a timely way. However, there was an admission that it depended on the manager and the relationships up, down and across the Team and Unit. Less common - and, in some people's view, less effective - was talking to an HSR and for that person to advance the issue. Union representatives were also not seen as a viable conduit or actor for the resolution of health and safety concerns. Opinions varied as to why worker representatives (HSRs and unions) were not viewed as positively as they perhaps should be. A lack of communication and publication of success, and a lack of awareness as to their roles, were most commonly cited.

Workers said health and safety information, including the various training modules and courses, was reasonably easy to find on the intranet. The portal to the Vault reporting tool was straightforward to access and the process of reporting an incident or observation was fairly simple and quick. Some workers said there were too many details that needed to be completed on the incident report but admitted it wasn't so onerous that it would prevent them from doing it.

Access to technology and availability of time were raised as a problem by some workers. The issue arose when we discussed mental ill health as a critical risk and heard that the Chief Executive had sat down recently with Mike King. Their hour-long talk was videoed. Finding a computer or other device, and the time to watch it either live or later, were too difficult for some workers to manage. As one frontline worker said, 'It was something for the ivory tower people, the desk jockeys, 'cos we're out on the tools.' Some other frontline workers hoped an edited version would be available. One Team pulled its workers in to the office and sat down together to watch it, then discussed the salient points. A couple of workers from that team thought it was excellent.

For the most part, we heard that working relationships between colleagues and between frontline workers and line managers were positive and effective. As a result, issues or disagreements are generally resolved at the team level within appropriate timeframes and to the satisfaction of the parties. However, some workers expressed their concerns about breakdowns in communication and leadership at the line manager to frontline level. They said there were few opportunities or encouragement to participate in 'skip' meetings, that is, to have meaningful talks with the manager immediately above their own.

Although we understand a confidential reporting line is in place, no workers could definitively explain whether one existed. Some workers talked about 'going to HR', others said they'd just see their manager and a couple of workers mentioned the Chief Executive had an 'open door.' They acknowledged, though, that it would be a good idea to have such a mechanism, providing that it had the power to effect change.

## 6. ENGAGEMENT AND EMPOWERMENT

*The business engages with, and empowers, workers and representatives.*

HCC provides opportunities for its workers, predominantly its employees, to become engaged in health and safety matters. They take part in regular meetings, attend training and education sessions, have access to information on the intranet and can get involved in tasks and roles, such as risk reviews, safety observations and worker representation.

The 'Current Best Practice: Worker Engagement'<sup>20</sup> is aligned with legislative principles and practices and provides a broad perspective on how HCC will ensure the voice of the worker is facilitated and heard. It recognises that worker involvement is more than the election of HSRs and the establishment of HSCs. A section on Māori workers explained that they were at greater risk because there were more Māori in 'high-risk industries.'<sup>21</sup> We did not see evidence of this concentration and were also not aware of any particular attention being paid to this concern.

<sup>20</sup> HCC, 'Current Best Practice: Worker Engagement', 1 April 2017.

<sup>21</sup> *ibid*, p. 10.

HCC maintains a record of HSRs on an Excel spreadsheet.<sup>22</sup> From that record we noted that most workgroups are represented by an HSR(s). There is an established process for elections. HSRs are offered the Level 1 WorkSafe-endorsed training as a minimum and we heard that further HSR levels can be attained. However, the spreadsheet records only the one-day Level 1 course and that not all HSRs have completed it. In addition, some HSRs attended their HSR training course many months after being elected and some HSRs are recorded as being inducted in 2021.

We heard that other workers also act as HSRs. These 'safety advocates' are not elected by the workgroup and there is no requirement on them to attend HSC meetings. We understand their role is to be another voice for the worker and to boost engagement. It is an interesting idea but one that, we believe, needs to be reviewed for effectiveness as some workers were confused about the purpose.

Most people knew who their HSRs were and were aware that HSC meetings were held. However, there was some doubt as to what exactly HSRs did apart from go to meetings and some HSRs were equally underwhelmed. One HSR said, 'I don't get much out of being an H&S Rep but I'm here so the guys can come to me if they have issues.' Another HSR commented, 'I'm not sure what's required of me. No-one else put their hand up to do it.' Another HSR said, 'I think my main job is to train people.'

A theme that emerged from talking to HSRs and others was that communication about the true purpose of the role was lacking and insufficient success stories were promulgated on what the HSRs and HSCs did to improve working conditions short and long term. Workers thought that more overt recognition from senior leaders was needed to elevate the mana of the role.

HSRs and managers reported that time was allocated for HSRs to attend meetings and to complete other health and safety tasks. This time is not recorded as a PPI and nor is the overall effectiveness of this worker engagement mechanism. The SRAC reports state meetings are held but not what effect the work of HSRs and HSCs is having.

Each Group has a HSC and each tends to operate as a silo. They deal with their issues and receive information about wider matters via the Health and Safety Team member attached to their Group's HSC. We heard there was little sharing across the Group HSCs and workers were unclear on where the kupu from their HSC meetings went. We were told the Health and Safety Team member takes the salient points from the meetings and they inform conversations and decisions at BSLT and SLT level. HCC does not have a separate HSC that sits above the Group HSCs with the function of coordinating and communicating the collective voice of all six Group HSCs to the whole organisation, including senior management and SRAC.

The composition of the HSCs is reasonably diverse and is predominantly frontline workers. We understand that most Group HSCs are chaired by a manager not a frontline worker. We acknowledge that organising and chairing meetings is challenging and time-consuming but argue that support from a line manager or the Health and Safety Team member could help the logistics and practice. A common, structured meeting agenda would also help. The main point is to empower workers to run their own meetings and place managers to the side as welcome attendees but not the stars of the show.

We asked HSRs and managers about what is talked about at HSC meetings and read some meeting minutes. We noted it was not only problems and issues being discussed. Positivity is something we have emphasised throughout this SafePlus engagement and have consciously tried to ask everyone about what is going well. It forms part of a wider initiative in the health and safety world to transition organisations to behaviours consistent with the Safety-II paradigm. The Infrastructure Operations and Development Groups' HSC meeting is a good example of this shift in approach.

What could be more prominent, we believe, is more focus on the state of critical risk management and whether the current state is acceptable. That conversation could link to the critical controls developed as part of bow tie analyses. These current state evaluations could feed into an aggregated report to provide an organisational perspective.

Communication on the work performed by HSRs and HSCs is variable. Although meeting minutes are produced, there was widespread acknowledgement that few people tend to read minutes. A more effective means of communication is for HSRs to report back to their workgroups. However, there is a risk that the information being

<sup>22</sup> HCC, 'Health and Safety: Representatives', no date.

relayed is inconsistent or different to what was discussed and agreed. The meeting agenda does not show any time at the end of the meeting to decide on the salient points that will be communicated to workgroups and other interested parties, for example, contractors and suppliers.

As mentioned in the Leadership section, workers and their representatives are not directly involved in the setting and monitoring of health goals and safety goals.<sup>23</sup>

## MAROHI - RECOMMENDATIONS

### To improve performance, HCC could:

1. Enhance the mana of HSRs through positive reinforcement of commitment and work performed.
2. Decide whether to:
  - a. Keep the health and safety noticeboards (but use them more effectively)
  - b. Reduce the size of the noticeboards and only display the most important material
  - c. Remove the noticeboards.
3. Create an organisation-wide HSC comprised of one representative from each of the Group HSCs, unions, selected managers and the Chief Executive.
4. Develop PPIs to measure the effectiveness of HSRs and HSCs.
5. Develop a mechanism whereby HSRs deliver the agreed salient points from HSC meetings and other health and safety-related work.
6. Involve workers and their representatives in the setting and monitoring of health goals and safety goals.

## GUIDANCE AND ADVICE – WORKER ENGAGEMENT

- WorkSafe NZ - Good practice guideline - Worker Engagement, Participation and Representation: <http://www.worksafe.govt.nz/worksafe/information-guidance/all-guidance-items/hswa-good-practice-guides/worker-engagement-guide/worker-engagement-guide.pdf>
- WorkSafe NZ guidance on the Health and Safety at Work Act for health and safety representatives: <http://www.worksafe.govt.nz/worksafe/information-guidance/all-guidance-items/hswa-interpretive-guidelines/worker-representation/worker-representation-interpretive-guidelines.pdf>
- WorkSafe NZ - PCBU duties regarding worker participation <https://worksafe.govt.nz/managing-health-and-safety/health-and-safety-representatives/employer-obligations/>
- Health and Safety Executive UK (HSE) - Consulting directly with employees: <http://www.hse.gov.uk/involvement/facetoface.htm>
- HSE - Involving your workforce in health and safety: <http://www.hse.gov.uk/pubns/books/hsg263.htm>
- HSE - Strategies to promote safe behaviour as part of a health and safety management system: [http://www.hse.gov.uk/research/crr\\_pdf/2002/crr02430.pdf](http://www.hse.gov.uk/research/crr_pdf/2002/crr02430.pdf)
- HSE – Worker consultation and involvement: <http://www.hse.gov.uk/managing/worker.html>
- WorkSafe Victoria - Running effective health and safety committee (HSC) meetings: [https://www.worksafe.vic.gov.au/\\_data/assets/pdf\\_file/0011/211205/ISBN-Running-effective-health-safety-committee-meetings-solutions-common-problems-2017-06.pdf](https://www.worksafe.vic.gov.au/_data/assets/pdf_file/0011/211205/ISBN-Running-effective-health-safety-committee-meetings-solutions-common-problems-2017-06.pdf)

<sup>23</sup> See SafePlus Performance Indicator 6.5.



## **Risk Management**

### **Requirements**

- 7. The business, with workers and their representatives, identifies work-related health risks and safety risks.**
- 8. The business, with workers and their representatives, assesses health risks and safety risks.**
- 9. The business, with workers and their representatives, takes a proportionate approach to controlling health risks and safety risks.**
- 10. The business, with workers and their representatives, ensures controls are effective in managing health risks and safety risks.**

## KITENGA - OBSERVATIONS

### 7. RISK IDENTIFICATION

*The business, with workers and their representatives, identifies work-related health risks and safety risks.*

HCC has identified its work-related health risks and safety risks at both corporate and operational levels. They are listed in various documents and workers had a sound understanding of what was meant by a health risk or safety risk.

Everyone spoken to could clearly and confidently explain the health risks and safety risks they faced in their work or that were significant for the organisation. Although physical safety risks were most commonly first mentioned in our interviews, many workers recognized mental ill health as a significant issue. Workers and managers understood that the distinction between work-related and non-work-related mental illness was largely academic when it came to working at the frontline. Their concerns were about how someone's mental state could impact on safe work and the morale of the team, as well as how that person was coping outside of work. Most senior leaders identified mental ill health as a pressing issue.

We were informed that risks are identified through several processes, including observations and physical inspections, task analysis and job planning, audits and reviews, hazard reports, incident reports and investigations, team meetings, discussions with contractors, and previous and common knowledge. For the most part, workers were aware of these risk identification processes. Team meetings and Vault were referenced as the main ways to record and communicate hazard and risk information.

At the corporate risk level, Organisational Risk 1 is 'H&S - Workers (incl. contracted workers & volunteer workers)'. This convoluted title is accompanied by the longwinded explanation: 'Failure to ensure the health and safety and wellbeing of council staff or workers whose activities are influenced or directed by council, while the workers are carrying out work.' In this explanation we see the appearance of 'wellbeing' and 'council staff', and redundant text. Workers are, by definition, inclusive of employees, contractors, volunteer workers, people on work experience, and so on.<sup>24</sup> A simpler, more accurate title and explanation are needed, perhaps 'Work-Related Health and Safety' followed by 'Failure to ensure the health and safety of workers and those people affected by HCC's work.' The title needs to be worded to avoid confusion with another organisational risk that applies to safety of the community.

HCC is consistent with most similar organisations in how it has identified its risk appetite regarding health and safety.<sup>25</sup>

At the operational level, health risks and safety risks are documented in Vault, in task and programme planning, on work site hazard/risk boards or forms, and in risk registers. For most workers, the common places to see risks described is on paperwork related to a particular job or work activity, such as a PTW or a JSA. We did not see specific risks - critical or otherwise - highlighted on the documents used for field audits, workplace inspections or safety observations.

The organisational risk register lists 13 critical risks and 28 generic risks.<sup>26</sup> The critical risks were last updated in March 2019 and the generic risks were last reviewed in July 2014. Some risks appear on both lists, although with differences in their titles and explanations. We were told the risks on this register were reviewed every three months, but this exercise is no longer occurring.

Each business unit has its own risk register located in Vault. They are populated with risks from the organisational register, as well as risks peculiar to the business unit. There are instances of where business units have changed risk titles and descriptions.

Of the 13 critical risks, one is rated as Very High, six as High and six as Moderate. According to the 'Current Best Practice: Hazard and Risk Management' document, risks rated as High and above 'will be deemed "critical" and will

<sup>24</sup> See HSWA, s 14.

<sup>25</sup> HCC, 'Hamilton City Council's Risk Appetite Statement & Guideline', no date. The statement reads, 'Council has a very low to low risk appetite for Health & Safety risks to our workers and the public.'

<sup>26</sup> HCC, 'Health and Safety - Organisational H&S Critical Risk Register', 29 March 2019.

be reported on to the Senior Leadership Team (SLT).<sup>27</sup> That is currently not the case as we have Moderate risks deemed critical and SLT is not receiving reports.

All workers knew about Vault and its purpose. They understood that the incidents and observations they logged could help capture hazard and risk information. But they were unsure if and how that information made its way into risk registers or any other paperwork that could later be used. Although most workers knew there was some kind of list of the health risks and safety risks, no workers could comprehensively say how these lists or risk registers were applied to task and job planning, the conduct of the work and any post-job briefings and evaluations. Without fully understanding the 'why', these workers thought recording events into Vault was more of a compliance activity than an opportunity to learn and improve work practices.

We did not see evidence of an obligations register.<sup>28</sup> However, we noted the 'Current Best Practice: Hazard and Risk Management' document states that legislation, codes of practice, standards, and so on can be used to 'assist in determining risks/hazards'<sup>29</sup> and the draft 'Safety Management System: Principles and Requirements' document references various pieces of legislation.

## 8. RISK ASSESSMENT

*The business, with workers and their representatives, assesses health risks and safety risks.*

Work-related health risks and safety risks are assessed for significance mainly through qualitative methodology, such as interpersonal and team discussions, knowledge of past incidents and personal judgements. When asked about which health risks and safety risks they thought were the most serious, all workers could quickly explain the ones that applied to their work and there was a reasonably uniform response within each workgroup. For instance, infrastructure workers mentioned working on the road, working in confined spaces and stress, while public-facing workers, such as in parking, customer services and community safety, talked about violence, stress and musculoskeletal injuries.

This consistent understanding from frontline workers of which risks are critical was echoed by middle and senior managers. We believe there is a strong, shared comprehension around criticality. However, it is based predominantly on subjective, tacit understandings, not on a clear, documented process that involved the right people using the right methodologies. We were told that a series of bow tie analyses was carried out a couple of years ago, but they had 'gathered dust.' No frontline workers or managers mentioned them.

The 'Current Best Practice: Hazard and Risk Management' document outlines how risks are to be assessed using 'the Council's risk matrix'.<sup>30</sup> The process is for a minimum of two people to determine the likelihood and consequence of an event before and after controls are applied.

There is no guidance in the 'Current Best Practice: Hazard and Risk Management' document about risk assessment tools and methodologies, such as AcciMap, Structured What If Technique (SWIFT), Fault Tree Analysis (FTA) or bow tie analysis (BTA). We did not hear frontline workers or managers mention these tools and we did not see any draft or completed risk assessments that used an established tool or methodology. Some workers said assessments depended on who was in the room at the time, their level of experience and competence regarding the work activity, their understandings of the likelihood and consequence descriptors, and their risk tolerances.

Notwithstanding the above comments, HCC has stated what it thinks are its top 13 critical risks. Most of them are examples of a high potential incident, that is, one that could result in a fatality. Focusing on high potential incidents,

<sup>27</sup> HCC, 'Current Best Practice: Hazard and Risk Management', 1 April 2017, p. 5.

<sup>28</sup> An obligations register is a component in an organisation's external and internal compliance framework. It lists the key obligations the organisation must meet and links them to legislation and the organisation's internal policies.

<sup>29</sup> HCC, 'Current Best Practice: Hazard and Risk Management', 1 April 2017, p. 8.

<sup>30</sup> *ibid.*, p. 9. We argue simplistic, two-dimensional 5x5 risk matrices contain fundamental flaws. They cannot be relied upon to form definitive conclusions when applied to safety consequences, especially if used in isolation. The situation is compounded when risk descriptions are poorly worded and when factors, such as likelihood and consequence, are poorly defined. They are subject to various user biases and inconsistent interpretation of the terms and descriptions. Factors such as velocity and vulnerability do not feature - but should. Opinions on whether something is, for example, 'likely' or 'very likely' are highly subjective. At best, they provide a starting point or impetus for discussion. A better approach, we contend, is to focus effort on how to eliminate or minimise high potential or high consequence events. The work should go into identifying critical controls, putting them in place, ensuring they do what they are meant to do and drawing up plans for how to bounce back when they fail.



even though they may be rare, is widely accepted as being the correct approach, as opposed to spending an imbalance of time and money on low consequence, high frequency events. We argue Risk 2608: Inadequate Risk Assessment and Risk 2757: Critical Incident do not fit the description of a high potential incident, and Risk 2605: Working Alone/In Isolation is an exacerbating factor rather than a discrete risk. The aim is generally to have a short list of critical risks that are universal (or near universal) across the organisation and, if required, another short list of critical risks pertinent to one or more separate business units. Distilling this list to a well understood, easily managed number can be aided by thinking about critical controls - their presence, amount and place on the hierarchy of control.

Some of the descriptions for the critical risks are lengthy, convoluted and poorly constructed. An example is the first critical risk on the list. Risk 2611: Working in Confined Space is described thus:

As a result of (working in an enclosed or partly enclosed space that is not intended or designed primarily for human occupancy, including but not limited to manholes, sewer/water pipes, tanks, garden place chamber, valve chambers, tunnels) to inadequate ventilation /airborne contaminants/engulfment relating to risk of serious injury, illness or death.

Creating a bow tie analysis with the above as the top event would be challenging. It appears these risk descriptions have not benefitted from the involvement of frontline workers and the application of a technical writing tool (and a technical writer).<sup>31</sup>

We did not see a document that prominently and succinctly communicated HCC's critical health and safety risks. At present, the only list of critical risks is the worksheet in the March 2019 Excel file.

Despite the concern of workers about mental health, and the work HCC is putting into this area with Connected, The Effect, and so on, the organisational risk register does not list work-related stress (or other terms such as work-related psychosocial risks or work-related anxiety and depression) as one of its critical risks. One mental ill health risk is listed and is termed 'Critical Incident'. The description states that mental health-related illnesses can be caused by the traumatic effects of a critical or significant event. No examples of events are provided. We inferred it could be a fatality, serious injury, assault or similar. In the generic list and in the Vault hazard register, we noted 'Mental Wellbeing', 'Stress', 'Personal Stress', 'Bullying, Harassment, Conflict, Discrimination' and other variations.

Reviews of identified risks are happening and are recorded in the Vault system. Some of these reviews (of sometimes the same risk) are completed by different people at different times. For critical risks we did not see evidence of a critical risk review panel that would work together to pool ideas, argue and challenge, and demonstrate the application of a robust methodology. It appeared that reviews are carried out by one person or a few people from within the Group or Unit. Little detail is provided in Vault on the review. For example, 'Risk 906: Underground Services' was last reviewed in July 2020 by two people. It is recorded that no changes were made, but then there is a comment that a control - a significant one - was added.

## 9. RISK CONTROL

*The business, with workers and their representatives, takes a proportionate approach to controlling health risks and safety risks.*

Frontline workers and managers could explain the various controls used to mitigate the risks to physical and mental harm arising from their work activities. They reported they were generally satisfied with the current risk controls and that consultation and co-development occurs at Team and Unit level to ensure controls are in place.

Work procedures are discussed and practised, for example, setting up traffic management, clearing drains and culverts, changing out pumps and providing security. Many tasks require some form of paperwork and risk assessment is documented in JSAs, SOPs, PTWs, SWMSs, and so forth. There is a danger that completion of some of this paperwork can become mechanical and unoriginal due to how the forms are presented or structured and the repetitive nature of the jobs. We discussed this point with some workers. Most people thought that filling in the forms had some worth as it forced them to stop and do some thinking. But, often, it was seen as a compliance

<sup>31</sup> We think one of the better tools for clearly defining risks is CASE. It is simple, adaptable and makes sense. Risk definitions outline four factors or considerations: Consequence, Asset, Source and Event.

exercise that had little or no effect on the conduct of the work. One worker queried why they had to continually produce paperwork for routine operations, adding that this paperwork was probably only going to get read after an accident took place. On further probing, we heard that it was the act of stopping and talking that was more effective, particularly when someone asked questions about the unusual and extraordinary things that could impact on the quality and safety of the job. This prompt about the unusual - whether it be place, people, equipment, weather conditions, activity, visibility, and so on - is not prominent on the paperwork and could be more pronounced in the pre-task talks.

Workers said the equipment was generally maintained well and was fit for purpose. We heard some gripes about workers not having enough equipment in some areas, for example, traffic management, and some PPE being old and shabby, for instance, stab-resistant body armour (SRBA). Vehicles were reported, for the most part, as being safe, serviced and suitable for the task.

The critical risk list in the organisational risk register has a column titled 'Assurances'. What is recorded against each critical risk is a mix of risk control and monitoring activity and appears to be a 'copy and paste' exercise. One of the activities is to 'Review hazard and controls at least annually'. All but one of the critical risks was last reviewed on 20 August 2018. The other risk does not have a review date recorded. The risk of 'Dealing with Aggressive and/or Violent People' has only one control, which is 'Refresher training, drills, scenario training'. Workers said the refresher training occurs; the other two activities - drills and scenario training - do not happen regularly or frequently.

The Vault system has a section called 'Risk Control Plan'. It is here that the various existing and proposed controls are recorded and, consequently, the inherent risk score is theoretically downgraded to a more manageable level. Our scan of a few risk control plans showed the controls listed alphabetically according to control categorisation. Therefore, 'administrative' comes before 'elimination', which comes before 'engineering'. This ordering means that the highest-level controls are not seen first as one must scroll down to find them. Better practice is to ensure highest-level or critical controls are prominent.

The plans also showed some misunderstanding about the levels in the hierarchy. Some controls recorded as elimination, substitution and engineering were not. They were, for the most part, administrative. For example, BWCs and lone worker devices do not eliminate the risk of being assaulted and calling the Police and locating all underground services are not engineering controls. As to the latter example, we think locating underground services is the activity risk.

Frontline workers did not always approach the question of 'How do you control xxx risk?' with the lens of the hierarchy of control. For example, the first controls most workers mentioned were administrative and PPE. Few workers would start with wondering whether the risk could be eliminated or substituted, even as an academic exercise.

Safety in Design was discussed by some workers and, in some areas, it is becoming more of a focus in business decisions and job planning. An example is in the way vehicles are outfitted; another is the positioning of pumps and other equipment to facilitate subsequent maintenance and replacement.

Our impression from the conversations and document review is that HCC has not placed enough emphasis on defining the critical controls for each critical risk (and other risks).<sup>32</sup> We did not hear and see critical controls highlighted.

Voluntary health checks and mandatory health monitoring are occurring. In some cases, voluntary health checks have become mandatory for workers exposed to risks that meet specific thresholds. Workers in safety-critical roles were pleased there was an opportunity to see a health professional on an annual basis and get the basic checks done. But some more contextualised checks are not happening. One example is a podiatry assessment for workers who are on their feet for a significant proportion of their work shift. We heard that some workers take advantage of podiatry assessments offered at footwear retailers.

Workers said that mental ill health and its correlation with physical health was not talked about during the health checks or health monitoring. This is not to argue for a mental health check to occur at this time, rather more of a reminder or reiteration about services and education that HCC provides. We note that some HCC employees receive

<sup>32</sup> A 'critical control' is one that if removed would significantly influence the risk rating or substantially impact the management of the risk.

an annual session with a mental health counsellor. Those we spoke with who had engaged in this opportunity said it was valuable and a demonstration of their employer's commitment.

Vaccinations for work-related diseases are available and workers likely to be exposed are expected to be inoculated. Non-mandatory vaccination for influenza is also available.

The narrative in the performance report about health checks and health monitoring does not adequately show current and comparative status nor signal any issues or concerns. For instance, '45 staff received voluntary health checks compared to 220 staff in 2019.' There is no mention of what HCC thinks about this drop or of what it is doing to encourage and facilitate health checks. Another instance is that health monitoring has had a 'significant uptake' compared to previous years. Not clarified is what is meant by 'significant' and why there was an increase.<sup>33</sup>

HCC has a sound understanding of health and safety legislation and standards as is evident in various documents, such as policies, work plans, risk registers, the type of training it offers to its workers, procurement and business decision-making practices. We also had conversations with key individuals that illustrated HCC is aware of its legislative obligations and is knowledgeable on current, good practice in health and safety.

HCC requires contractors to be pre-qualified through one pre-qualification assessment provider, SHE Software NZ Ltd. This SafePlus onsite assessment did not explore HCC's contracting environment in any depth but our work with other Waikato and BOP LASS entities indicated issues on both sides of the relationship with the pre-qualification process. We note HCC's comment that 'Prequalification is in place but not always being used appropriately or consistently across Council'<sup>34</sup> and suggest this is an area that could benefit from a focused review involving interviews with HCC staff members and a range of contracting organisations.

## 10. EFFECTIVENESS

*The business, with workers and their representatives, ensures controls are effective in managing health risks and safety risks*

HCC employs several methods to check that risks controls are understood and implemented, including training, supervision, safety observations, workplace inspections and audits. Our conversations with frontline workers and managers indicated a reasonable level of satisfaction with the effectiveness of risk controls.

As mentioned in the Leadership section, we did not see a documented assurance framework that is in operation. We note, however, that a framework has been written and sits under Pillar Three of the draft SMS. Yet assurance activities are occurring, and many are being recorded. However, few of these activities are being reported consistently and accurately. For instance, the health and safety performance report includes one, small section titled 'Assurance'. It is a record of the number of audits and safety observations carried out in the reporting period. Assurance is more than that - and performance is more than a record of injuries and other events. HCC does not have a set of consistent PPIs that illustrate current risk management effectiveness and indicate where decisions need to be made.

We believe there is a risk that HCC could fall into the trap of thinking the 'Absence of Incidents = Presence of Safety'. It is a mindset that can lead (among other things) to incorrect assumptions and inappropriate actions. Better, we argue, is for HCC to tell a future-focused story and re-shape the equation to the 'Presence of PPIs = Presence of Safety'. These PPIs should ensure they are also measuring the weak signals,<sup>35</sup> thus cultivating a sense of unease and curiosity in the readers of the reports - and in the managers and workers actively managing health and safety.

We understand that first line assurance activities, that is, the day to day actions of managers and frontline workers, are generally working well. Workers know what they are doing and what it takes to stay healthy and safe. There is a good level of communication up, down and across the teams. Training and supervision are in place and there are clear understandings around work practices. Workers, new to the organisation, felt well supported and that they had had enough time to get familiar with their role. Most workers said they contributed to task analyses, such as a

<sup>33</sup> HCC, 'Safety and Wellness: Strategic Risk and Assurance Report', May-July 2020, p. 17.

<sup>34</sup> HCC, 'Strategic Risk and Assurance Committee Agenda 23 June 2020 - OPEN', p. 40.

<sup>35</sup> A weak signal is the noise that is heard during normal, successful work. It is the nuisance or frustration that is often dismissed or hurried over because it is a distraction to getting the work done. But dismissing weak signals can lead, ultimately, to a loud crash when something fails. It is at that moment when people say, "We didn't see that coming" or 'It was a disaster waiting to happen.'

JSA or PTW.

Audits and inspections at first line are carried out predominantly by managers and supervisors. We did not hear of peers or work colleagues regularly involved in checking health and safety practices, except for City Safe. The completed checks we viewed were largely 'yes/no' questions asking for the presence of something rather than whether it was effective. We thought the worksite audit form had an excellent list of questions in the section called 'Safety Conversations' and showed some Safety-II thinking.

We suggest HCC moves more towards this approach of discussing with workers the three main topics: risks, relationships and resources. A more targeted conversation limited to two or three questions may be of more benefit than checking the existence of paperwork. As an example, a positive work interaction - rather than an audit or inspection - could see a colleague asking, 'Do you have everything you need to do the job?' followed by 'Do you need anything else?' and 'Do you have any other suggestions to improve things and get you home safe?' For General Managers, Chief Executive and Elected Members, a good question for their interactions is 'What does a good day look like?' Reframing the question set from safety to work is more reflective of what occupies the minds of frontline workers and managers and moves HCC closer to becoming an innovative, leading business that values and listens to the experts: the workers.

At the second line of assurance, HCC has a health and safety policy, several Current Best Practice documents and various procedures that support the conduct of healthy, safe work. These documents record regular review dates. Events are investigated and lessons are shared in the form of Safety Alerts and other material. We noted the involvement of Health and Safety Team members (and other key people who have monitoring and assurance roles) in the provision of checks with a degree of objectivity and distance.

The Council, specifically the Strategic Risk and Assurance Committee, provides third line oversight through reading and questioning the quarterly performance report. HCC also commissions external reviews, such as this one by KPMG. We understand HCC's internal audit function does not have the capacity to carry out specific reviews on the health and safety management system or aspects of it.

We did not see a work plan or calendar that showed the frequency and schedule for the various assurance activities. This plan or calendar would form part of the three lines framework.

HCC sees near hit reporting as a means of better understanding risk control effectiveness and providing further assurance. However, the number of near miss reports compared to the size of the workforce and the range and amount of activity suggest under-reporting. Workers said two of the main reasons they would not report were:

- Work interruption - completing the near hit form on Vault was an additional task that would interrupt other work and not add value.
- Lack of feedback and recognition - there can be a poor response from leaders either at the time or later once the report has been analysed and possibly investigated.

The second point was elaborated on by a couple of workers who commented that they wished there was more senior leader involvement and accountability around near hits. They thought this demonstration of commitment would result in higher levels of reporting.

Other barriers may include:

- Status quo - there was nothing to see so why bother reporting it.
- Definition - unsure of what constituted a near hit.
- Red tape - unsure of what would follow the report and if it would involve more work.
- Training - workers knew where the form was located but said they had not received comprehensive training on why the reports were needed and what changes were made as a result.

The 'Current Best Practice: Event Reporting and Investigation'<sup>36</sup> and the draft SMS do not explain how lessons from

<sup>36</sup> HCC, 'Current Best Practice: Event Reporting and Investigation', 1 April 2017.

incidents are shared around the organisation. Both of these documents take an investigative approach and mindset rather than a learning one. The word 'investigation' can trigger for some people a negative response and can encourage an inquisitorial, adversarial attitude, whether deliberate or not. Framing the process as one that is interested in learning and concerned about the welfare of all involved, especially the person who was harmed or nearly harmed, is potentially more effective and would demonstrate adherence to just culture principles.

Workers were aware of event reporting processes, could explain how Vault worked and knew that investigations resulted.

The Current Best Practice document states all events are investigated and that an investigation is a 'formal inquiry or systematic study to learn the facts'.<sup>37</sup> We would argue that not all of the 319 events recorded to July 2020 were the subject of a formal inquiry or systematic study.<sup>38</sup> It may appear, therefore, that HCC is conforming to another document that states, 'We will investigate every serious health and safety incident and strive to continuously improve our standards and procedures.'<sup>39</sup>

The Current Best Practice document mentions the implementation of corrective actions and updating the hazard/risk register. We saw little evidence of the latter being done. Workers could not recall many facilitated sessions led by Health and Safety team members or HSRs that explored the causes of incidents, what HCC was doing to prevent or minimise recurrence and how those involved were treated.

## MAROHI - RECOMMENDATIONS

### To improve performance, HCC could:

1. Complete risk assessments of targeted, identified risks using an established risk assessment tool.  
Note: Workers and their representatives, subject matter experts and managers should be involved in the mahi.
2. Include work-related stress (or similar definition) as a critical risk.
3. Define the critical controls for the succinct set of critical risks.
4. Develop a three lines of assurance framework that includes a work plan or calendar.
5. Reiterate the principles and application of the hierarchy of risk control and the importance of focusing on critical controls.
6. Strengthen the quantity and quality of near miss reporting through implementation of a four-step accountability model: Define, Train, Measure, Recognise.
7. Shift from investigating to learning.
8. Clarify the event escalation process, including which events are escalated to Council/SRAC.
9. Clarify which events will undergo learning conversations, learning reviews, ICAM reviews, external investigations, and so on.
10. Train more HSRs and other interested people in event review techniques and practices.

<sup>37</sup> HCC, 'Current Best Practice: Event Reporting and Investigation', 1 April 2017, p. 4.

<sup>38</sup> Not all incidents are equal in outcome, and some have greater potential for learning and improvement. In a world of finite resources, it is important to prioritise incidents so that reviews are proportionate to the potential, not solely the actual outcome. The 'scale and scope' of a high potential incident should be greater and have more resources dedicated to it than a minor lost-time incident. A risk-based approach employing categorisation by potential consequences is the most common method to ensure resources are proportionately applied.

<sup>39</sup> HCC, 'Hamilton City Council's Risk Appetite Statement & Guideline', no date.

## GUIDANCE AND ADVICE – RISK MANAGEMENT

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- WorkSafe NZ – How to manage work risks: <http://www.worksafe.govt.nz/worksafe/hswa/health-safety/how-to-manage-work-risks>
- WorkSafe NZ – Industry specific information on health and safety risks: <http://www.worksafe.govt.nz/worksafe/hswa/risks-by-industry>
- BLHSF – Identifying critical health and safety indicators: <http://www.zeroharm.org.nz/assets/docs/our-work/monitoring/Monitoring-what-matters.pdf>
- HSE – Risk management: <http://www.hse.gov.uk/risk>
- WorkSafe NZ - Psychosocial hazards in work environments and effective approaches for managing them, April 2019: <https://worksafe.govt.nz/dmsdocument/5417-psychosocial-hazards-in-work-environments-and-effective-approaches-for-managing-them>
- WorkSafe NZ - Supporting mentally healthy work: <https://worksafe.govt.nz/laws-and-regulations/operational-policy-framework/worksafe-positions/supporting-mentally-healthy-work/>
- OHS Body of Knowledge – Detailed information on health and safety risks: <http://www.ohsbok.org.au/wp-content/uploads/2013/12/31-Risk.pdf?x71776>
- Branford, K., Naikar, N., & Hopkins, A. (2009). Guidelines for AcciMap analysis. In A. Hopkins (Ed.), *Learning from high reliability organisations*, (pp. 193-212). Sydney, Australia: CCH Australia.
- Williamsen, Mike, 'Near-Miss Reporting: A Missing Link in Safety Culture', *Professional Safety*, May 2013: [https://pdfs.semanticscholar.org/7e16/04baa6ee3086c116f7a24646a40d30a794dc.pdf?\\_ga=2.173930470.413498470.1573585263-696964811.1573585263](https://pdfs.semanticscholar.org/7e16/04baa6ee3086c116f7a24646a40d30a794dc.pdf?_ga=2.173930470.413498470.1573585263-696964811.1573585263)



## Key Risks

The assessment looked at how HCC manages:

- Violence and aggression
- Working on underground services
- Work-related stress

Note:

1. HCC, along with KPMG, selected the three key or 'deep dive' risks.
2. The descriptors may not align precisely with HCC risk registers or other documentation.

## Risk 1: Violence and aggression

### KITENGA - FINDINGS

Being exposed to violence and aggression at work varies according to workgroup. For instance, it is a likely occurrence for Safety Officers and parking enforcement workers, less likely for Animal Control Officers (ACOs), and very unusual for those workers engaged on infrastructure activities. For those workers likely to encounter this risk, it was accepted as part of the job, albeit one that was acknowledged as a significant concern to them and to the organisation.

Two of HCC's 13 critical health and safety risks are 'Dealing with Aggressive and/or Violent people' and 'Working with Dangerous Animals'.<sup>40</sup>

The first risk is described as, 'Receiving/witnessing irate, abusive, violent and/or threatening behaviours from workers/customers/members of public may result in a physical assault, attack, psychological trauma and death.' As stated earlier, risk descriptions need to be better worded.

In addition to the critical risk register, there are the separate entries in Vault. We scanned three entries for this risk. Each entry had different risk ratings. The Health and Safety function assessed it as a raw risk of Very High and a residual risk of Moderate; City Safe as High then High; and, Parking as Extreme then High. This situation reflects the subjective views of those carrying out the assessments and deciding on the effectiveness of the risk control plan to treat the raw risk. In the case of the Parking Team, it appears the risk control plan does not reduce the raw risk.

The risk control plans also differ. The Health and Safety function recorded 12 controls, mostly administrative; the City Safe Team list 11 controls, again administrative (although some are erroneously labelled as engineering and elimination); and, the Parking Team logged five administrative controls (two of which are inaccurately categorised as engineering and substitution). In contrast, the critical risk register states one control, that is, to carry out 'Refresher training, drills, scenario training'.

Workers felt confident HCC was doing enough to keep them as safe as possible from the risk. When pressed on this point, the first thing most workers mentioned was technology, such as BWCs, radios, mobile phones, duress alarms and lone worker devices. They were generally happy with the quality and quantity of the equipment, except for the Animal Control Team that had issues with radio coverage.

All workers thought their most important risk controls were their voice and body language. If those tools were sharp, the chances of getting into a dangerous place were reduced and, if a problem did arise, they could extricate themselves from it. Therefore, the training provided by CERT scored highly and workers were pleased that regular refresher training was provided. Some workers thought the time between these training sessions was too long and suggested internal training should be scheduled between the CERT sessions. As mentioned earlier, there is a difference between training and competence. Thus, we see these internal training sessions as being a means to judge on-job competence.

Part of the situational awareness competence is knowing where to be positioned. City Safe workers were strong on this point, saying it was the separation between themselves and others that was vital. Another aspect discussed was knowing when to disengage and not proceed in the face of aggression or threats of violence. As one worker said, 'A \$35 parking ticket is not worth getting punched over.' Other workers commented that they are not the Police and do not have to push through with their enforcement action to the point where someone gets hurt. Workers had a clear, strong understanding that if the situation became - or had the potential to become - unduly dangerous, they had the option to disengage and that that action was supported by their management.

We heard that the recruitment and induction processes adequately prepare new workers for the work and risks they will encounter.

<sup>40</sup> According to the 'Current Best Practice: Hazard and Risk Management' document, risks that have a corrective residual risk rating of High or above will be deemed 'critical'. These two risks have been recorded in this spreadsheet as having a residual risk rating of Medium.



The relationship with the local Police was seen as vital. The City Safe Team meets fortnightly with the Police Prevention team to discuss persons of interest, issues, events and trends. The Parking Team are not included in this meeting and some workers in this workgroup reported the relationship with Police was less than ideal. Two workers felt there was little point in reporting violent incidents to Police as 'nothing will be done.'

All workers thought their most important risk controls were their voice and body language. If those tools were sharp, the chances of getting into a dangerous place were reduced and, if a problem did arise, they could extricate themselves from it. Therefore, the training provided by CERT scored highly and workers were pleased that regular refresher training was provided. Some workers thought the time between these training sessions was too long and suggested internal training should be scheduled between the CERT sessions. As mentioned earlier, there is a difference between training and competence. Thus, we see these internal training sessions as being a means to judge on-job competence.

A critical control is that most workers are not operating on their own when a potential threat has been identified or the site is uncontrolled. They have someone in support and to moderate risk decisions. There are exceptions but HCC provides effective communications systems and monitoring to minimise risk exposures when people are working on their own.

The above controls are good examples of PPIs and together provide a strong measure of confidence that HCC is trying to get this risk as low as reasonably practicable. However, they do not appear in health and safety performance reports about critical risk management.

One of the risk controls for ACOs is the wearing of SRBA to protect against attack by humans (rather than dogs). SRBA is heavy and constricting and can cause heat-related issues. When coupled with clothing that is not breathable, there is a risk of one risk control introducing new risks and unintended consequences.

We did not see a completed risk assessment using an established methodology.

#### MAROHI - RECOMMENDATIONS

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To improve performance, HCC could:

1. Complete a risk assessment(s) on violence and aggression, state the critical controls and develop monitoring activities.
2. Report on control effectiveness through a consistent set of PPIs, for example, percentage of workers competent at dealing with violent and aggressive people, number of times BWCs were used to de-escalate a situation, or number of improvements made as a result of near hit reports.
3. Ensure relevant people attend engagement meetings, such as with NZ Police.
4. Conduct a review into the wearing of SRBA, including the mitigation of comfort and heat-related issues.

## Risk 2: Working on underground services

### KITENGA - FINDINGS

Striking an underground service, particularly high-voltage power lines and high-pressure gas lines, can result in a catastrophic safety event. We believe it is a critical risk for all HCC workers who are required to locate existing services as part of repair, reinstatement or new work.

Despite its history of accidents, the high potential for harm and being 'a major cause for concern across the sector',<sup>41</sup> HCC has not assessed the risk of striking an underground service as 'critical'. It does not appear on the organisation's list of 13 critical risks; the Health and Safety function has not recorded it at all as either a critical or organisational risk in the hazard register; and, three business teams (City Delivery, City Waters and Parks Services), which did enter the risk into Vault, determined it was 'Moderate' after controls were in place.

HCC workers employ various methods to locate services. The most common method, at present, is to mark out the job (using whatever utilities information is available, such as service plans, and a digital locator where feasible) and then hand dig. If a detection device using electromagnetic induction is not feasible, a hand probe is used. Once the utilities are located, the job continues with further hand digging or moves to mechanical digging.

The safety issues relating to this method are well known, not least that of using a sharp, metal spade to cut through soil sitting above a utilities line. HCC has experienced several underground service strikes in recent months involving its own employees or contractors. Each has been investigated and corrective actions have been stated, with some implemented.

These incidents appear in the November 2019 and Feb-April 2020 reports to the SRAC. As a reader, one gets a sense of a continuing narrative. But that narrative stops when we get to the May-July 2020 report. There is no mention of underground service strikes. If this risk is a major concern, the narrative should carry on from report to report until it is no longer a concern. (Reference our suggestion on page 9 about consistent dashboards)

One of the safest ways, currently, to locate underground services is to use hydro excavation. HCC has access to this technology through a shared services arrangement and through employing contractors. All workers agreed hydro excavation is safe, fast and the least damaging to the environment. It is also accurate. Hydro excavation, according to one worker, was a 'no brainer - it's the best.' Another worker said that not only was hand digging 'a bit dangerous' but that it was also 'getting a bit tougher as I get older.' The second comment was an interesting point when one considers ageing workforces and incidences of musculoskeletal injuries.

The point of disagreement among workers was whether HCC should have its own hydro excavation units and crews or use contractors. Those wanting HCC-owned hydro excavation thought control over the timing of the job was important as contractors could not always be relied on to complete a project when HCC desired. The people in the latter camp thought contractors were more efficient and cost-effective, provided HCC's work planning enabled work to flow.

We note HCC is aware of the project undertaken by CHASNZ and WorkSafe to reduce strikes and attended one of the design thinking workshops in March 2020. This project is still underway.

A theme of this report is to look forward, not back. A comment in the SRAC report for Feb-April 2020 highlights the need for this shift. In a section that discusses notifiable events, three of which are strikes, it says that 'The Health and Safety Team are [sic] working alongside the above contractors to improve their incident reporting and subsequent investigation reports.' That is a laudable goal, but we argue what needs improving (unless it is already excellent) is the work practices employed by contractors to locate utilities. Are they digging and potholing by hand or are they using the identified, safe method, namely hydro excavation? The goal is to have no incidents of cutting through lines, pipes and cables, so the focus should be on what contractors are doing to eliminate or significantly reduce the risk of a strike.

Contracted work is subjected to safety observations and audits carried out by various HCC employees. Details on

<sup>41</sup> HCC, 'Strategic Risk and Assurance Report', February 2020-April 2020, p. 8.

what was looked at, for instance, how to mitigate the risk of an underground service strike, and the results thereof, are not presented in the SRAC reports. As pointed out in this report, health and safety in the contracting relationship is a large, complex area and one that deserves its own review.

A final point is that hydro excavation is not without health risks and safety risks. Incorrect pump pressure, tip and nozzle configuration can damage pipes and sheaths; water pressure can damage human tissue; and, vacuums can draw arms into hoses leading to degloving.

#### MAROHI - RECOMMENDATIONS

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To improve performance, HCC could:

1. Complete a risk assessment using an established methodology to determine its criticality and the range of controls required.
2. Decide on the safest and most effective control to eliminate or minimise the risk of striking an underground service.
3. Report consistently on control effectiveness.
4. Strengthen assurance monitoring in the contractor relationship by including the reporting of proactive measures to eliminate or minimise risk.

## Risk 3: Work-related stress

### KITENGA - FINDINGS:

Work-related stress is a critical health and safety risk for all workplaces. It is a risk not confined and controlled within the workplace's physical and time boundaries. Employers must acknowledge that stress can be compounded by factors outside of work, such as financial pressures, relationship worries, Covid-19 anxieties, underlying depression, fatigue, and so on. These external factors flow into the workplace and HCC is obligated to manage what comes through the door, including the behaviours that impact on others.

Most of the people we spoke to agreed work-related stress was an important issue and one that HCC had not paid enough attention to in previous years. That situation is changing. There is now more targeted activity. Partly this is due to a drive from the top with senior leaders taking a direct interest and responsibility for various elements of wellbeing. The Chief Executive, for instance, has made several public statements about the criticality of mental health to the future of the organisation and recently sat down with mental health advocate, Mike King, to discuss the subject. While the Mike King session was applauded, some workers reported they have not seen it due to the lack of time and/or a device.

We heard that the Chief Executive and other senior executives are open about mental health and are empathetic. However, most workers thought more stridency and overt leadership could be applied to further reduce the historical stigma about this area. They agreed there was lots going on, but they weren't seeing senior leaders clearly communicating the results of the activity and what more was planned.

Counselling is available in different forms. Everyone knew EAP Services was available and most workers knew how many sessions they could access. Some workers had accessed it and reported a positive experience; others said it didn't help at all. EAP usage is presented in the health and safety reports.

Most workers said they meet regularly with line managers to discuss technical competence and role development, and sometimes their wellbeing enters the conversation. Some workers said these sessions were valuable, but it depended on the manager. Workers were not sure what training their managers had received to enable them to initiate and respond to issues around mental health. We heard that people managers are undertaking a basic awareness course on mental health.

HCC has material on its Wellbeing Hub on the intranet, such as Five to Thrive, Mindfulness and a Wellbeing Guide. As with all such passive material, it was up to workers to make time to access it. We did not see any data on page views, click rates, engagement surveys, safety conversations, and so on that would indicate the effect this material is having on the mental health of workers.

Workers acknowledged work-related stress, like all psychosocial risks, is complex and that there are no easy solutions. They appreciated the various actions and activities, the wellbeing programmes and initiatives, and the increasingly open culture that aimed to de-stigmatise mental ill health. However, for some workers all this activity was 'noise' because it treated the symptoms and didn't get to the nub of the problem: too few people to do the work.

This opinion corresponds to accepted research on this topic in that the mental health of workers to a large degree depends on the absence of psychosocial stressors. A large workload is often defined by workers as being the most significant workplace stressor, that is, having too much to do and not enough time to do it. It is not only the amount of work that makes a difference but also the extent to which workers have the resources to do the work well. As such, the critical controls should be focused on workflow and work demand to provide an accurate assessment of potential or real stress.

One of the main psychosocial stressors for some workers was uncertainty. For them it was observing the number of acting and fixed term roles. One worker commented that it was unsettling having managers on fixed term positions as it created doubt about their own roles further down the chain.

We did not see a completed risk assessment using an established methodology.

#### MAROHI - RECOMMENDATIONS

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To improve performance, HCC could:

1. Ensure opportunities to be involved in mental health activities are equitable and accessible.
2. Strengthen overt leadership from senior figures in mental health activities, particularly around resourcing and relationship factors that contribute to work-related stress.
3. Complete a risk assessment(s) for the risk of work-related stress that highlights the fundamental contributing factors, particularly work demands and resourcing.
4. Develop a short set of PPIs to measure mental wellbeing in the workplace; involve HSRs and HSCs in monitoring activities; and, report on the results of the monitoring to provide an organisational picture.

# APPENDICES

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## Appendix A: Worker Summary

*Worker engagement is critical to good health and safety performance. This summary is designed to help you communicate with your workers about the results of this assessment.*

*Note: We have made a start to this summary. It demonstrates how the summary could be structured and the tone that could be used. If you decide to use it, you need to determine your salient points.*

### HCC'S RECENT HEALTH AND SAFETY ASSESSMENT

Hamilton City Council (HCC) took part in a SafePlus onsite assessment in September-October 2020. The assessment aims to improve health and safety and help make sure that everyone gets home healthy and safe. It checks how well we performed against ten requirements that are important for positive health and safety outcomes and provides advice on how to improve.

The SafePlus assessment team met with senior leaders, managers and frontline workers and looked specifically at how HCC managed the risks of violence and aggression, working on underground services and work-related stress. They would like to thank everyone for their manaakitanga and willingness to talk about health and safety.

### HOW HCC PERFORMED: HIGHLIGHTS

**Leadership:** The Strategic Risk and Assurance Committee takes a keen interest in health and safety and is asking questions of management. Senior executives understand the work and its associated risks and are involved in decisions that impact on worker health and safety. Continual improvement is a strongly held desire and there are several plans in motion to strengthen health and safety systems and performance.

**Worker engagement:** All levels of the organisation are involved in health and safety meetings and workers have the opportunity to discuss health and safety issues without fear of consequences. An established worker engagement system is in place. Health and Safety Representatives (HSRs) have time allocated to them to attend Health and Safety Committee (HSC) meetings and perform other related tasks.

**Risk management:** We have a consistent, shared understanding of our critical health risks and safety risks. A range of risk controls are in place and checks on effectiveness are happening. We are continually improving our electronic reporting and recording system.

### WHAT HCC COULD FOCUS ON NEXT

**Leadership:** We need to develop a set of health and safety goals that make sense to all of us. Senior leaders (Elected Members and executive managers) could be getting higher-level information on progress towards goal attainment and the state of critical risk management. Our health and safety reporting is too focused on incidents. Developing some measures that are proactive not reactive will help us look more to the future not the past.

**Worker engagement:** A worker-led HSC that sits above the six Group HSCs could provide the coordination and communication we need to get the worker voice heard at senior levels. HSRs could be given greater mana through publication of the successes being achieved by the HSCs. We need to emphasise at team meetings the positive things we are doing to get home safe, every day - and keep building on those successes rather than raking over the occasional failures.

**Risk management:** We could carry out more checks on the effectiveness of risk controls. They are a good example of a proactive measure. Our attention needs to be more focused on eliminating risks or, if not possible to eliminate the risk, to thinking more about designing or engineering ways to reduce the possibility of harm. We are relying too much on administrative controls and PPE.

**Note:** More detailed recommendations are available in the full report.

## Appendix B: Explanation of Performance Levels

Three levels of performance are used to determine current health and safety strengths and areas for improvement: Developing, Performing and Leading.

Performance is measured against each of the ten performance requirements and the overall outcome is based on these results.



A business at the **Developing** level may be aware of the need to improve its practices and performance to support better health and safety outcomes for workers. Risk management requirements may not yet be fully identified or addressed. Workers may be involved in some health and safety activities. Personal protective equipment (PPE) and administrative controls may be selected as the main form of control for risks. Health and safety processes may be largely informal and there may be lower levels of strategic planning to better manage health and safety risks. A developing business may tend to respond reactively to address issues as they occur.

*If any performance requirement is assessed as Developing, then the overall outcome of the assessment will be Developing.*

A **Performing** business is one where you can see alignment and practice with the requirements. It will have proactive and visible leadership and governance and will be actively reviewing and monitoring performance to support continual improvement. It will actively seek information on its health and safety risks and implement and monitor actions to sustainably manage identified health and safety risks. Workers are involved in all activities and empowered to take action. There is a shared understanding from workers at all levels of the commitment to support good health and safety outcomes.

*If there are a mix of Performing and Leading requirements and one to seven requirements are assessed as Leading (and there are no requirements that are Developing), then the overall outcome will be Performing.*

A **Leading** business is one that is consistently exceeding the Performing level in all areas. The business may actively seek opportunities to support the development of innovations that improve health and safety and address current and emerging health and safety risks for all in the sector. The business may take a leadership role in its industry to influence and assist others nationally or internationally to lift performance. Health and safety is integral in core business activities and a sense of corporate social responsibility can be demonstrated. The investment from the business is above (or beyond) job and legislative health and safety requirements. There is a strong sense of ownership from workers at all levels and the business actively supports workers to lead initiatives.

*If eight or above of the requirements are assessed as Leading (and there are no requirements that are Developing), then the overall outcome will be Leading.*



## Appendix C: Disclaimer and Assessment Details

### KPMG DISCLAIMER

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The recommendations and guidance in this report are based on the onsite assessment completed in a limited time and across limited parts of your organisation. While all due care has been taken in completing this report, KPMG takes no responsibility for any omissions or inaccuracies.

We have aimed to tailor our recommendations and suggested guidance to the information your organisation provided to us. However, given the educative focus of the initiative, our approach has been to include recommendations and references to guidance that we think will benefit your continual improvement (even if there is a chance you are already aware of such information and advice from other sources). KPMG is not responsible for the availability, contents or reliability of the linked websites. Please note that the content may change without notice.

Your organisation is responsible for ensuring it meets its health and safety obligations under relevant legislation.

Recommendations and guidance in this report are intended to help you to improve in relevant areas. They are not a substitute for specific health and safety or legal advice.

### CROWN DISCLAIMER

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Assessors have been accredited by an independent accreditation body to provide advice on improving health and safety performance using the SafePlus tool.

SafePlus was jointly developed by WorkSafe New Zealand, ACC and the Ministry of Business, Innovation and Employment (MBIE). However, assessors act independent of those organisations and are not their employees, partners or agents. Therefore, WorkSafe, ACC and MBIE do not accept any liability for the accuracy or content of the advice provided by assessors or endorse their performance judgement of a particular business.

### CONTACT DETAILS

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# SafePlus Action Plan | LEADERSHIP – HEALTH AND SAFETY 2020

Last updated 19/02/2020

CM # D-3590404

Action:	Recommendations:	Comments	Assigned To	Proposed Start	Target Finish	Actual Finish	Progress Comments	Review of Initiative	Completed
1	Document that officers are Elected Members and the Chief Executive.	Legal advice sought - Simpson Grierson have advised that our elected members and our Chief Executive only are "Officers" and this does not include our other GM's. This is based on an Australian Case where it has been ruled that the influence must be across the entire organisation. The Health and Safety Team will monitor any court cases that may further define the position. <b>D-XXXXXX</b>	Health and Safety	2020		12-Jul-20	This advice has been sought, refer to comments		Yes
2	Develop a structured plan for officers to meet due diligence obligations and record the competence and involvement of officers in health and safety matters.	Will look to include a Due Diligence framework document as part of our SMS. Competency may be documented in Cornerstone.	Health and Safety/Organisational Development				This will be part of the Safety Management System (SMS) which is currently being updated		
3	Develop an organisational health and safety strategy that (among other things): a. Sets out the vision, goals and objectives b. Allows for Group and Unit contextualisation.	Our Roadmap was reviewed with feedback provided to the Health and Safety Reset Team. (D-2722627) We will look to communicate the refreshed Roadmap across the Organisation to align with our Game Plan and new performance year 2021	Health and Safety	1 October 2021			Roadmap to be relaunched with SMS and our new Safety Management System in May/June 2021		
4	Develop a set (or sets) of Positive Performance Indicators (PPIs) to enable consistent, accurate reporting on risks, relationships and resources.	To be done, ability to record and share this information will be built into Ora where possible.	Health and Safety / Safety Governance Committee	1 January 2021			A discussion document on Positive Performance Indicators and Measurements has been drafted and will be presented to Business Leaders. We will also be discussing this at our first Safety Governance Committee meeting scheduled for the 4th March 2021		
5	Record senior leader interactions with workers as PPis and report back to the work area - and wider organisation - the results of interactions.	The Due Diligence framework will provide an overview and schedules within our new Safety Management System (Ora), providing Managers with a mechanism recording safety conversations and interactions in real time.	Health and Safety / Senior Leaders	Sep 2021 -			The ability to capture this information is being factored into the safety software build along side the SMS providing relevant documentation to support. This function will be implemented as part of the phase 2 rollout		
6	Strengthen health and safety performance reporting by (among other things): a. Providing officers with information pertinent to HSWA, s 44(4)(a,b) b. Showing progress towards achieving health goals and safety goals c. Showing progress towards elimination or minimisation of critical risks d. Explaining how existing controls are contributing to critical risk management e. Providing information based on PPis that focus more on outcomes than outputs f. Producing contextualised reports for specific audiences.	Draft PPI memo to be taken to the SGC for discussion. Ora to capture data and provide dashboards for reporting purposes.	Health and Safety / Safety Governance Committee				As above		
7	Produce a health and safety policy that is approved by the most senior level of the organisation and that demonstrates commitment from the most senior leaders to positive health and safety outcomes.	Review existing Health and Safety Policy (D-2851230) Commitment shown in SMS document.	Health and Safety				Commitment is in the Safety Managements Systems manual with the review of the policy to take place early in 2021		
8	Develop mechanisms that deliver positive reinforcement in a timely, consistent and proportional way, and communicate more frequently and widely the stories about good practice and performance.	Build this into Ora (Safe tree is a good example)	Health and Safety / Communications	1 July 2021	1 June 2021		Phase 2 of the Safety Software solution design		
9	Implement the draft health and safety management system (SMS).	SMS Principals and Requirements document to be released in Jan/Feb 2020 - Waiting on designers	Health and Safety / Communications	1 February 2021			More work is required before these top 5 high level documents in the SMS are released, with reviews of the drafts yet to be completed. Resource and/or existing team capacity is critical		
10	Develop SOPs in consultation with workers and their representatives that simply and effectively convey the steps in the process or task and the associated risks to health and safety.	The State of Safety Assessments will provide insight regarding the Business Units availability of SOPs: a) Review dates b) Content Health and Safety Team to provide template and a library in Ora to share safety risk information.	Health and Safety / Business Units	1 February 2021	1 June 2021		State of Safety assessment meetings have been scheduled to take place between Feb - May 2021. This information will then inform SOPs that require review across the Organisation		
11	Strengthen the 'training to competence' framework through frequent field checks and regular refresher training and shift to reporting on competence rather than training.	Pillar 4 in the SMS will provide a framework for this process, with Cornerstone/Ora providing the technology to document and maintain current competency records. Development Plans also record some of this information.	Health and Safety / Organisational Development				The PSW OD Team is currently working on training and competency within Cornerstone, our LMS, with pillar 4 of the SMS providing overarching information to support this. Currently development plans form part of this framework. Business Units are responsible for tracking progress		

SafePlus Action Plan   WORKER ENGAGEMENT - HEALTH AND SAFETY 2020										
Last updated 19/02/2020									CM # D-3590404	
Action:	Recommendations:	Comments	Assigned To	Proposed Start	Actual Start	Target Finish	Actual Finish	Progress Comments	Review of Initiative	Completed
1	Enhance the mana of HSRs through positive reinforcement of commitment and work performed.	We have a Bravo system that recognises work in the Health and Safety Space and the Health and Safety Team do award these to HSR's doing good work. At the end of year we also recognise the good work that the HSR's carry out and award a HSR of the year.	Health and Safety	Feb-21				WorkSafe are currently working on a review and how this can be achieved. Council staff have been invited to a workshop with WorkSafe with findings to follow.		
2	Decide whether to: a. Keep the health and safety noticeboards (but use them more effectively) b. Reduce the size of the noticeboards and only display the most important material c. Remove the noticeboards.	This initiative was refreshed in 2019, with the HSRs having ownership of their boards to convey messages to staff with some HSR's utilising this mechanism of communication well. Council is having electronic boards installed in communal areas across the Business Units in 2021 to ensure info is up to date and provide a refreshed approach in reaching staff that are not on computers. A project has been set up to ensure all staff have an HCC email address to receive communications.	Health and Safety / Communications					Status quo at present as all staff require an email address to be able to have access to our new safety software system that will contain a library of information. The notice board is working well on some sites, with electronic notice boards to be rolled out.		
3	Create an organisation-wide HSC comprised of one representative from each of the Group HSCs, unions, selected managers and the Chief Executive.	This piece of work is currently underway with an Independent chair appointed and a TOR in Draft. It is envisaged the newly formed Safety Governance Committee will meet in March 2021.	Health and Safety	Mar-21	4th March 2021			Terms of Reference drafted with first committee meeting to be held 4th March 2021		
4	Develop Positive Performance Indicators (PPIs) to measure the effectiveness of HSRs and HSCs.	PPIs to be agreed upon and included with the PPI memo that is to be drafted. I.e. attendance at meetings, participation in hazard/risk assessments etc.	Health and Safety / HSR's / HSC	1-Jan-21				A Positive Performance Indicators and measurement document has been drafted to present possible PPI's, this and the Business Leaders - Measuring what matters document is on the agenda at the first Safety Governance Committee meeting set for Thursday 4th March		
5	Develop a mechanism whereby HSRs deliver the agreed salient points from HSC meetings and other health and safety-related work.	These points may be added into Ora as assigned actions with sign off required by the HSR's once completed	Health and Safety					Key talking points to be socialised following the newly formed SGC, who are scheduled to meet on the 4th March 2021		
6	Involve workers and their representatives in the setting and monitoring of health goals and safety goals. NB: the term "Safety" as used at Council refers to both health and safety - prevention of harm.	Ongoing work to ensure we involve staff in consultation regarding setting and monitoring goals. Opportunities include: a) Safety Governance Committee b) Group Safety Committees c) Business Unit Safety meetings d) Health and Safety Rep meetings e) Hazard & risk assessments f) Safety Investigations g) Assurance	Health and Safety and respective Committees					To align with our refreshed Safety Roadmap and Game Plan to be rolled out May/June 2021		

# SafePlus Action Plan | RISK MANAGEMENT - HEALTH AND SAFETY 2020

Last updated 19/02/2020

CM # D-3590404

Action:	Recommendations:	Comments	Assigned To	Proposed Start	Actual Start	Target Finish	Actual Finish	Progress Comments	Review of Initiative	Completed
1	Complete risk assessments of targeted, identified risks using an established risk assessment tool. Note: Workers and their representatives, subject matter experts and managers should be involved in the mahl.	The Critical High Level Risk Review is to commence in Feb 2021 covering the following High Level Risks: <ul style="list-style-type: none"> <li>Working at Height</li> <li>Hazardous Substances</li> <li>Dealing with aggressive/violent people</li> <li>Working alone or in isolation</li> <li>Driving on the road</li> <li>Working with electricity</li> </ul>	Greg Dearsly / Health and Safety Team	Feb-21				Working at Height and Hazardous Substances Learning teams have meet, with other teams scheduled		
2	Include work-related stress (or similar definition) as a critical risk.	Psycho-social hazards and risks will be included in all risk assessments	Health and Safety	May/June 2020				Risks assessments to incorporate hazards/risks associated with psycho-social harm. New safety system to provide pick-list functionality to record and apply appropriate controls.		
3	Define the critical controls for the succinct set of critical risks.	Critical Control Management plan will be built into Ora. This will be released in version 2.	Health and Safety	Apr-20				New Policy and Guidelines have been drafted in support of critical control management. Ready for release		
4	Develop a three lines of assurance framework that includes a work plan or calendar.	This is in the Assurance Framework in the SMS. (D-XXXX)	Health and Safety					To be included as part of the new safety software solution		
5	Reiterate the principles and application of the hierarchy of risk control and the importance of focusing on critical controls.	Training will be provided to staff regarding the principals of risk control, these principals are reflected in both the SMS and Ora with the hierarchy of controls embedded into the software system and reported on.	Health and Safety					Embedded as part of the safety risk management module in the new safety software		
6	Strengthen the quantity and quality of near miss reporting through implementation of a four-step accountability model: Define, Train, Measure, Recognise.	This will be embedded into the change management process in Ora.	Health and Safety					Simplified event reporting to support 10 clicks/2 minutes. End user in mind and will support improved reporting		
7	Shift from investigating to learning.	This concept is included in the investigation framework and is driven from the triaging of safety events.	Health and Safety					Various investigation tools will be part of the event reporting guidelines		
8	Clarify the event escalation process, including which events are escalated to Council/SRAC.	Triage Framework will outline this escalation process	Health and Safety					This is still to be determined but will be embedded as part of the escalation tree automated within the new safety software		
9	Clarify which events will undergo learning conversations, learning reviews, ICAM reviews, external investigations, and so on.	As above	Health and Safety					Part of the triage process when events are logged and recorded		
10	Train more HSRs and other interested people in event review techniques and practices.	A training proposal is currently being explored which will include elements of this training	Health and Safety	Feb-20				All existing HSR's to be retrained with a view that they will become part of the wider investigation team. Pilot training commenced in Feb 2021		

SafePlus Action Plan | KEY RISKS - HEALTH AND SAFETY 2020

Last updated 19/02/2020

CM # D-3590404

Action:	Risk	Recommendations:	Comments	Assigned To	Proposed Start	Actual Start	Target Finish	Actual Finish	Progress Comments	Review of Initiative	Completed
1	Violence and Aggression	Complete a risk assessment(s) on violence and aggression, state the critical controls and develop monitoring activities.	This will be done as part of the Critical High Level Risk Review which commences in Feb 2021 •Working at Height •Hazardous Substances •Dealing with aggressive/violent people •Working alone or in isolation •Driving on the road •Working with electricity	Health and Safety	4th Feb 2021				Working at Height 4 & 11 Feb Hazardous Substances 4 & 11 Feb		
2	Violence and Aggression	Report on control effectiveness through a consistent set of PPis, for example, percentage of workers competent at dealing with violent and aggressive people, number of times body wearing cameras (BWCs) were used to de-escalate a situation, or number of improvements made as a result of near hit reports.	Built into Ora	Health and Safety					PPI work, Safety Governance Committee		
3	Violence and Aggression	Ensure relevant people attend engagement meetings, such as with NZ Police.	This may happen across the Organisation already. Discuss with relevant business units and ensure this interaction is documented in Ora	Health and Safety							
4	Violence and Aggression	Conduct a review into the wearing of Stab Resistant Body Armour (SRBA), including the mitigation of comfort and heat-related issues.	Health and Safety Team to work with Animal control to complete a Risk Assessment on the wearing SRBA. This discussion will be had as part of the risk assessment process	Health and Safety / Animal Control							
5	Working on Underground Services	Complete a risk assessment using an established methodology to determine its criticality and the range of controls required.	An independent review has commenced on all Underground Service strikes that occurred in 2020. Risk assessment to be completed with Business Units	Geraint Rowlands / Health and Safety / Business Units	Dec-20	Dec-20	Feb-20		Meeting with Geraint on Friday 22nd Jan to discuss draft report		
6	Working on Underground Services	Decide on the safest and most effective control to eliminate or minimise the risk of striking an underground service.	This will be done Following the recommendations from the Service Strike review, and risk assessments conducted. Infrastructure Operations are now using ground penetrating radar for planned work only	Health and Safety / Relevant Business Units							
7	Working on Underground Services	Report consistently on control effectiveness.	Business Units / Ora (V2) / SMS	Business Units / Health and Safety							
8	Working on Underground Services	Strengthen assurance monitoring in the contractor relationship by including the reporting of proactive measures to eliminate or minimise risk.	SMS will provide the high level guidance for this with Ora ultimately providing the platform for recording. The contractor management framework will also provide additional information.	Business Units / Health and Safety / Procurement							
9	Work Related Stress	Ensure opportunities to be involved in mental health activities are equitable and accessible.	All staff will be provided with an HCC email address so they can watch any recordings, access the wellbeing hub, velocity, Moorena Mail etc. TV screens will be installed in communal areas to promote access to EAP/Vtase/Peer Support and any campaigns such as MHAW. Promotion of onsite EAP services available via Vtase to Business Units	Health and Safety							
10	Work Related Stress	Strengthen overt leadership from senior figures in mental health activities, particularly around resourcing and relationship factors that contribute to work-related stress.	Possibly look to have GM's each "own" a High Level Risk of which work related stress (psychosocial risk) is one of these. They can then demonstrate their leadership and promote the risk. Look to develop PPI's for SLT / BSLT / 3LT	Health and Safety							
11	Work Related Stress	Complete a risk assessment(s) for the risk of work-related stress that highlights the fundamental contributing factors, particularly work demands and resourcing.	This will be done as part of the High Level Critical Risk Review and incorporated into the management of our psychosocial risks.	Health and Safety							

# Council Report

Item 8

**Committee:** Strategic Risk and Assurance Committee  
**Date:** 11 March 2021  
**Author:** Heather Burden  
**Authoriser:** David Bryant  
**Position:** Risk Manager  
**Position:** General Manager Corporate  
**Report Name:** Risk Management Report

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

1. To inform the Strategic Risk and Assurance Committee on the status of Hamilton City Council's nine strategic risks, three key organisational risks and key emerging risks.

## Staff Recommendation - *Tuutohu-aa-kaimahi*

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

## Executive Summary - *Whakaraapopototanga matua*

3. The Strategic Risk and Assurance Committee meeting of 16 May 2019 approved, for monitoring purposes, eight strategic risks and three key organisational risks (as set out below). At subsequent meetings, staff reported on the status of each risk and associated improvement plans. A ninth strategic risk, Climate Change, was added in March 2021.
4. Staff will continue to provide a report on these matters at each meeting of the Committee. The purpose of the report is to highlight only those risks where there has been significant activity. The appended register sets out more detail on all risks.
5. Staff consider the matters in this report have medium significance and that the recommendations comply with the Council's legal requirements.

## Background - *Koorero whaimaarama*

6. Continuing from last quarter's risk management report, only risks that have had significant changes or activity since the December 2020 Committee are discussed below. All other risks not mentioned below can still be found in more detail in the appended Strategic and Organisational Risk Register.
7. From March 2021 Climate Change is now reported to the Strategic Risk and Assurance Committee on as the ninth strategic risk. A report was taken to the December Environment Committee which highlighted the need for both Committees to report on the risk of Climate Change to Hamilton City Council.



## Discussion - *Matapaki*

### Long Term Plan

8. During January 2021 the draft Long Term Plan was reviewed and audited by Audit NZ, having been approved by Council in December 2020. This included assumptions in putting this draft together around Covid-19 impacts, rates affordability and growth projections. During this process the assumptions and what the potential consequences could have on revenue were reviewed. These will continue to be monitored through to the final budget being approved in June 2021.
9. The Council also reviewed its Financial Strategy and are proposing to make changes to the Debt/Revenue ratio. The proposed ratio is the same as the one used by the LGFA. While this could create a risk with reduced headroom above these limits, Council has a number of alternative controls i.e., stopping expenditure, using the ANZ facility etc (as detailed in **Strategic Risk 2**).

## Strategic Risks

### Strategic Risk 1 - A disaster event

10. This risk relates to a natural or human-induced disaster event. Council's emergency management framework is supported by local emergency services, National Emergency Management Agency (NEMA), the Civil Defence Group, Regional Hazards Group and the local Emergency Operations Centre structure (capable of responding to a variety of disasters). Actions undertaken have had a very strong focus on Covid-19 resurgence preparation.
11. Planning for a coordinated regional CDEM response in the event of a community outbreak of Covid-19 has continued at pace. This has included workshops detailing the probable staffing contributions that each local authority would be expected to provide to operate a fully functional regional operational centre that would lead any Covid-19 responses wherever they may arise across the region.
12. The Council's contribution equates to 26 staff for the first 14 days of any regional response. Adequately trained Council staff were identified and made themselves available to respond to any resurgence requirements over the Christmas holiday period. Staff continue to maintain a list of primary responders to fulfil Council staffing requirements in the event of any kind of resurgence of Covid-19.
13. Council CDEM plans have been activated twice in recent weeks to provide initial logistical and welfare support to primary and pop up Covid-19 testing centres in the city.
14. Covid-19 has also created additional urgency for the sector to recognise and embrace the role Iwi Maaori play in emergency management and to attempt to further integrate te ao Maaori into emergency management planning and responses. Staff continue to develop the role and function of the Iwi Maaori advisor to the CDEM Controller (Pou Aarahi). This was one of the recommendations that arose from the Regional Covid-19 Response Debrief Report
15. Workshops have commenced with vulnerable communities and partner agencies focussing on supporting them to respond to a potential resurgence of Covid-19 and to increase their preparedness to respond to other emergencies. The first workshop was held at Waikato Settlement Centre on the 29 January.
16. While the residual rating for this risk remains very high, the rating is due to the unknown impact any disaster event could have on the city and the community.

### Strategic Risk 2 - Major economic or financial shock

17. This risk identifies external factors that could have significant negative impact for Council and Hamilton City, and identifies the relevant controls and mitigations in place.

18. Council has some short-term financial resilience. This is a combination of lending facilities with the bank and with LGFA. A significant shock would require Council to urgently review its capital and operating spending; depending on the circumstances.
19. Staff continue to work with the team at PricewaterhouseCoopers on a monthly basis to review and discuss what is happening internationally and nationally with regards to economic and financial trends.

### **Strategic Risk 3 – Increasing Compliance Standards**

20. Strategic Risk 3 seeks to understand how Increasing Compliance Standards may impact on Council's Strategic Direction.
21. On 1 December 2020 the new Privacy Act (2020) came into effect. Work on reviewing compliance with Privacy Act 2020 requirements will continue and an update will be provided to the Committee in June.
22. Further tranches of changes to the Residential Tenancies Act have come in to force from 11 February 2021. As part of the work on compliance, reporting staff will discuss with the team responsible for property management the impact of these changes on Council services.
23. New climate change legislation and the remit of the Climate Change Commission has the potential to significantly impact Council business. This will be considered as part of the context for the new strategic risk of Climate Change (SR9). Refer also to RMA reform below and Central Government work to introduce the Climate Change Adaptation Act.
24. Three Waters Reform, as signalled by Central Government, has the potential to raise challenges in terms of compliance with Central Government timeframes and any new legislation to effect proposed reforms. This is an emerging compliance risk.
25. Central Government has already made several changes to the Resource Management Act 1991 landscape – Council has signalled that compliance with this and other legislative changes will require significant funding via its discussions on the draft Long Term Plan – a targeted rate is currently proposed for this purpose. Further reform to repeal the RMA and replace it with three new pieces of legislation – the Natural and Built Environments Act, Climate Change Adaptation Act and Strategic Planning Act – has recently been announced. This is an emerging compliance risk.
26. COVID-19 presents a compliance risk to the organisation – for example legislative timeframes for completion of significant documents such as the Annual Report. Central Government and sector representatives (e.g. SOLGM) undertook a significant piece of work in response to the 2020 national lockdown to ensure the necessary legislative changes to accommodate the effects of lockdown. As a result of this past experience the sector is well placed should similar circumstances arise in 2021.

### **Strategic Risk 4 – Cyber Attack**

27. This risk continues to be managed "to ensure the organisation is secure from credible cyber threats".
28. An IS Security and Risk Officer has been appointed to lead the implementation of a number of cyber security related initiatives to business-wide systems, policies and procedures. These initiatives will improve the Council's security posture, reducing the likelihood and impact of any potential cyber security event.
29. Council continues to experience increased activity in cyber-attacks through sophisticated email phishing campaigns. Targeted end-user training has commenced to help staff identify and act accordingly to these threats. This education programme will be ongoing.

30. In light of recent security events, staff are accelerating the implementation of several cyber security-related enhancements. Staff are beginning discussions with potential external partners who can provide complimentary cyber security services.
31. Attacks on critical infrastructure and government departments mean that Council continues to be at risk of being targeted. Work continues to eliminate externally facing vulnerabilities and improve anomaly detection capabilities.

#### **Strategic Risk 5 – Growth**

32. Strategic Risk 5 continues to look at significant changes in growth demand, and/or the consequences of growth not delivering positive outcomes for the community.
33. A wider economic downturn occurred due to a global COVID-19 pandemic. The pandemic continues to be well managed from a public health perspective in NZ which in turn has meant NZ's economy has been resilient when compared to other nations. Nevertheless, NZ has higher unemployment and increasing inequality. Globalisation also means that if NZ's trading partners hurt so does NZ's economy. Consenting is important for Council as increasing revenue is predicated on growth.
34. COVID-19 had an impact on consenting; however, activity is above what Council expected when it developed initial forecasts during the early stages of Covid-19 and the lockdown period. The residential sector has been stimulated through RBNZ policy. In 2020 the number of residential sub-division lots lodged was 1,755, about the same as in 2019. The pattern around infill and greenfield consents has remained consistent with 51% of consents being for infill developments in 2020. In 2020 consents for 1,317 new dwellings were lodged. While this is a drop from the 1,659 consents lodged in 2019, it reflects that 2019 was a record year for consenting in Hamilton City. Staff continue to work through the backlog of building inspections and consenting as a result of lockdown in 2020. Despite this 1,406 Code Compliance Certificates were issued this year, a new record for Hamilton City.

#### **Strategic Risk 6 – Political**

35. Strategic Risk 6 looks to understand and manage how political changes or decisions impact Council's Strategic Direction.
36. As part of any consideration for future COVID-19 events, the relationships and interaction with key stakeholders will be a very important mitigation as we work through any resurgence (as evidenced in the 2020 incident).
37. Staff continue to monitor the political market to ensure that Council is able to be agile and flexible as change evolves and is not adversely impacted by any new developments. This resilience to significant political change is testimony to the effective controls that are in place to manage this risk.

#### **Strategic Risk 7 - Significant shortage of key external resources**

38. This risk focuses on the strain on resources and materials across New Zealand and the impact this will have on current or pending development across Hamilton city.
39. Regarding the capital programme delivery, Council has budgeted capital works programmes of over \$300m this financial year and in year 1 of the draft 2021-31 LTP, which is a significant increase from under \$100m in 2017/18, \$150m delivered in 2018/19 and \$190m in 2019/20.
40. It is noted that large components of the forward works programme are already committed with associated delivery resources secured via multi-year contract engagements.

41. The current delivery capacity of the construction industry and supply chain is under pressure regionally and nationally, noting particularly planned central government investment programmes including:
  - the \$6.8B NZ upgrade transportation programme as announced in early 2020, with many key projects from this programme now in the procurement or construction stage;
  - water sector stimulus investment being delivered nationally over the next 12 months; and
  - stimulus investment to 'shovel ready' projects and programmes nationally.
42. COVID-19 has had an impact particularly on the availability of construction personnel, due to border restrictions impacting on the ability to employ migrant workers, who are a key component of the construction supply chain. International supply chains have also been affected by the pandemic, with this particularly impacting availability of new plant as well as delivery timeframes for international items such as streetlights.
43. Insights from the construction industry indicate that contractors' current confidence in the total forward works pipeline both nationally and regionally is low, and accordingly they are not proactively investing in growing delivery capacity without forward works certainty in the form of contractual commitments and further clarity of council's 2021-31 LTPs and Waka Kotahi NZTA's 2021-24 NLTP.
44. Recent construction tenders being advertised by Council have generally been receiving healthy and competitive industry responses, which indicates the regional market is still actively looking for work.
45. The largest current construction project in the Waikato – construction of the Hamilton section of the Waikato Expressway is due to be complete this calendar year, which staff anticipate will provide some additional local resource capacity upon completion.
46. The Development Group is currently leading pipeline visibility and supply chain engagement for the sub-region, as well as integrating with the Infrastructure Commission and the national infrastructure pipeline.

### Strategic Risk 8 – Security

47. This risk relates to a major security threat which would impact Council's strategic direction.
48. Security risk assessments have been completed for public-facing community facilities – Animal Care Centre, Hamilton Park Cemetery and Crematorium, Hamilton Gardens, Hamilton Community Libraries, Hamilton Aquatic Facilities (Waterworld and Gallagher), Hamilton Zoo, Gallagher Park, Park Groundsman Sheds, Transport Centre and the Municipal Public Counter.
49. The findings and recommendations will be presented at the Strategic Risk & Assurance Committee workshop in March 2021.

### Strategic Risk 9 – Climate Change

50. Failure to adapt to the changing environment as a result of climate change, including failure to mitigate the organisations contributions to greenhouse gas emissions is detailed for the first time to the Strategic Risk and Assurance Committee as a Strategic Risk.
51. The Environment Committee recommended 1 December 2020 that climate change move from an emerging to strategic risk for Hamilton City Council ([Agenda](#), [Minutes](#)). This was informed by a number of key reports published in 2020 (outlined in the Environment Committee report) and changes in the expectations on territorial Councils.
52. The recently released draft advice from the Climate Change Commission on the emissions reductions required over the 2022-2035 and associated policies further highlights the changes that are likely to occur in our economy and society over the next fifteen years as the country begins to decarbonise.

53. Strategic Risk 9 – Climate Change has been assessed as having a very high-risk rating. This is based on the urgency of action required by Government, businesses, and organisations to reduce emissions and the impact that the transition as well as physical impacts will have on our economy, society, and environment. Action on climate change is changing at a faster rate than previously seen and it is likely this will continue over the coming decade.

#### **Council climate change action update**

54. The Climate Change Steering Group has been formed and will meet for the first time on 4 March 2021. The steering group will provide leadership on climate change across the organisation and will oversee the development of the climate change policy and long-term strategy.
55. Stage 1 of the climate change modelling has been completed and has informed the draft Infrastructure Strategy 2021-2051. The modelling predicts that across a range of climate variables the changes will be moderate until around middle of the century. For the second half of the century the model projections show a lot of variability and uncertainty in what the changes will look like. Following stage 2 of the modelling a more detailed update will be provided.

#### **Government climate change response update**

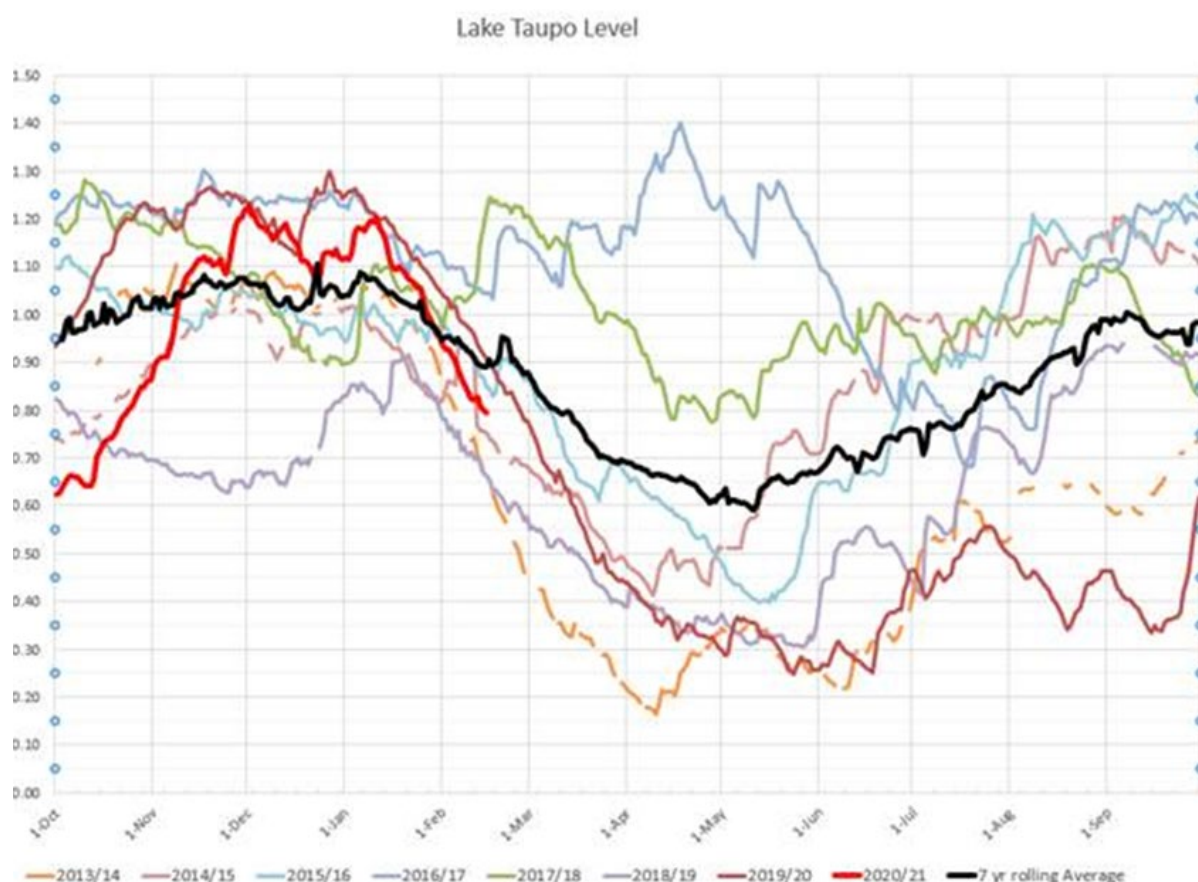
56. A number of key actions established in the Climate Change Response Act 2002 will be implemented this year. The first was on the 31 January 2021 when the Climate Change Commission released their draft advice to Government for consultation. The draft advice includes recommendations on the first three emissions budgets and a pathway to achieve them. The draft advice includes recommendations on central and local government working together and significant changes to the transport sector. The Government will receive the final advice in May and will announce the budgets and Emissions Reduction Plan by the end of 2021.
57. In 2020, Government released the first National Climate Change Risk Assessment (NCCRA), which identifies 43 priority risks, of which ten were deemed to be most significant, based on urgency. As well as many of the more known risks around the physical impacts of climate change the top ten risks included:
- risks to governments from economic costs associated with lost productivity, disaster relief expenditure and unfunded contingent liabilities due to extreme events and ongoing, gradual changes;
  - risks to the financial system from instability due to extreme weather events and ongoing, gradual changes;
  - risk of maladaptation across all domains due to practices, processes and tools that do not account for uncertainty and change over long timeframes; and
  - risk that climate change impacts across all domains will be exacerbated because current institutional arrangements are not fit for adaptation. Institutional arrangements include legislative and decision-making frameworks, coordination within and across levels of government, and funding mechanisms.
58. The Ministry for the Environment have informed Councils that they are developing a toolkit for climate change risk assessments that can be applied at the local scale. It will build on the NCCRA approach. Staff will complete a detailed risk assessment when this toolkit becomes available.

## Organisational Risks

59. The **Health and Safety risk to staff, contractors and volunteers** will be presented in more detail to the Committee in a separate report as part of this agenda. Note: there is no change to the residual risk for this quarter. Staff continue to be engaged with business units in planning for COVID-19 preparedness.
60. The **Safety and Wellbeing of the Community** risk was identified as an area that required more analysis to identify key risk exposures to the Council, relating to facilities and services provided to the community. Security Risk Assessments are complete and will be presented at the Committee workshop in March 2021. A monitoring and reporting framework for other risks relating to Organisational Risk 2 will be presented to the June 2021 SRAC meeting.
61. In terms of the **Failure of Critical Assets** risk, monitoring of the condition of critical assets will continue to be undertaken by way of asset management plans (which are ongoing). A work programme, which is regularly reviewed, is in place for maintenance and renewal of these assets.

## Emerging Risks

62. Emerging risks are those that may develop, or which already exist and are difficult to quantify but may have a high consequence or high impact if they materialise.
63. **‘City Water Supply – quality and quantity of intake from the Waikato River’** continues to be regularly reported to the Committee as an emerging risk.
64. Increased rainfall during late spring resulted in Lake Taupo water levels recovering well in the last quarter of 2020. The warmer and more settled weather experienced in January and February 2021 has seen a steady decrease in Lake levels, as expected for this time of year, and the Lake Taupo water level is now just below the average for this time of year.
65. The graph below shows the historical water level trends for Lake Taupo since 2013. The 2019/20 lake level trend is indicated in orange and the current 2020/21 lake level trend is indicated in red. The black trend line in the graph shows the 7-year rolling average Lake Taupo level. The measurement on the left-hand axis of the graph shows the meters above the minimum operating level for Lake Taupo. If the minimum operating level is reached, the river system is operated so the outflows from the Karapiro Dam match the inflows to Lake Taupo. This can result in the Waikato River level downstream of the Karapiro Dam dropping significantly.



66. As previously reported, the Waiora Water Treatment Plant's water inlet pipe is set at a fixed level in the Waikato River. If river levels drop below the level of this pipe, the treatment plant is unable to physically pump water from the river to the treatment plant. In 2016, a dedicated floating platform with pumps was built to enable the pumping of water from the deeper part of the Waikato river into the water treatment plant during exceptionally low river levels. This contingency plan, if required, will ensure that the treatment plant can continue to treat and supply Hamilton with up to 70 million litres of treated water per day.
67. NIWA are predicting temperatures to be above average and for soil moisture levels and river flows to be below average through until April 2021, so Lake Taupo levels are expected to continue to reduce over the coming months. Generally, the risk period for low water levels of Lake Taupo occurs during the April – June period of the year. Staff are in regular contact with Mercury and Waikato Regional Council to monitor both Lake Taupo and Waikato River levels.
68. As part of the Three Waters Reform Stimulus funding programme of works, staff will be undertaking a trial deployment of the Low River Contingency plan in the first quarter of 2021 and increasing the pumping capacity of the floating platform from 70 million litres to approximately 90 million litres of treated water per day.

#### Financial Considerations - *Whaiwhakaaro Puutea*

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

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

70. Staff confirm that the Strategic Risk Management Report complies with the Council's legal and policy requirements.

## Wellbeing Considerations - *Whaiwhakaaro-aa-oranga tonutanga*

71. 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').
72. 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.
73. The recommendations set out in this report are consistent with that purpose.

### Social

74. The risks highlighted in this report have the capacity to affect social wellbeing should they materialise. Council's effective management of the risks outlined in this report (as well as management of opportunities arising from these risks) will ensure social wellbeing continues to be prioritised.

### Economic

75. The risks highlighted in this report have the capacity to affect economic wellbeing should they materialise. Again, this is still evident in respect of COVID-19, which continues to impact on economic wellbeing locally, regionally, nationally and globally for the mid- to long-term, with effects on jobs and earnings, income and consumption, growth, and other aspects of economic wellbeing. Council's effective management of the risks outlined in this report (as well as management of opportunities arising from these risks) will ensure economic wellbeing continues to be prioritised.

### Environmental

76. Council continues to manage its response to the COVID-19 risk with a positive impact on environmental wellbeing, including the Council's 'shovel ready' projects pitched to central government. Finding opportunities in risks such as this means that environmental wellbeing continues to be prioritised.

### Cultural

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

### Risks - *Tuuraru*

78. The Risk Register (**Attachment 1**) identifies the risks relating to this report.

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

### Significance

79. Having considered the Significance and Engagement Policy, staff have assessed that the matters in this report have low significance.

### Engagement

80. Community views and preferences are already known to the Council. Given the low level of significance determined, the engagement level is low, and no engagement is required.



## **Attachments - *Ngaa taapirihanga***

Attachment 1 - Strategic Risk and Assurance Committee - Risk Register - March 2021




**Item 8**

## Council Strategic Risk Register – March 2021

Risk Number	Strategic Risk Description	Risk Owner	Residual Risk Rating
1	<b>A Disaster Event</b> <i>A natural or human-induced disaster event (excluding act of terrorism)</i>	Jen Baird	Very High 
2	<b>Major Economic or Financial Shock</b> <i>An external financial event impacts Council's financial strategy, fiscal and monetary position.</i>	David Bryant	Medium 
3	<b>Increasing Compliance Standards due to Stakeholder Expectations</b> <i>The risk of central government and regional council increasing compliance standards or changes in community expectations.</i>	David Bryant	High 
4	<b>Cyber Attack</b> <i>Unauthorised access to Council's IT infrastructure results in loss of service continuity that may lead to safety risks to Hamiltonians and relatable consequences of reputational, legal, and financial losses.</i>	David Bryant	High 
5	<b>Growth</b> <i>Significant change to/in growth demand and/or the consequences growth does not deliver positive outcomes for the community.</i>	Jen Baird	High 
6	<b>Political changes impact Council's strategic direction</b> <i>Political stakeholders make unpredictable decisions or take actions that significantly impact or contradict Council's strategic imperatives.</i>	Blair Bowcott	Very High 
7	<b>Significant Shortages of Key External Resources</b> <i>The market is unable to deliver necessary resources to achieve our strategy; including but not limited to people and material for projects</i>	Chris Allen	Very High 
8	<b>High-Level security threat or major emergency</b> <i>A safety, security or environmental attack materialises and impacts Council's strategic direction.</i>	David Bryant	High 
9	<b>Climate Change</b> <i>Failure to adapt to the changing environment as a result of climate change, including failure to mitigate the organisations contributions to greenhouse gas emissions</i>	Sean Hickey	Very High

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Risk Number	Organisational Risk Description	Risk Owner	Residual Risk Rating
1	<b>H&amp;S – Workers (incl. contracted workers &amp; volunteer workers)</b> <i>Failure to ensure the health and safety of council staff or workers whose activities are influenced or directed by council, while the workers are carrying out work.</i>	David Bryant	High  High
2	<b>Safety and Wellbeing of the Community</b> <i>Failure to create, provide and maintain a safe environment for the community leading to a serious injury incident or fatality.</i>	Lance Vervoort	High  Medium
3	<b>Failure of critical assets</b> <i>Incorrect investment (timing and/or amounts) results in the unexpected failure of critical assets (loss of levels of service).</i>	Eeva-Liisa Wright	High 

\* There is a very strong relationship between the likelihood and severity (consequence) of H&S incidents. The likelihood of minor injuries is much higher than an incident which could result in a death. (refer pp 20-25)

\*\* Council takes the safety of our people and the community seriously and are working hard to reduce the likelihood of a serious harm incident. Due to the focus and definition of this risk relating to death or a serious injury, the risk rating (and by extension the target risk rating) can never reduce below 'High' because we consider the consequence to be 'catastrophic'. (refer pp 20-25)





### Emerging Risks – verbal discussion topics

Emerging risks are risks which may develop or which already exist and are difficult to quantify but may have a high consequence or high impact if they materialise. The following identified risks are not ranked but monitored informally across Council and reported when appropriate. Analysis and mitigation identification have been conducted as operational and business as usual applications.

- *City Water Supply – quality and quantity of intake from the Waikato River.*

Risk Type	Definition
Strategic	The risk of an event or impact that is <b>external</b> to Council and could impact the organisation's strategies, including Council's Financial Strategy, Long Term Plan and 30 Year Infrastructure Strategy.
Organisational	The risk of an event or impact that is <b>internal</b> or <b>external</b> to Council and could impact the whole organisation.
Operational	The risk of an event or impact that is <b>internal</b> or <b>external</b> to Council and could impact one or more Operational activity.
Emerging	Emerging risks are risks which may develop or which already exist and are difficult to quantify but may have a high consequence, high impact if they materialise.

### Residual rating legend

Indicator	Description	Indicator	Description
	No change – managed		Adverse change since previous
	New risk		Improved change since previous

# Strategic Risk 1

## A Disaster Event

A natural or human-induced disaster event (excluding an act of terrorism)

<b>Risk Owner –</b> (GM Level)	Jen Baird	<b>Category</b>	Strategic Preparation and Disaster Recovery
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### Risk Triggers

- Natural disaster event without warning or build up
- Severe weather events that increase in intensity, including those events that are a result of climate change
- Critical asset failure that impacts the safety of Hamiltonians – water, energy, telecommunications, financial, transportation
- Civil unrest – political or social unrest resulting in a security or safety threat to people or assets (excluding an act of terrorism)
- Disaster caused by failure of human-made structures
- Pandemic

<b>Inherent Likelihood</b>	Possible	<b>Inherent Consequence Driver</b> Strategic Safety & Wellbeing,	Catastrophic	<b>Inherent Risk Rating</b>	<b>Rating</b> Very High
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### Existing Controls and Mitigations

#### Emergency management

- Annual external (NEMA) capability assessment – completed September 2019 (Council achieved a 71% rating)
- Collaboration on emergency management response approach across agencies and the region.
- Co-located EOC in a dedicated leading-edge centre (Group Emergency Management Office – GEMO) with built in redundancy (including water and power supplies)
- Early warning processes are in place at a national and regional level
- Emergency Management Framework – National Emergency Management Agency (NEMA), Group, Local Emergency Operations Centre (EOC) structure
- Emergency management training program TAKATU implemented for Council staff
- HCC Crisis Management Plan (see Improvement Plan)
- Ministry of Health and Waikato DHB lead management of any pandemic with HCC support. HCC has developed an internal pandemic plan.
- Robust emergency exercise schedule in place to test preparedness and response functionality
- Use opportunities nationally to build experience in real events where ever possible

#### Infrastructure resilience

- Asset and service monitoring capability
- Criticality assessments and asset identification ratings
- Engineering standards identified and managed
- Activity Management Plan (AMP) renewals, maintenance plans and operational strategies are funded in the 2018-28 10-Year Plan Budget and critical assets are given a higher priority for renewal
- Availability of technical expertise to manage, monitor, operate and maintain critical assets and identify situations when early intervention is required to maintain asset condition and level of service.
- Infrastructure Strategy is in place to identify significant infrastructure challenges over the next 30 years, and to identify the principal options for managing those challenges and the implications of those options

Further controls and mitigations relating to critical assets can be found in Organisational Risk #3.

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<b>Residual Likelihood</b>	Possible	<b>Residual Consequence Driver</b> Strategic Safety & Wellbeing,	Major	<b>Residual Risk Rating</b>	<b>Rating</b>  Very High
<b>Action Owner</b>			<b>Mitigation</b>		
Kelvin Powell, Heather Burden			Mitigate		

Item 8	Improvement Plan	Previous updates	Update – March 2021
	<ul style="list-style-type: none"> <li>Implementation of CDEM workplan deliverables ahead of next external Capability Assessment April 2021</li> </ul>	<ul style="list-style-type: none"> <li><b>(September 20)</b> - work programme is in place and progress is reported quarterly to the Community committee. Last update was 13 August.</li> <li><b>(December 20)</b> - On Track and also being reported to the Community Committee quarterly</li> </ul>	<ul style="list-style-type: none"> <li>Workplan actions continue but at a reduced pace due to vacancy of Emergency Management Officer – replacement commences 1 March</li> <li>Focus actions for this quarter: <ul style="list-style-type: none"> <li>○ Covid-19 resurgence prep</li> <li>○ Training delivery</li> <li>○ Preparedness and resilience building in our vulnerable communities</li> </ul> </li> </ul>
	<ul style="list-style-type: none"> <li>Complete review of Covid-19 Post Action report to identify work programme and lessons learnt by April 2021</li> </ul>	<ul style="list-style-type: none"> <li><b>(September 20)</b> - Covid-19 debriefs completed, Post Activation report completed</li> <li><b>(December 20)</b> - Under action.</li> </ul>	<ul style="list-style-type: none"> <li>Critical lessons learnt from Covid-19 response incorporated into new plans for Regional based response for resurgence of Covid-19 in the community again. Changes incorporated into plans provide clarity and prevent duplication of effort. HCC Staff contributions have been identified and names assigned</li> </ul>
	<ul style="list-style-type: none"> <li>Review the HCC Crisis Management Plan to extend an HCC-wide response approach to include crisis management capability by June 2021</li> </ul>	<ul style="list-style-type: none"> <li><b>(September 20)</b> - GM Corporate leading review and is work in progress. Plan update will capture learnings from Council's Covid-19 Incident Management Team activities. This review will also extend to testing, and improving where required, the Organisation's operational readiness to execute on the updated plan.</li> <li><b>(December 20)</b> - Currently sourcing external expert to support the review of plans as well as extend review to broader emergency management and HCC civil defence planning to ensure alignment. Review to include ensuring operational capability and preparedness of staff (education requirements are in place) to ensure plans can be activated easily and quickly.</li> </ul>	<ul style="list-style-type: none"> <li>Planning is in progress, including setting up a team of staff to drive this forward internally.</li> </ul>

## Strategic Risk 2

### Major Economic or Financial Shock

*An external financial event impacts Council's financial strategy, fiscal and monetary position.*

<b>Risk Owner</b> (GM Level)	David Bryant	<b>Category</b>	Financial
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#### Risk Triggers

- Global financial crisis
- Rapid increases in inflation, interest rates, oil prices, or a rapid decline in NZD – leading to significantly higher construction input costs, debt costs, and significant pressure on household rates affordability
- Critical infrastructure failure
- Major construction industry failure
- Major government policy changes negatively impact Council's income streams or cost base
- Natural or manmade disaster (including deliberate attacks on critical infrastructure or pandemic) has an impact on the economy (e.g. affects national imports/exports which has a flow on effect)

Inherent Likelihood		Inherent Consequence Drivers		Inherent Risk Rating	Rating
	Unlikely	Safety & Wellbeing, Financial, Service Delivery, Compliance Social and Cultural	Major		High

#### Existing Controls and Mitigations

- PwC, as Council's treasury partner, provides a report and meets with Council (both on a monthly basis) to discuss national and international economic and financial trends relevant to treasury matters
- Six weekly financial forecasting and planning cycles through reporting to the Finance Committee, including a separate Financial Strategy report
- Monitoring of macro trends (Finance, Treasury, Economic Growth team)
- Financial Strategy resilience - excess Local Government Funding Agency (LGFA) borrowing headroom (up to 300% debt to revenue ratio),
- Additional \$60M bank facility
- Financial scenario modelling
- Council's ability to urgently reprioritise and reduce capital spending
- Council's ability to urgently reprioritise and reduce community levels of service spending
- Availability for options to respond to a shock, depending on the type of shock

Residual Likelihood		Residual Consequence Drivers		Residual Risk Rating	Rating
	Unlikely	Safety & Wellbeing, Financial, Service Delivery, Compliance Social and Cultural	Serious		Medium

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Action Owner	Mitigation
Tracey Musty and Greg Carstens	Mitigate

Further Action	Previous updates	Update – March 2021
<ul style="list-style-type: none"> <li>Provide a 10-year plan (2021-2031) by June 2021 to update and assure Council on resilience of debt from the impacts of Covid-19 on Hamilton and the implementation of initiatives to support the wellbeing of Hamiltonians.</li> </ul>	<ul style="list-style-type: none"> <li><b>(September 20)</b> - 2020/21 Annual Plan approved 10 August 2020 by Council. The Plan includes several initiatives to support Hamiltonians and the local economy through this time. 2021-31 10 Year Plan process underway. A key theme will be understanding the likely continuing impact of Covid-19 on Hamilton and ensuring, as best as possible, assumptions and support relief initiatives are captured and planned for.</li> <li><b>(December 20)</b> - 2021-31 LTP underway. Clear indication that the impacts of Covid-19 will impact our city and the wellbeing of Hamiltonians well past 20/21. We have rolled out <a href="#">a 12-point recovery plan</a> to provide short-term financial relief and support to Hamiltonians as well as plan for the support and rebuild of our city in the long term via our capital &amp; job creation programmes as well as economic stimulus and development forum. We continue to incorporate the principles &amp; learnings to date into our LTP. Moreover, we continue to explore a range of options (rate increases, targeted rates, Insurance, fixed/variable debt, Government Funding of infrastructure assets, financial assets, etc.) to ensure our debt remain within our debt limits while providing maximum flexibility and cost efficiency.</li> </ul>	<ul style="list-style-type: none"> <li>In February 2021 Council will be approving the draft LTP to go out for Consultation with the community.</li> </ul>

# Strategic Risk 3

## Increasing Compliance Standards

The risk of central government and regional council increasing compliance standards, or changes in community expectations resulting in increased compliance standards.

<b>Risk Owner – (GM Level)</b>	David Bryant	<b>Category</b>	Environment Strategic
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### Risk Triggers

- Central government changes the regulatory standards for compliance: including resource management, environmental (including climate change and pollutant management), corporate (including health and safety, human resources and financial), growth, consultation requirements, health and infrastructural (including traffic and transport) compliance. This might also include changes to the required frequency of Council actions (such as the 10 Year Plan). This also includes wide-ranging regulatory changes in response to an incident such as a pandemic or natural disaster
- Continued or serious breaches leading to increased compliance requirements and regulation
- Community service-level expectations in management of water quality, recycling, climate change and other services not being met
- Failure to plan long term for consenting requirements (both as a regulator and a regulated entity)
- Regional Council changes its policies to ensure legislative compliance (e.g. Healthy Rivers policy)
- External audit identifying major non-compliance within HCC operations (e.g. by International Accreditation New Zealand)
- Legal challenge to HCC policy or practice resulting in findings of non-compliant practices
- Change in stakeholder partner expectations for environmental performance
- Changes to our own District Plan impacting other parts of the business (e.g. changes to resource consents affect consented Three Waters activities)

Inherent Likelihood		Inherent Consequence Drivers		Inherent Risk Rating	Rating
	Possible	Safety & Wellbeing, Financial, Service Delivery, Compliance	Major		Very High

### Existing Controls and Mitigations

- Community consultation and understanding community needs
- Engagement with our iwi partner and maataawaka to understand expectations, including in terms of iwi through the Joint Management Agreement
- Maintaining relationships with neighbouring councils and working together to inform relevant policies
- Council's Compliance Policy
- External monitoring services and advice from external legal service providers on an ad hoc basis, as well as regular quarterly updates
- In-house legal advisor provides updates to staff on key legislative changes and advises staff on matters of legislative compliance
- Council subscribes to legal update emails to keep up-to-date with changes, and these are distributed to key staff
- Internal resources that analyse the impacts of compliance changes (decentralised and role-specific)
- SLT and Elected Members – assurance requests
- Key stakeholder engagement, including making submissions to central government on proposed changes affecting compliance requirements

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- Infrastructure Strategy (2018-2048) and 10 Year Plan ensure projects and resources are in place to deal with increasing compliance requirements
- HCC bylaws and policies ensure community expectations and regulatory standards are met in a consistent manner
- Independent audits of HCC practice, including by the New Zealand Transport Authority and International Accreditation New Zealand, to ensure ongoing compliance
- Independent accreditation of HCC facilities (e.g. drinking water laboratory is accredited by International Accreditation New Zealand)
- Competency assessments for staff, including building officers
- Establishment of new quality control roles (including two recently established in the Building Control Unit)
- HCC's Chief Executive is involved with the Construction Sector Accord which allows HCC to keep up to date with and influence changes in the sector
- Internal and external reporting (e.g. drinking water test results) ensures ongoing monitoring and compliance
- Notification protocols are in place in respect of various incidents, including wastewater overflow and drinking water concerns, which mitigate risk in the event of an incident
- Incident Management Team is stood up to respond to incidents such as a natural disaster or pandemic and liaises with internal/external parties as necessary and distributes key information to staff to ensure compliance

<b>Residual Likelihood</b>	Possible	<b>Residual Consequence Drivers</b> Safety & Wellbeing, Financial, Service Delivery, Compliance	Serious	<b>Residual Risk Rating</b>	<b>Rating</b>  High
<b>Action Owner</b>			<b>Mitigation</b>		
Michelle Hawthorne			Mitigate		

<b>Improvement Plan</b>	<b>Previous updates</b>	<b>Update – March 2021</b>
<ul style="list-style-type: none"> <li>• Council to consider WLASS Joint Procurement Project to invest in the compliance programme for effective reporting on legislative compliance. Next milestone: June 2021</li> </ul>	<ul style="list-style-type: none"> <li>• <b>(September 20)</b> - WLASS currently considering a joint approach to compliance monitoring and assurance. Discussions are ongoing.</li> <li>• <b>(December 20)</b> - A procurement lead has contracted by WLASS for a 1-year fixed term period to ensure a joint approach to compliance monitoring.</li> </ul>	<ul style="list-style-type: none"> <li>• Waikato and Waipa DCs are progressing a project for procurement of compliance monitoring software with WLASS input.</li> <li>• Staff are reviewing other options for compliance as part of scoping this project, including an adaptation of existing platforms.</li> </ul>
<ul style="list-style-type: none"> <li>• Review the impacts of The Privacy Act 2020 on council's businesses and develop an action plan by end of March 2021 (extended to June 2021)</li> </ul>	<ul style="list-style-type: none"> <li>• <b>(December 20)</b>: New IP</li> </ul>	<ul style="list-style-type: none"> <li>• Due to staff changes work on this review has been extended to June 2021</li> </ul>

# Strategic Risk 4

## Cyber Attack

*Unauthorised access to Council's IT infrastructure results in loss of service continuity that may lead to safety risks to Hamiltonians and relatable consequences of reputational, legal, and financial losses.*

<b>Risk Owner</b> (GM Level)	David Bryant	<b>Category</b>	Disaster Recovery/ Business Continuity
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### Risk Triggers

- IT/OT technology advances – positive and negative
- Inadequate identification of IT security trends, themes, detection and responses
- Poor IT/OT Security awareness / culture / behaviours
- Poor IT/OT security operational practices
- Release and change management lacking a security focus – not “secure by design”
- Privacy Breach
- Outdated hardware and inadequate architecture
- Inadequate competency at organisational level
- Specific targeting and malicious exploitation of security vulnerabilities across Council IT asset infrastructure, or Operational Technology
- International trends and attacks not being considered in NZ
- Malicious activity targeting central and local government entities.
- Underinvestment in Information Services (infrastructure, technology, resource)
- Lack of maintenance in information technology
- Inadequate access control to key systems

<b>Inherent Likelihood</b>	Possible	<b>Inherent Consequence Driver</b> Service Delivery	Catastrophic	<b>Inherent Risk Rating</b>	<b>Rating</b> Very High
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### Existing Controls and Mitigations

#### Identify

- Risk based approach - Three lines of defence (management control, risk management, independent assurance)
- National Cyber Security Centre (NCSC) monitoring and trend analysis reporting of local and international IT security challenges – internal and external
- National and international cyber-attack trends are monitored and assessed by the CIO and CTO to guide system capability investments.
- Security Governance and Risk Management practices implemented
- Policies, Standards and Enablers are documented and communicated regularly
- Risk management frameworks, methods and tools are fit for purpose
- Ongoing Cyber awareness education for staff, contractors, customers and Elected Members

#### Protect

- Systems and information are secured by design
- Tools, systems and resources are now available to protect against, monitor and resolve potential malicious activity.
- Contractual service level agreements are monitored and maintained
- Access to Hamilton City Council services are managed effectively
- Information and assets have implemented processes and controls

#### Detect

- Reviews on Council's IT technology environment are conducted to improve detection and response capabilities.
- External and internal security audit and reviews

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- Networks, systems and operations security will be assured through vulnerability and anomaly detection tools
- Physical environments will have appropriate physical and technology safeguards
- Timely and accurate reporting

## Respond

- Response plans processes are in place and tested
- Council is supported by the NZ National Cyber Security Centre (NCSC) for response to attacks and receives quarterly trend updates for consideration.
- Technical support from key vendors - Microsoft and Fujitsu

## Recover

- BCDR processes in place and tested
- Cyber recovery planning processes known, understood, and practiced
- Insuring data survivability, data will be backed up and available
- Cyber Insurance

<b>Residual Likelihood</b>	Unlikely	<b>Residual Consequence Driver</b> Service Delivery	Major	<b>Overall Residual Risk Rating</b>	<b>Rating</b>  High
<b>Action Owner</b>			<b>Mitigation</b>		
Murray Heke			Mitigate		

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Improvement Plan	Previous Updates	Update – March 2021
<ul style="list-style-type: none"> <li>• Develop Organisational Cyber awareness programme by June 2021</li> </ul>	<ul style="list-style-type: none"> <li>• <b>(June 20)</b> Work to commence July 2020</li> <li>• <b>(September 20)</b> - Initial discussions held with potential vendors</li> <li>• <b>(Dec 20)</b> Discussions ongoing with potential vendors</li> </ul>	<ul style="list-style-type: none"> <li>• Currently trialling self-paced security awareness training modules (e.g. phishing, passphrases)</li> <li>• Proposals from vendors being evaluated</li> </ul>
<ul style="list-style-type: none"> <li>• Develop a Cyber Security strategic plan to guide Council's future Cyber security direction and investment by December 2020</li> </ul>	<ul style="list-style-type: none"> <li>• <b>(June 20)</b> Commenced and to be completed 30 June 2020</li> <li>• In progress, but not yet completed. Expected completion December 2020</li> <li>• <b>(Dec 20)</b> Security "Strategy on a page" completed and we are currently documenting the associated strategy document (due for completion Jan 2021).</li> </ul>	<ul style="list-style-type: none"> <li>• Strategy document completed and signed</li> </ul>
<ul style="list-style-type: none"> <li>• Develop a Cyber Security Governance framework by March 2021</li> </ul>	<ul style="list-style-type: none"> <li>• <b>(June 20)</b> Work to commence August 2020</li> <li>• <b>(September 20)</b> - Not yet initiated</li> <li>• <b>(Dec 20)</b> – The draft framework will be defined in the strategy document (due Jan 2021)</li> </ul>	<ul style="list-style-type: none"> <li>• Included in the Strategy document</li> </ul>
<ul style="list-style-type: none"> <li>• Complete an initial assessment of threats, vulnerabilities against</li> </ul>	<ul style="list-style-type: none"> <li>• <b>(June 20)</b> Work to commence August 2020</li> </ul>	<ul style="list-style-type: none"> <li>• All HCC self-hosted servers are now routinely evaluated for vulnerabilities</li> </ul>

critical assets and assess risk profile by March 2021	<ul style="list-style-type: none"> <li>• <b>(September 20)</b> - Initial discussions held with specialist vendors who could be engaged to assist</li> <li>• <b>(Dec 20)</b> Assessments of threats and vulnerabilities are occurring on a daily basis as part of normal operations (e.g. evaluation of critical software patches). This improvement action is to embed these activities in our strategic framework to improve our maturity in this area. This will be progressed now that the Security and Risk specialist position has been filled.</li> </ul>	<p>(automated process).</p> <ul style="list-style-type: none"> <li>• Work to commence on defining the subsequent remediation processes.</li> <li>• Work to commence on defining the list of critical assets</li> </ul>
<ul style="list-style-type: none"> <li>• Establish Cyber Security investment roadmap for 2020-2023 by March 2021</li> </ul>	<ul style="list-style-type: none"> <li>• <b>(June 20)</b> Work to commence on completion of threat assessment</li> <li>• <b>(September 20)</b> - Draft roadmap completed including required funding for LTP budgeting</li> <li>• <b>(Dec 20)</b> Complete - List of strategic initiatives compiled and included in the IS LTP budget submission</li> </ul>	<ul style="list-style-type: none"> <li>• Complete</li> </ul>
<ul style="list-style-type: none"> <li>• OT Improvement Plan – coordinated and aligned OT and IT environment by June 2021</li> </ul>	<ul style="list-style-type: none"> <li>• <b>(September 20)</b> – Not yet initiated</li> <li>• <b>(Dec 20)</b> – Not yet initiated</li> </ul>	<ul style="list-style-type: none"> <li>• Not yet initiated. To commence in March</li> </ul>
<ul style="list-style-type: none"> <li>• (NEW) Recruitment of a Security and Risk specialist by March 2021</li> </ul>	<ul style="list-style-type: none"> <li>• <b>(Dec 20)</b> New role has been confirmed in the IS department restructure and has just been filled via a secondment.</li> </ul>	<ul style="list-style-type: none"> <li>• Role has been permanently filled</li> </ul>
<ul style="list-style-type: none"> <li>• (NEW) Establishment of a Security Operations (SecOps) function by June 2021</li> </ul>	<ul style="list-style-type: none"> <li>• <b>(Dec 20)</b> To be initiated now that the Security and Risk specialist position has been filled.</li> </ul>	<ul style="list-style-type: none"> <li>• About to commence discussions with potential vendors. RFQ to be released in March</li> </ul>

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## Strategic Risk 5

### Growth

Significant change in growth demand, and/or the consequences of growth do not deliver positive outcomes for the community.

<b>Risk Owner</b> (GM Level)	Jen Baird	<b>Category</b>	Strategic, Service Delivery
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### Risk Triggers

#### Understanding growth

- Wider economic down turn
- Population growth rates change (either natural change or through internal or international migration rates).
- Significant change in the market – either demand or supply side, due to e.g. construction cost inflation and restrictions on credit.
- Significant change in public perception of growth or growth outcomes
- Inadequate skills, data or modelling and scenario planning
- Changes in growth projections as a result of climate change impacts on population spread in New Zealand and overseas

#### Growth decisions

- Council's decisions that impact desired growth outcomes e.g. growth opened on too many fronts, lack of funding for desired levels of outcome etc
- Inadequate provisions in of application of the District Plan to deliver positive outcomes for people / environment
- Neighbouring councils make growth decisions around Hamilton's border that are not aligned with Hamilton's desired growth strategy
- Changes in Government Policy impact on desired growth outcomes or our ability to effectively respond to growth

#### Growth consequences

- Groups within Council planning and budgeting for growth separately versus in a joined-up way

<b>Inherent Likelihood</b>	Possible	<b>Inherent Consequence Driver</b> Service Delivery	Major	<b>Inherent Risk Rating</b>	<b>Rating</b> Very High
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### Existing Controls and Mitigations

#### Understanding growth

- Growth Funding & Analytics Unit established in 2017 to function as Council's growth funding, growth projection and economics specialists
- HCC Growth and Development Contributions model providing data analysis, forecasting and scenario management (revised 2019). Inputs and modelling externally peer reviewed.
- Hamilton Housing Market & Economy Growth Indicator Report provides quarterly, regional analysis of growth, housing and market/economic drivers
- National Policy Statement Urban Development - a sub-regional review of land use, demand and supply completed in 2017 and being updated in 2020 for finalisation early 2021.
- Analytics Strategy – adopted in 2019 to support evidence-based decision making and provide insights, principally about growth
- Monitoring the broader environment and how it could impact growth rates and including this in modelling, including monitoring migration forecasts

**Growth decisions**

- Scenario modelling report completed in September 2019 to illustrate modelled effects of higher or lower growth in Hamilton, and to articulate Council's decision-making levers and timelines if growth projections change markedly.
- Engagement with neighbouring Councils on strategic growth planning (Metro Spatial Plan, Growth discussions at CE and Governance level, good officer level relationships).
- Engagement with Central Government to explore and implement new tools for funding and delivering growth related projects
- Business Cases for investment into growth cells that have a wellbeing case (vs just economic) and include the full costs of the growth cell including community and network infrastructure, consequential Opex, commercial considerations and how we will deliver.
- Consideration and investigation into strategic and consequential infrastructure costs as part of zoning decisions process (high level business case recommended)
- Management of Resource Consent applications on a consent by consent basis using existing District Plan Controls.
- Changes to District Plan (plan changes) where required to support better community wellbeing outcomes.
- Provision of infrastructure through negotiation of Private Developer Agreements.
- Submit on any neighbouring councils plan changes.

**Growth consequences**

- Numerous strategies and plans in place to manage the outcomes of a growing city including Regional Policy Statement, Hamilton Urban Growth Strategy, District Plan. The Hamilton Waikato Metro Spatial Plan will also support this once completed.
- Whole of Council Programme/spatial approach to planning for and delivering new growth areas.

<b>Residual Likelihood</b>	Possible	<b>Residual Consequence Driver</b> Service Delivery	Serious	<b>Overall Residual Risk Rating</b>	<b>Rating</b>  High
<b>Action Owner</b>				<b>Mitigation</b>	
Karen Saunders, Greg Carstens				Mitigate	
<b>Improvement Plan</b>	<b>Previous updates</b>			<b>Update</b> <b>March 2021</b>	
<ul style="list-style-type: none"> <li>• Continue to build Developer relationships and understanding their drivers to ensure a quality 2021 DC Policy, by February 2021</li> </ul>	<ul style="list-style-type: none"> <li>• <b>(September 20)</b> - Several meetings in June/July held with Waikato Property Council and major developer representative.</li> <li>• <b>(December 20)</b> - Engaged with development community. Meaningful engagement will happen once we have a completed capital programme. Delays mean this will occur later than in previous LTPs.</li> </ul>			<ul style="list-style-type: none"> <li>• Stakeholders have been emailed in February 2021. Team are planning engagement with Property Council and others.</li> </ul>	
<ul style="list-style-type: none"> <li>• Develop and embed a programme management approach to new cells to ensure joined up delivery of</li> </ul>	<ul style="list-style-type: none"> <li>• <b>(June 20)</b> Tested in Peacocke and delivering value. Being used as base for Rotokauri (DBC being completed) and set up ready for potential Ruakura via Shovel Ready Funding.</li> <li>• <b>(September 20)</b> – No update</li> <li>• <b>(December 20)</b> - Recruitment is under way for a Programme Manager for</li> </ul>			<ul style="list-style-type: none"> <li>• Programme Manager for Ruakura and Rotokauri recruited and commenced Jan 2021. Work is under way on programme planning for those areas.</li> <li>• The programme approach for Central City is also</li> </ul>	

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wellbeing outcomes, by June 2021	Ruakura and Rotokauri. Central City Programme Management now in place and embedded with cross organisational teams in place. Peacocke Programme Management approach has proven valuable as a framework for managing recent risks regarding media and protest groups	under way preparing to deliver the funded programme within the draft LTP (pending consultation)
<ul style="list-style-type: none"> <li>Complete Detailed business case supplementary case for Rotokauri Stage 1 Growth Area, to support quality decision making for the LongTerm Plan, by February 2021.</li> </ul>	<ul style="list-style-type: none"> <li>(December 20) – New IP - Draft Business Case presented to Elected Members on 1 October 2020 Strategic Growth Meeting. Continuing work on options as part of LTP planning</li> </ul>	<ul style="list-style-type: none"> <li>Council approved investment into Rotokauri in the draft LTP in December 2020. Supplementary business case is in progress and will be presented to Strategic Growth Committee on 30<sup>th</sup> March 2021</li> </ul>
<ul style="list-style-type: none"> <li>Scope a review of the Hamilton Urban Growth Strategy, by April 2021</li> </ul>	<ul style="list-style-type: none"> <li></li> </ul>	<ul style="list-style-type: none"> <li>Staff have commenced scoping a review of the Hamilton Urban Growth Strategy and will present to Strategic Growth Committee on 30<sup>th</sup> March 2021. Once the scope is determined, staff will prepare a plan and commence the project.</li> </ul>

# Strategic Risk 6

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## Political Changes or Decisions Impact Council's Strategic Direction

Political stakeholders make decisions or take actions that significantly impact or contradict Council's strategic direction.

<b>Risk Owner</b> (GM Level)	Blair Bowcott	<b>Category</b>	Executive Director of Special Projects
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### Risk Triggers

- Political changes including central government strategic direction creating risk or opportunities
- Local political changes, including potential misunderstanding of Council's intent
- Political personalities, trust and relationships and change of key personnel – positive & negative
- Failure to manage stakeholder relationships, communication and engagement tactics, including due to a lack of resource or need to balance priorities
- Short term focus overshadows long term cost benefit outcomes
- Political sovereignty/patch protection, lack of alignment or willingness to compromise ie boundaryless approach vs localism
- Financial strategy misaligned with wider context
- International events, trends or decisions influence NZ
- Major projects or initiatives for the benefit of Hamilton accelerating or slowing down

Note\* Political risk is essentially the probability that a political action/decision will significantly affect Council's strategic direction —whether positively or negatively.

<b>Inherent Likelihood</b>	Possible	<b>Inherent Consequence Driver</b> Strategic Political Service Delivery	Major	<b>Inherent Risk Rating</b>	<b>Rating</b>  Very High
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### Existing Controls and Mitigations

- Regular engagement with stakeholders at political and executive level – shared responsibility to manage key relationships
- Regular meetings with Government Ministers and MPs (both government and opposition, Government
- Collaborative governance group meetings to progress alignment of strategic direction - Mayoral Forum, Future Proof, Waikato Plan, CEO Forum, Waikato Local Authority Shared Services (WLASS), Regional Transport Committee, neighbouring Councils and other strategic discussions externally
- Regular Council briefings for sharing of information and alignment of thinking
- Monthly SLT discussion to ensure awareness of strategic initiatives
- Culture, expectation and policies of HCC organisation regarding behaviours of political, executive and staff and Council Controlled Organisations.
- Participation in national and regional advisory groups on strategic topics
- Proactive steps are taken at the start of each local government triennium to re-establish relationships with counterparts and stakeholders, so that we can develop a common understanding of strategic direction
- Council takes an apolitical approach to working with central government, to maximise readiness to continue momentum on projects should there be a change in central government

<b>Residual Likelihood</b>	Possible	<b>Residual Consequence Driver</b> Strategic Political Service Delivery	Major	<b>Overall Residual Risk Rating</b>	<b>Rating</b>  Very High
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Action Owner	Mitigation
Senior Leadership Team – (Blair Bowcott)	Mitigate

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Improvement Plan	Previous updates	Update – March 2021
<ul style="list-style-type: none"> <li>Key Stakeholder Engagement Plan in place by 30 June 2021.</li> </ul>	<ul style="list-style-type: none"> <li>(New IP)</li> </ul>	<ul style="list-style-type: none"> <li>This plan is in the process of being prepared and will align with the CEO KPI's.</li> </ul>

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# Strategic Risk 7

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## Significant Shortage of Key External Resources

The market is unable to deliver necessary resources to achieve our strategy; including but not limited to people and material for projects.

<b>Risk Owner – (GM Level)</b>	Chris Allen	<b>Category</b>	Development
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### Risk Triggers

- Major construction sector skills/labour shortage - capacity and capability
- Political changes in the labour market (e.g. immigration policy changes)
- Regional or national investment decisions leading to increased demand for construction resources and market congestion – i.e. significant increase in capital portfolios nationally
- Clients competing for the same resources
- Supply chain company failures
- Supply chain investment confidence - i.e. forward work confidence to invest in people, plant and technology
- Competitive market changes – including the cost of resources
- COVID-19 Alert Levels
- International supply chain breakdown
- Changes in external funding
- International political instability (resulting in, for example, oil price changes)
- Growth taking place at a faster rate, or in a different way, than forecast
- Climate change impact on price and accessibility of key resources (e.g. oil, concrete and steel)

<b>Inherent Likelihood</b>	Possible	<b>Inherent Consequence Driver</b> Social, Cultural and Environment	Major	<b>Inherent Risk Rating</b>	<b>Rating</b> Very High
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### Existing Controls and Mitigations

- Forward works pipeline visibility and supply chain engagement - communication of the HCC capital portfolio regionally via regular presentations/updates and nationally via contributing to the NZ Infrastructure Commission national pipeline.
- Working with other councils and NZTA to coordinate the workload to the market including active involvement in the Waikato LASS coordinated infrastructure initiative.
- Established procurement planning frameworks – including procurement policy and procedures in accordance with NZ Government procurement requirements and principles of the Construction Accord
- Established portfolio, programme and project delivery frameworks – including business cases, project planning and assurance of skilled individuals in key roles
- Procurement optimisation – including reviews undertaken to ensure contract conditions and commercial terms are not making our contracts unattractive to industry
- Utilising panel arrangement for procurement and engagement of professional services, ensuring greater speed in procuring key resources and increased forward workload confidence for suppliers.

<b>Residual Likelihood</b>	Possible	<b>Residual Consequence Driver</b> Social, Cultural and Environment	Major	<b>Overall Residual Risk Rating</b>	<b>Rating</b> Very High
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Action Owner	Mitigation
Chris Barton	Mitigate

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Improvement Plan	Previous Updates	Update – March 2021
Optimise procurement processes and contracts to enable Hamilton City Council to be a construction industry client of choice by the end of 2021.	<ul style="list-style-type: none"> <li>• <b>(September 20)</b> - Recent review of standard form of contract and templates to ensure industry alignment. Continued focus on robust procurement planning through business case development and project planning.</li> <li>• <b>(December 20)</b> - This will be realised through optimised contract packages and delivery models, forward works pipeline visibility and appropriate procurement timing to attract appropriate supply chain resources. Reviews of standard form of contract and templates have been completed to ensure industry alignment. Subject to further clarity of the 2021-31 LTP forward works programme, a strategic review of capital portfolio procurement is planned in early 2021 to identify optimum delivery bundles and models.</li> </ul>	<ul style="list-style-type: none"> <li>• A plan for delivery of the 2021-31 LTP forward works programme is currently under development, including identification of contract works aggregation and longer term engagement opportunities.</li> </ul>
<ul style="list-style-type: none"> <li>• A review of the regional 2021-31 forward works programmes (multiple councils) is completed to identify opportunities to coordinate procurement and delivery for incorporation into delivery planning by June 2021.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>(September 20)</b> - Opportunity to collaboratively review regional forward works programme throughout 2021-31 10YP development to identify potential works staging conflicts or opportunities. Anticipate review complete by March 2021.</li> <li>• <b>(December 20)</b> - Council have been supporting WLASS to fulfil a regional strategic procurement role, ensuring councils have greater leverage in common areas of procurement. This includes seconding a council staff member in early 2020 to develop a regional forward works pipeline. Leveraging this previous work, there is an opportunity to collaboratively review the regional forward works programme (co-ordinated by WLASS) throughout 2021-31 10YP development to identify potential works staging conflicts or opportunities.</li> </ul>	<ul style="list-style-type: none"> <li>• WLASS have been provided with a copy of the draft HCC 2021-31 capital works programme and are currently in the process of reviewing this along with other Councils plans for regional delivery optimisation opportunities.</li> </ul>

<ul style="list-style-type: none"> <li>• Ensure internal resourcing is recruited and in place to effectively deliver planned controls and mitigations by June 2021</li> </ul>	<ul style="list-style-type: none"> <li>• <b>(December 20)</b> - Continued learning and development focus for key staff regarding procurement strategy and planning.</li> </ul>	<ul style="list-style-type: none"> <li>• Additional suitably experienced internal project management and governance resources are being sourced to align with the increasing capital works programme.</li> <li>• Further resource capacity and capability requirements will be identified as part of the current LTP delivery planning exercise.</li> </ul>
<ul style="list-style-type: none"> <li>• Initiate and review construction industry survey feedback for supply chain insights by June 2021.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>(September 20)</b> - Initiated a construction industry survey in collaboration with the Waikato branch of Civil Contractors NZ – currently awaiting results.</li> <li>• <b>(December 20)</b> - Continuing to align with the NZ Infrastructure Commission, Construction Accord and the Waikato branch of Civil Contractors NZ, including reviewing industry feedback surveys.</li> </ul>	<ul style="list-style-type: none"> <li>• Follow up regional feedback to be sought to understand changing industry landscape and forward works confidence by April 2021.</li> </ul>

Strategic Risk 8					
High-Level security threat or major emergency					
A safety, security or environmental attack materialises and impacts Council’s strategic direction.					
Risk Owner (GM Level)		David Bryant	Category		Strategy Safety and Security
Risk Triggers					
<ul style="list-style-type: none"><li>• Large Scale Physical attack on people in public places</li><li>• Physical attack on city critical infrastructure – e.g. Waste Water Treatment Plant, Water Treatment Plant, reservoirs designed to compromise integrity of service.</li><li>• Civil unrest – redirection of resources to protect vulnerable people and assets</li><li>• Chemical or biochemical attack</li></ul>					
Inherent Likelihood	Possible	Inherent Consequence Driver Social, Cultural and Environment	Catastrophic	Inherent Risk Rating	Rating  Very High
Existing Controls and Mitigations					
<ul style="list-style-type: none"><li>• Regional and National Emergency Service Relationship Management – made up of Elected Members and officials.</li><li>• Security risk assessments have been completed for key identified HCC facilities, with mitigating recommendations for implementation.</li><li>• Business continuity plans have been completed for some business units. Some emergency response plans are in place at different levels of HCC’s business.</li></ul>					
Residual Likelihood	Unlikely	Residual Consequence Driver Social, Cultural and Environment	Major	Overall Residual Risk Rating	Rating  High
Action Owner			Mitigation		
Heather Burden			Mitigate		

Improvement Plan	Previous Updates	Update – March 2021
<b>Physical Security</b> <ul style="list-style-type: none"> <li>Perform a Security Risk Assessment Programme/ Security Gap Analysis (Feb-Dec 2020) of identified assets to ascertain what security vulnerabilities exist.</li> </ul>	<ul style="list-style-type: none"> <li>Some Security Risk Assessments had been completed across the business in silos.</li> <li>Security consultant hired to consolidate and manage the Security portfolio</li> <li>Covid-19 Lockdown delayed aspects of this gap analysis</li> <li><b>(September 20)</b> - Phase one of implementing the PSR security framework which involves security risk assessments on key community facing facilities is almost complete and should be finalized by end of August 2020</li> <li><b>(December 20)</b> - Security Risk</li> </ul>	<ul style="list-style-type: none"> <li>Security Risk Assessments (SRAs) and findings completed for key community facing facilities.</li> <li>Reviewed and adopted by the business units.</li> <li>To be presented at March SRAC Workshop</li> </ul>

	Assessments and findings now completed for 12 community facing facilities and reviewed by the businesses to inform a gap analysis. Will be presented at December SRAC Workshop	
<b>Governance</b> Next step: Outline the implementation of the national PSR Governance Framework to guide the scope of best practice in physical security (to commence in 2021)	<ul style="list-style-type: none"> <li>• Covid-19 delayed the establishment of the PSR Governance Model.</li> <li>• <b>(September 20)</b> – Physical Security Workshop postponed to December Committee</li> <li>• <b>(December 20)</b> - Implementation to be developed further in 2021</li> </ul>	<ul style="list-style-type: none"> <li>• On hold until result of SRA mitigation implementation of current recommendations are finalised.</li> </ul>

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Strategic Risk 9					
<b>Climate Change</b> Failure to adapt to the changing environment as a result of climate change, including failure to mitigate the organisations contributions to greenhouse gas emissions					
<b>Risk Owner</b>	Sean Hickey (GM Strategy and Communications)		<b>Category</b>	Strategic Preparation and Disaster Recovery Environment	
<b>Risk Triggers</b>					
<b>Understanding climate change</b> <ul style="list-style-type: none"><li>• Councils strategies and plans don't adequately consider appropriate climate change scenarios</li><li>• Changes in political direction (including local, regional and national) on climate change</li><li>• Economic, social and technological shocks resulting from the transition to a lower-carbon economy</li><li>• Uncertainty in the climate modelling on the physical climate change and transition impacts for Hamilton, making it hard to estimate impacts on particular Council activities</li></ul>					
<b>Decision making</b> <ul style="list-style-type: none"><li>• Misalignment between Council's climate change strategies and operational activities</li><li>• Failure to consider climate change appropriately in fit for purpose activity management</li><li>• Failure to appropriately consider climate change in growth decisions.</li></ul>					
<b>Inherent Likelihood</b>	Likely	<b>Inherent Consequence Drivers</b> Safety & Wellbeing, Financial, Service Delivery, Compliance	Major	<b>Inherent Risk Rating</b>	<b>Rating</b>  Very high
<b>Existing Controls and Mitigations</b>					
<b>Governance, Strategies and Plans</b> <ul style="list-style-type: none"><li>• 2020/2021 Climate Change Action Plan approved outlining the actions being taken this year to build our knowledge, deliver change and build capacity</li><li>• Climate change steering group established – to report to SLT and Environment Committee</li><li>• Environment Committee has responsibility for climate change response</li><li>• Collaborating with stakeholders, Councils and businesses on the regional response</li><li>• Draft 2021-2031 Long Term Plan includes climate change consideration</li><li>• Draft 2021-2051 Infrastructure Strategy includes climate change consideration</li><li>• Activity Management Plans incorporate climate change considerations.</li><li>• Hamilton City Council Emissions Reduction Roadmap outlines actions to reduce the Councils operational emissions</li><li>• Citywide emissions profile for 2019/29 provides us with an understanding of key emissions reduction opportunities</li></ul>					

<b>Residual Likelihood</b>	Likely	<b>Residual Consequence Driver</b> Social, Cultural and Environment	Major	<b>Overall Residual Risk Rating</b>	<b>Rating</b>  Very high
<b>Action Owner</b>			<b>Mitigation</b>		
Julie Clausen			Mitigate		

Item 8

Improvement Plan	Previous Updates	Update – March 2021
<ul style="list-style-type: none"> <li>Develop a 3-year action plan from the climate change readiness assessment for Hamilton City Council by April 2021.</li> </ul>	<ul style="list-style-type: none"> <li></li> </ul>	<ul style="list-style-type: none"> <li>New IP</li> </ul>
<ul style="list-style-type: none"> <li>Develop a draft climate change policy that sets out the appropriate climate change scenarios to use, governance for climate change, capability and capacity requirements by June 2021</li> </ul>	<ul style="list-style-type: none"> <li></li> </ul>	<ul style="list-style-type: none"> <li>New IP</li> </ul>
<ul style="list-style-type: none"> <li>Undertake a Risk assessment for Hamilton City Council including both the physical climate change and transition risks. Following the Ministry for the Environment Guidance by December 2021.</li> </ul>	<ul style="list-style-type: none"> <li></li> </ul>	<ul style="list-style-type: none"> <li>New IP</li> </ul>
<ul style="list-style-type: none"> <li>Development of a climate change strategy that outlines the Council's approach to mitigation and adaptation by June 2022.</li> </ul>	<ul style="list-style-type: none"> <li></li> </ul>	<ul style="list-style-type: none"> <li>New IP</li> </ul>

Attachment 1



# Organisational Risk

## H&S – Workers (incl. contracted workers & volunteer workers)

Failure to ensure the health and safety and wellbeing of council staff or workers whose activities are influenced or directed by council, while the workers are carrying out work.

1

### Risk Owner

David Bryant  
(GM Corporate)

### Category

Health & Safety

### Risk Triggers

- Poor safety culture and/or behaviours across organisation
- Failure to understand duties and accountability relating to health and safety
- Critical health and safety risks not identified, assessed and mitigated adequately
- Safety Management System (SMS) ineffective or inefficient or implementation failures
- Inadequate contractor management frameworks, including procurement and assurance practices
- Not sharing or acting on information and lessons learnt – internal and external to Council
- Complacency leading to greater risks being taken
- Failure to properly engage with and listen to staff
- Staff under resourcing leading to identified risks not being mitigated appropriately
- Time pressures and or complacency leading to acceptance of high levels of risk

### Inherent Risk

		CONSEQUENCE				
		Minor	Moderate	Serious	Major	Catastrophic
LIKELIHOOD	Almost certain	H		VH		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

There is a very strong relationship between the likelihood and severity (consequence) of H&S incidents. The likelihood of minor injuries is much higher than an incident which could result in a death.

- (A) Risk of serious injury, illness or death
- (B) Risk of other significant incidents as defined in the Health and Safety at Work Act).

### Existing Controls and Mitigations

- Council undertakes an annual engagement survey that includes wellness and safety elements to help assess the level of organisational maturity and perception relating to the importance placed on health and safety.
- Our High Performance Way of Working provides a clear framework to support and establish accountabilities relating to health and safety, for example, Job Descriptions, Inductions, Game Plans and our Set, Enable and Expect principles.
- Council's critical safety risks will be reviewed regularly. We will have in place control management plans based on the hierarchy of control and the residual risk score following

the implementation of those controls assessed by their effectiveness to mitigate the risk. Critical risks will be reported on regularly.

- Prequalification and Safety Standards for Contractors performing work on Councils behalf are assessed and maintained through our SLA with SHE Software and Solutions. Greater focus on contractor management continues to be a critical area of work.
- Our SMS framework is being re-written to better achieve our safety objectives consistently and systemically across the whole of Council. In doing so our refreshed SMS to help us meet our legislative obligations and facilitate organisational learning to help foster a positive safety culture structure
- Council will have in place an effective safety governance structure to facilitate information flow, decision making and oversight to achieve a collective uplift in safety performance through improved worker engagement.
- Council's safety software is being upgraded to provide extended applications to help modernise and improve the user experience, whilst improving our reporting, data accuracy and intelligence, compliance, safety governance and due diligence.
- Assurance activities will be carried out regularly and include both internal and external assessment to ensure good practice, compliance and continuous improvement. Most recently Council has commissioned a full Health and Safety reset, including: The State of Safety Review, High Level Critical Risk Learning Teams, Safety Events and Investigations and a Safe Plus External Review
- Appropriate resources will be available to ensure that Council has the right capabilities and the right number of resources sufficiently needed to be able to implement and maintain the SMS fundamentals, supported by external expertise as and when required

### Residual Risk

		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	VH	VH
	Rare	L	L	L	M	H

There is a very strong relationship between the likelihood and severity (consequence) of H&S incidents. The likelihood of minor injuries is much higher than an incident which could result in a death.



Risk of serious injury, illness or death



Risk of other significant incidents (as defined in the Health and Safety at Work Act).

Action Owners	Mitigation
Dan Finn, Mark Wagstaffe, Karin Barclay	Mitigate
A separate report is taken to the Strategic Risk and Assurance Committee which provides further details about the Organisation's Health and Safety strategic direction and improvement schedule.	

# Organisational Risk

## Safety and Wellbeing of the Community

Failure to create, provide and maintain a safe environment for the community leading to a serious injury incident or fatality.

2

**Risk Owner** Lance Vervoort (Deputy CE / GM Community)

**Category** People

### Risk Triggers

- Poor HCC understanding of the health and safety risks within the facilities and services provided and managed by Council
- Failures in safety-in-design planning for our amenities and services provided to the community
- Failures in asset maintenance
- Failure in due diligence on assets purchased for use by the community or staff
- Failure in due diligence on maintenance
- Human error / inappropriate behaviours / criminal behaviour or damage at Council assets
- Complacency leading to greater risks being taken by the community of public safety issues
- Failure to properly engage with and listen to the community
- Failure to act on staff and public information or lessons learned from near misses and incidents (including lessons from other industry experiences)
- BCP and Pandemic Plans are not adhered to
- Failure to consider climate change impacts on the community safety and wellbeing

### Inherent Risk

		CONSEQUENCE				
		Minor	Moderate	Serious	Major	Catastrophic
LIKELIHOOD	Almost certain	H		VH		E
	Likely	M	H	VH	VH	
	Possible	L	M	H	VH	VH
	Unlikely	L	M	M	H	VH
	Rare	L	L	L	M	H

There is a very strong relationship between the likelihood and severity (consequence) of H&S incidents. The likelihood of minor injuries is much higher than an incident which could result in a death.

A

Risk of serious injury or death

B

Risk of other serious harm incidents (as defined in the Health and Safety at Work Act).

### Existing Controls and Mitigations

- Emergency response and Pandemic plans
- Emergency and safety response training drills
- Specific training programmes for staff within facilities and service management
- Subject matter expert support – internal and external
- Incorporated risk assessments and safety in design planning
- Traffic management plan adoption per requirements
- Maintenance and monitoring plans – buildings
- Operational asset maintenance (trees and operational infrastructure)
- Condition assessments for assets
- Communication plans for new projects around safety requirements
- Community education support for ongoing Community safety
- Management drop-ins and Unit Audits

## Residual Risk (expected rating)

		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	VH	VH
	Rare	L	L	L	M	VH

There is a very strong relationship between the likelihood and severity (consequence) of H&S incidents. The likelihood of minor injuries is much higher than an incident which could result in a death.

- (A) Risk of serious injury or death
- (B) Risk of other serious harm incidents (as defined in the Health and Safety at Work Act).

Item 8

Action Owner		Mitigation	
3LT – (Rebecca Whitehead)		Mitigate	
Improvement Plan	Previous updates	Update- March 2021	
<ul style="list-style-type: none"> <li>Enhance understanding of key risk scenarios and commonality of critical controls. The programme of works includes Security in public spaces (linked to SR8), and compliance and monitoring of controls for hazardous substances to be completed December 2020</li> </ul>	<ul style="list-style-type: none"> <li><b>(September 20)</b> Completed: Review of Parks SOPs. Underway: Security assessments for or community facilities – draft findings and recommendations reports in development. Underway: Review of SOP's, Plans, compliance, engineered controls around hazardous substances</li> <li><b>(December 20):</b> Specific resource has been hired to support the Community Group to achieve IP due to conflicting priorities across the business. This work will be completed pre-Christmas and will be reported on at the first SRAC workshop in 2021</li> </ul>	<ul style="list-style-type: none"> <li>Security Risk Assessments (SRAs) and findings completed for key community facing facilities, reviewed by Business units and will be presented at March SRAC Workshop</li> </ul>	
<ul style="list-style-type: none"> <li>Design and implement an appropriate monitoring and reporting framework for Critical Risks relevant to Organisational Risk 2</li> </ul>	<ul style="list-style-type: none"> <li><b>(September 20)</b> - Framework in development due for completion August 2020. Reporting to community group leadership commences September 2020.</li> <li><b>(December 20):</b> Specific resource has been hired to support the Community Group to achieve IP due to conflicting priorities across the business. This work will be completed pre-Christmas and will be reported on at the first SRAC workshop in 2021</li> </ul>	<ul style="list-style-type: none"> <li>The report on the monitoring and reporting framework for other Risks relevant to Organisational Risk 2 will be presented to the June 2021 SRAC meeting.</li> </ul>	

Attachment 1

# Organisational Risk

## Failure of critical assets

*Incorrect investment (timing and/or amounts) results in the unexpected failure of critical assets (loss of levels of service).*

3

### Risk Owner

Eeva-Liisa Wright  
(GM City Infrastructure  
Operations)

### Category

Financial

### Risk Triggers

- Assets being operated outside of design scope as a result of regulation change or change in demand or that the operation of the asset exceeds design assumptions.
- Critical manufacture service agents unavailable to resolve major failure of critical assets
- Failure to accurately forecast capacity limits or inaccurate demand forecasting on critical assets
- Failure to accurately forecast useful life on critical assets
- Failure to future proof asset to allow for pending changes in requirements
- Failure to carry out and prioritise planned maintenance and renewal of critical asset
- Failure to deliver renewal of the asset within scheduled timeframe
- Failure to identify all critical assets
- Failure to install asset correctly (including poor procurement processes to begin with)
- Failure to procure/renew the asset with an appropriate replacement
- Inadequate budget allocated for maintenance and renewal of critical assets
- Incorrect analysis in development of maintenance and renewal requirements
- Insufficient resources to deliver renewal of assets on time and within allocated budgets
- Insufficient skilled, knowledgeable and experienced staff and low investment in the ongoing building of staff capability to ensure critical assets remain functional, resilient and levels of service remain.
- Misalignment in the timing of investment with the required levels of service or that key deliverable dates not identified appropriately
- Poor or incomplete asset data
- Stakeholder specifications and expectation of asset increase making the asset no-longer fit for purpose
- Utility service and third-party critical impacts (stakeholder relationships)
- Failure to consider climate change in critical asset investment
- Limited anomaly detection capability and poor identification of vulnerabilities
- Failure to identify threat actors who wish to exploit technology vulnerabilities

### Inherent Likelihood

Possible

### Inherent Consequence Drivers

Safety &  
Wellbeing,  
Financial,  
Service  
Delivery,  
Compliance

Major

### Inherent Risk Rating

### Rating

Very High

### Existing Controls and Mitigations

- Actively monitor and submit on regulatory or industry change that impacts on our activities
- Activity Management Plan (AMP) renewals, maintenance plans and operational strategies are funded in the 2018-28 10-Year Plan Budget and critical assets are given a higher priority for renewal

- Activity Management Plans are internally and externally reviewed following their 3 yearly review to ensure robust planning processes and systems
- Annual review CAPEX programme with Facilities Unit to ensure forward planning of projects
- Asset Management Plan policy in place to set standards
- Asset Strategy Team is in place to drive organisational consistency of asset management overseen by the GM Development
- Availability of technical expertise to manage, monitor, operate and maintain critical assets and identify situations when early intervention is required to maintain asset condition and level of service
- Business Continuity and Crisis Management Plans for some critical asset failure
- Engagement of experienced project managers
- Implement robust procurement process to correctly identify/scope and procure appropriate asset
- Implement robust project planning processes
- Independent asset management maturity assessments are undertaken 3 yearly
- Infrastructure Strategy is in place to identify significant infrastructure challenges over the next 30 years, and to identify the principal options for managing those challenges and the implications of those options
- Maintenance and service agreements in place with the supplier, where appropriate
- Modelling and master planning of strategic assets undertaken to forecast and respond to the impact of changing demand and growth
- Processes for the supervision, design and testing during build or vesting of the asset
- Redundancy is built into some of our critical assets (e.g. two cremators with short term cover available in a fail event)
- Robust project management and procurement processes in place and followed
- Speciality contracts are in place to maintain the condition of critical assets and minimise the risk of failure occurring
- Staff have appropriate project management skills and experience
- Stakeholder engagement prior to procurement/replacement of asset to ensure appropriate replacement
- Training and development plans in place for staff to identify competency and skill requirements
- Zoo Masterplan
- Zoo: Annual MPI audit provides government oversight in maintaining animal enclosure assets.
- Anomaly detection and vulnerability scanning capability
- Quarterly Threat and Risk assessments

<b>Residual Likelihood</b>	Unlikely	<b>Residual Consequence Drivers</b> Safety & Wellbeing, Financial, Service Delivery, Compliance Social and Cultural	Major	<b>Residual Risk Rating</b>	<b>Rating</b>  High
<b>Action Owners</b>					<b>Mitigation</b>
Paul Gower (Assets Strategy Manager), Maire Porter (City Waters Manager), Jason Harrison (Transportation Manager), Tania Hermann (Infrastructure Group Business Manager), Simon Young (Delivery Manager), Maria Barrie (Parks and Recreation Manager), Michelle Rivers (Cemeteries and Crematorium Manager), Emily Botje (Facilities Manager), Baird Fleming (Zoo Director); Chad Hooker (H3 Group)					Mitigate

## Attachment 1

## Item 8

Improvement Plan	Previous updates	Update – March 2021
<ul style="list-style-type: none"> <li>Identification of critical asset groups and documentation of management strategies for assets</li> </ul>	<ul style="list-style-type: none"> <li>Water, Wastewater, Stormwater, Solid Waste and Transportation Activity Management Plans, which includes management strategies for assets, are currently under review. Initial review due to be completed by end of July 2020.</li> <li><b>(September 20)</b> - Asset Management Plans are in the final stages of review as part of the 2021-31 LTP process.</li> <li><b>(December 20)</b>: Asset Management Plans are in the final stages of review as part of the 2021-31 LTP process.</li> <li>Zoo &amp; Facilities teams investigating electrical infrastructure grid.</li> </ul>	<ul style="list-style-type: none"> <li>Feedback on Asset Management Plans received and will be reviewed and incorporated</li> </ul>
<ul style="list-style-type: none"> <li>Identify key speciality services and skillsets for the operation and maintenance of critical assets that need to be employed or engaged under contract, including developing competency and training programmes.</li> </ul>	<ul style="list-style-type: none"> <li><b>(September 20)</b> – New IP</li> <li><b>(December 20)</b> - This is at an initial stage and will be further developed within essential service resilience plans including competency and training requirements. To be completed in early 2021</li> </ul>	<ul style="list-style-type: none"> <li>Work is ongoing</li> </ul>
<ul style="list-style-type: none"> <li>Identify list of Civil Defence trained staff within activity units who are business critical (depending on event type).</li> </ul>	<ul style="list-style-type: none"> <li><b>(September 20)</b> – New IP</li> <li><b>(December 20)</b> - This is at an initial stage and will be further developed within business continuity plans in early 2021</li> </ul>	<ul style="list-style-type: none"> <li>Complete. This list has been reviewed to ensure ongoing critical essential service provider during an event is in place.</li> </ul>

## APPENDIX A – RISK RATING AND REPORTING

The following tables provide the limits within Hamilton City Council's overall risk threshold which the organisation is expected to operate within and expected responses for each level of risk.

		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

This matrix is used to map the likelihood and consequence levels of a risk and provide a pictorial representation of the relativity of that risk to other risks within an Activity Group or Project and can also be used for mapping key risks across Hamilton City Council.

### Action Required Table

The table details the required actions for each risk

ACTION REQUIRED FOR RISK	
<b>E</b>	<b>Extreme Risk</b> – Immediate action required: risk escalated as appropriate. Action Plans and management responsibility specified with scrutiny required. Only the Chief Executive and/or Council can accept this level of risk.
<b>VH</b>	<b>Very High Risk</b> – Senior Leadership Team attention advised. Action Plans and management responsibility specified with periodic scrutiny required. The relevant GM, Unit Manager and Risk Owner / Programme Manager can accept this level of risk.
<b>H</b>	<b>High Risk</b> – Senior Leadership Team attention advised. Action Plans and management responsibility specified with periodic scrutiny required. The relevant General Manager (GM), Risk Owner, Unit Manager or action owner can accept this level of risk.
<b>M</b>	<b>Medium Risk</b> – Management responsibility specified. Managed by specific monitoring and procedures. The relevant Risk Owner, Unit Manager or action owner can accept this level of risk.
<b>L</b>	<b>Low Risk</b> – Manage by routine procedures. Unlikely to require specific application of resources. The relevant activity manager can accept this level of risk.



## APPENDIX B – RISK REVIEW AND REPORTING TABLE

The following table details the required level to which the different risk levels must be reviewed and reported.

RISK LEVEL	STRATEGIC/ ORGANISATIONAL RISKS	REVIEW PERIOD (Minimum)	REPORTING PERIOD (Minimum)
<b>Extreme</b>	Council	Quarterly	Strategic Risk & Assurance Quarterly
	Senior Leadership Team	Monthly	Monthly
<b>Very High</b>	Council	Quarterly	Strategic Risk & Assurance Quarterly
	Senior Leadership Team	Monthly	Monthly
<b>High</b>	Senior Leadership Team	Quarterly	Monthly
<b>Medium</b>	Wider Leadership Group*	Six-monthly	Bi-Monthly / as required
<b>Low</b>	Wider Leadership Group*	Six-monthly	Bi-Monthly / as required

*\*Wider Leadership Group is to be interpreted as any staff member with specific business responsibilities, including but not limited to, General Managers, Unit Managers, Team Leaders and Project Managers.*

By using this matrix, a decision can be made as to the level of escalation for management acceptance that is required and the frequencies with which accepted risks are to be reviewed and reported.

# Council Report

Item 9

**Committee:** Strategic Risk and Assurance Committee

**Date:** 11 March 2021

**Author:** Morva Kaye

**Authoriser:** Tracey Musty

**Position:** Internal Auditor

**Position:** Financial Controller

**Report Name:** 2020/21 Internal Audit Update

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

1. To inform the Strategic Risk and Assurance Committee on Internal audit progress to 23 February 2021.

## Staff Recommendation - *Tuutohu-aa-kaimahi*




2. That the Strategic Risk and Assurance Committee:
  - a) receives the report; and
  - b) notes progress against the Hamilton City Council Internal Audit Plan for Council staff.

## Discussion - *Matapaki*

3. The Council's internal audit function incorporates engagements delivered by PricewaterhouseCoopers (PwC) and internal Council staff. This report provides an update on progress by Council staff.
4. Staff consider the decision in this report to have low significance and that the recommendations comply with the Council's legal requirements.
5. Progress against the work programme is as follows:

Audit	Status
<b>Contract management</b> This review covers checking a sample of contracts to ensure that the contracts have been set up and managed correctly. A scope of works will be agreed with management during the third quarter of the 2020-21 year.	
<b>Leased property acquisitions</b> This work has been completed. Summary report attached.	

## KEY

	Completed or on track
	Currently behind, expect to get back on track
	Permanently delayed

**Financial Considerations - *Whaiwhakaaro Puutea***

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

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

7. Staff confirm that the matters in this report comply with Council's legal and policy requirements.

**Wellbeing Considerations - *Whaiwhakaaro-aa-oranga tonutanga***

8. 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').
9. 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.
10. There are no known social, economic, environmental or cultural considerations associated with this matter.

**Risks - *Tuuraru***

11. Any known risks have been identified relevant to the matters in this report.

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

12. Having considered the Significance and Engagement Policy, staff have assessed that the matters in this report have low significance.

**Engagement**

13. Given the low level of significance determined, the engagement level is low. No engagement is required.

**Attachments - *Ngaa taapirihanga***

Attachment 1 - Leased Property Acquisitions February 2021

**Hamilton City Council**

**Internal Audit Assessment**

**Leased Property Acquisitions**

**February 2021**

### Sponsor

Jen Baird  
General Manager Growth

### Objectives and scope

The objectives were to provide an assessment of:

- The process used when properties purchased for future roading are leased.
- The GST implications when the property is used for making both GST taxable supplies (land) and GST exempt supplies (house and curtilage).

The scope encompasses the following areas:

1. Assessing the design effectiveness of processes and controls in relation to leasing properties purchased for future roading in accordance with HCC policies and procedures.
2. Analysis of property transactions when the property is used for making both GST taxable supplies (land) and GST exempt supplies (house and curtilage).

The scope is limited to properties purchased in the period 1 July 2019 – 31 December 2020.

### Background

#### *The acquisition strategy*

The properties included in this audit assessment were purchased for future roading as part of the Peacocke Growth Cell Acquisition Strategy and funded from the Housing Infrastructure Fund (HIF).

Council negotiated as part of the purchase, to let vendors lease the properties after settlement for an agreed period for a peppercorn rent, payable if demanded. The vendors signed a Lease Agreement contemporaneously with the Sale and Purchase Agreement.

#### *Operational processes*

Once negotiations for a property acquisition have been completed, Strategic Property are then responsible for organising the Sale and Purchase Agreement and confirming with Finance the GST implications for each transaction prior to settlement.

Finance contract PwC Tax Team for taxation advice and in particular GST advice on all property purchases and sales.

### Key messages

1. Promapp procedures need to accurately document the respective roles of Finance and Strategic Property for land acquisitions, disposals, changes of use and GST implications.
2. Finance has an integral role in ensuring that Council achieves its strategic property objectives and it should be involved at the right time in the process.
3. Council should be able to rely on consistent and quality advice from external consultants.

## Key findings

### 1. Property acquisition process

Strategic Property's two Promapp processes for property acquisitions include "... mitigate any risk for the Council", yet there is no procedure documented for sending the Sale and Purchase Agreement to Finance so that GST can be assessed prior to settlement.

The Property Acquisition Checklist should also include the requirement to do so.

In practice, Strategic Property do ask Finance to provide GST advice on the Sale and Purchase Agreement, but often without warning which puts undue pressure on Finance and the PwC Tax Team with potential for mistakes to be made.

#### *Recommendation:*

Strategic Property need to ensure that Promapp processes and the Property Acquisition Checklist are updated to reflect the integral role of Finance, including advance notice to Finance of any impending property transactions, including houses being demolished or not being tenanted.

#### *Management response:*

Update Promapp process and checklist to include notification to Finance – completion 30 March 2021.

### 2. Internal controls for GST calculations on mixed-use land acquisitions

The PwC Tax Team were asked for GST advice on the purchase of a property for future roading. Due to the complexity of the transaction, they recommended that Council ask the valuers to confirm the value of the dwelling, chattels, and curtilage so that GST could be calculated correctly.

Due to misinterpretation of the wording in the valuer's report, GST was calculated on the remaining land (beyond curtilage) and not the residence and curtilage.

There is no documentation to show that the PwC Tax Team were asked for further advice on the valuer's report or that the calculation was checked and signed off by Finance.

Council under claimed \$66,386.88 GST input tax in January 2020. An adjustment has been made by Finance in the January 2021 GST return, which has been corrected within two years of the purchase date allowed for GST input tax claims.

#### *Recommendations:*

The GST calculation of mixed-use land transactions should be checked and signed off by a second accountant.

Finance need to document the process for mixed-use land transactions.

#### *Management response:*

Agreed. Until such time as we have this knowledge within the Finance team, we will continue to use the PwC Tax team to assist.

### 3. Inconsistencies in taxation advice

The PwC Tax Team were asked to provide advice on a mixed-use land acquisition.

*"We are of the view that as Council must apply the SOLGM Agreement to all mixed-use land acquisitions. Taking what was agreed with Inland Revenue literally, that means no adjustments should be made in respect of the rental (or deemed rental) of the properties on the basis that there are no rental payments received. However, we note that this treatment has not been tested with Inland Revenue and although it follows the SOLGM Agreement, it may not follow the intention of the GST legislation. As such, Council may wish to make a notional adjustment based on the estimated market rental value of the property."*

Finance recognised GST on a nominal rental on two mixed-use land transactions but did not recognise any rental income on two other mixed-use properties.

On inquiring with PwC Tax Team on this matter, they offered this advice.

*"Market value rental should not be considered, but rather, only actual rent received."*

#### *Recommendation:*

To avoid inconsistencies, the PwC Tax Team should provide written confirmation that advice provided to Council has been reviewed.

Finance should have a process for identifying and resolving any apparent inconsistencies.

#### *Management response:*

Agree.

# Council Report

Item 10

**Committee:** Strategic Risk and Assurance Committee

**Date:** 11 March 2021

**Author:** Morva Kaye

**Authoriser:** Tracey Musty

**Position:** Internal Auditor

**Position:** Financial Controller

**Report Name:** 2020/21 PwC Internal Audit Update

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

- To inform the Strategic Risk and Assurance Committee on Internal Audit progress to 23 February 2021.

## Staff Recommendation - *Tuutohu-aa-kaimahi*

- That the Strategic Risk and Assurance Committee:
  - receives the report; and
  - notes progress against the Internal Audit Plan.

## Discussion - *Matapaki*

- Council's internal audit function incorporates engagements delivered by PwC and internal Council staff. This report provides an update on progress by PwC.

### PwC Internal Audit Plan – progress summary

- The following progress has been made on the internal audit engagements included in the 2019/20 and 2020/21 Internal Audit Plans:

Engagements in Progress – 2019/20	Status
<b>Business Case Preparation and Benefits Realisation – Q4</b> This engagement has been completed and the final report is attached.	
<b>IBIS Project Assessment</b> PwC are assessing the controls over the new financial strategy model being implemented through the IBIS project. This work is on-going and will be completed in 2021.	
Engagements in Progress – 2020/21	Status



<b>Cyber Security</b> PwC have agreed a scope of work with management. Fieldwork will commence in March 2021.	
<b>Authority Property Management Processes</b> This engagement has been completed and the final report is attached.	

## KEY

	Completed or on track
	Currently behind, expect to get back on track
	Permanently delayed

5. Health & Safety and the Connected programme were on the initial list of work to be performed this year, but due to other work being undertaken by management it was decided that now is not the appropriate time for an internal audit to occur in these areas.
6. HCC are considering the implementation of a new payroll system this year and internal audit will provide an Independent Quality Assurance over this project.

**Financial Considerations - *Whaiwhakaaro Puutea***

7. The cost of the PwC annual internal audit programme is \$150,000 (GST excl.) and is budgeted in the Annual Plan.

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

8. Staff confirm that the matters in this report comply with the Council's legal and policy requirements.

**Wellbeing Considerations - *Whaiwhakaaro-aa-oranga tonutanga***

9. 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').
10. 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.
11. There are no known social, economic, environmental or cultural considerations associated with this matter.

**Risks - *Tuuraru***

12. Any known risks have been identified relevant to the matters in this report.

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

13. Having considered the Significance and Engagement Policy, staff have assessed that the matters in this report have low significance.

**Engagement**

14. Given the low level of significance determined, the engagement level is low. No engagement is required.

### **Attachments - *Ngaa taapirihanga***

Attachment 1 - Business Case and Realisation Report February 2021

Attachment 2 - Property Management Process February 2021

**Item 10**

# Hamilton City Council

Business Case and Benefits Realisation  
Internal Audit

Internal audit report – Final SRAC version  
23 February 2021




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& Observations Snapshot

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A. Psoda Benefits Register  
B. Risk Framework  
C. Terms of Reference

For Action:

- Chris Allen (General Manager Development)

For Information:

- Strategic Risk and Assurance Committee

**Inherent limitations:** This assignment does not constitute a review, audit, or assurance engagement as defined in the standards issued by the External Reporting Board. Accordingly, this engagement is not an assurance engagement, nor is it intended to, and will not result in, the expression of an assurance, audit or review opinion, or the fulfilling of any statutory audit or other assurance requirement.

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Sarah Seel  
PMO Manager  
Hamilton City Council  
Private Bag 3010  
Hamilton 3240  
New Zealand

23 February 2021

Dear Sarah,

In accordance with our Contract dated 1 July 2017 and the Terms of Reference dated 28 July 2020, we are delighted to report on our findings arising from the assessment of the Business Cases and Benefits Realisation.

We would like to extend our appreciation for the assistance provided by HCC staff towards the completion of this internal audit.

Yours faithfully

A handwritten signature in blue ink, appearing to read 'Matthew White'.

Matthew White | PwC New Zealand | Partner

PricewaterhouseCoopers, Corner Anglesea and Ward Streets, PO Box 191, Hamilton 3240, New Zealand

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# Executive Summary



PwC

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# 1.0 Executive Summary

## Introduction

Business cases are an important key document in the project management lifecycle as they demonstrate the rationale for the project and link to the organisation's strategic objectives. The business case brings together why the project should be undertaken, options for delivery, risks, costs and benefits.

The success of an organisation hinges on the overall benefit realised by implementing projects and change. The successful realisation of project benefits often takes some time after completion in order for benefits to take hold.

HCC have requested an internal audit as part of the 2020/21 Internal Audit Programme to assess business cases and benefits realisation.

We performed the internal audit in accordance with our contract dated 1 July 2017, and our subsequent terms of reference dated 28 July 2020 and attached within Appendix C.

This report should be read in the context of the terms and conditions of our contract and the limitations referred to in this report. Our work was performed in September and October 2020.

## Objective & Scope

The objective of this engagement is to:

1. Assess the quality of business cases prepared at HCC.
2. Provide thought leadership on benefits realisation processes.

## Scope limitations

Our work does not cover NZTA related business cases.

## Approach

### 1. Business Case assessment

- The incorporation of the four wellbeing's into the business case template
- For a sample of Business Cases, we addressed the following areas from PwC's Business Case methodology (which aligns to the Treasury Better Business Case framework):
  - Strategic rationale and scope
  - Objectives and benefits if the investment
  - Interdependencies
  - Evaluation Approach
  - Reasonableness of assumptions
  - Integrity of models/calculations.
  - Consistency of assumptions and data between components of the analysis
  - Presentation of risk and opportunities.
- We also looked at the HCC Business Case methodology under which the business cases were written:
  - Why should we do this project (i.e. what is the issue that is being addressed)?
  - How will this project improve the wellbeing of Hamiltonians? What are the benefits?
  - What is the community view of this project?
  - What are the options including the status quo? What is the impact of each option in terms of costs, benefits and risks?

### 2. Benefits Realisation

- Research good practice and PwC thought leadership to make recommendations on how HCC could implement a benefits realisation process.

# 1.0 Executive Summary

## Key findings

### Business Case assessment

Overall, the business cases assessed showed a good alignment with Council's strategic objectives, Long Term Plans and specific planning documents (such as the Zoo Master Plan). All business cases showed that the expenditure was in the context of the Council's direction and no project appeared out of context.

Each business case had clear objectives identified, and, in several cases had detailed identified benefits and key performance indicators associated with those benefits, including Council owners. However, there was no link to a benefits realisation plan, or, in the business case, a plan and timing for when those indicators would be implemented. The business case framework mentions that these business cases should be monitored and evaluated during the associated project to implement the business case, but there is no link between that monitoring and some of the benefits realisation measurement that may assist in that.

Business cases identified interdependencies and their effects on the business case.

There was no clear reference to the four community well-beings in either the Project Management Framework or the Business Cases assessed. It is noted that wellbeing aspects were covered within the business cases.

We recommend that:

- When recommending software packages, alternative packages, if available, should be identified and discussed as part of the business case.
- All assumptions on financial forecasts should be clearly stated alongside the financial model(s). Where Council has developed alternate financial models, these should be reviewed by another analyst to check the assumptions and calculations. It was not clear this had been done.
- Risks are labelled specifically, and note that they have been addressed in the financial models that have been developed for the business case by referring to them directly, if appropriate. That way the reader can gain confidence that the risks have been addressed in the financial models.
- The four community well-beings are explicitly outlined in the Project Management Framework and in the business case template.
- A decision-tree matrix is developed within the Project Management Framework to guide users when business cases should be used.

### Benefits Realisation

Implementation of a comprehensive benefits realisation process for HCC will result in a more focused alignment of project benefits with strategic objectives and monitoring that the investment of time, money and resources has resulted in the desired positive impact.

The Project Management Office (PMO) should be responsible for the consistent implementation of benefits realisation methodology and provide central oversight of benefits realisation across the organisation. A pilot of a few projects should be put through the benefits realisation process before implementing the process across the whole organisation.

It is recommended that the PMO is allocated a resource to enable the development, implementation and on-going facilitation of benefits realisation.

Psoda has benefits management functionality that is fit for purpose and Council should be utilising this to maximise the benefits from its investment in Psoda.

We have outlined in section two of this report:

- the advantages of a benefits realisation programme
- a good practice model that can be used as a base for development of a framework
- roles and responsibilities
- implementation.



## 1.1 Observation Snapshot

### Summary of findings – Business Cases

We set out below a mapping of our findings against the risk assessment methodology, which is attached in Appendix B. Our detailed findings have been provided to management and a summary is included below.

	Observation	Risk Rating/ Mgt Comment
1	Alternative solutions should be put forward when procuring goods and services, where applicable.	Low
Recommendations	1.1 Seek Registrations of Interest or perform a market scan to identify software suppliers that may meet HCC requirements. 1.2 Identify which software packages offer similar solutions and include analysis of these in the Business Case, including costs, functionality and fit.	Agreed
2	Assumptions in financial models should be clearly stated.	Moderate
Recommendations	2.1 All assumptions on financial forecasts for be clearly stated alongside the financial model(s). 2.2 Where the HCC has developed alternate financial models, these should be reviewed by another analyst to check the assumptions and calculations.	Agreed
3	Addressing identified risks in financial models by tracking them specifically.	Low
Recommendations	3.1 Label risks uniquely and track those any financial models, showing the effect of the risk on the model's outcome.	Agreed
4	The four community well-beings are not specifically included in the Project Management Framework or Business Case template.	Moderate
Recommendations	4.1 The four community well-beings are explicitly outlined in the Project Management Framework and in the business case template.	Agreed
5	When to use a business case is unclear.	Low
Recommendations	5.1 A decision-tree matrix is developed within the Project Management Framework to guide staff whether a business cases should be used.	Agreed

### Findings mapped to Risk assessment framework

Likelihood	High			
	Moderate	1, 3, 5	2 & 4	
	Low			
		Low	Moderate	High
Impact				

### Risk Level Key

	Low		Moderate		High
--	-----	--	----------	--	------

# Benefits Realisation



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## 2.0 Benefits Realisation

### Background

HCC does not currently have a comprehensive project benefits realisation process in place. The current project completion process includes a project closure report which includes benefits realisation and lessons learnt at a very brief level. The project closure report is performed immediately after the completion of the project and does not capture the benefits realised over time.

Benefits realisation management enables projects to achieve what they set out to do. It shows that a project has been worthwhile and that the investment of time, money and resources has resulted in the desired positive impact.

The benefits realisation process starts in the planning stages of the project to allow for an outcomes-based long term focus as opposed to the traditional short term inputs-based focus on cost, quality, and time. Benefits can be financial savings, efficiency improvements, reduction of risk and more.

This section summarises PwC thought leadership around the implementation of benefits realisation management at an organisational and project level for Hamilton City Council.

### Advantages of a benefits realisation process

- A clear understanding of what objectives/outcomes exist for the programme/project and the benefits that will result from the achievement of these objectives/outcomes.
- Clarity around how benefits will be measured and who owns them.
- Strong linkage between benefits and what needs to change in the organisation to realise them.
- Change ownership and measures of the achievement.
- Benefits measurement allows corrective action to be taken earlier rather than later, and provides valuable information for any related future projects (lessons learnt).
- Ensuring that the investment made into the programme/project is not wasted.
- Demonstrates that programme/project objectives/outcomes/value are achieved over time and reinforces the benefit of the change.

### Organisational oversight of benefits realisation

A policy should be set at an organisational level to guide the oversight and implementation of benefits realisation. The responsibility for project benefits realisation should reside with the Project Management Office (PMO) as this allows for centralised coordination of benefits realisation across the entire programme of projects across the organisation. The PMO is the custodian of the benefits realisation methodology and the organisational benefits register.

The PMO's role includes:

- Ensuring a consistent benefits realisation methodology and framework is being adopted across the organisation.
- Facilitating the identification and definition of benefits in order to ensure harmonisation of benefits and consistency of measurement across projects.
- Supporting the design, maintenance and governance of all Benefits Realisation Plans.
- Custodianship and administration of the centralised benefits database and opportunities (benefits that will not be realised through the delivery of the project).
- Centrally monitoring and tracking benefits realisation
- Providing benefits progress and status reports to the Capital Investment Board (CIB) / Business Unit Leadership (as appropriate), and the Senior Leadership Team (SLT).
- Monitoring completion of the Post-Implementation Benefits Review and Lessons Learned activities.

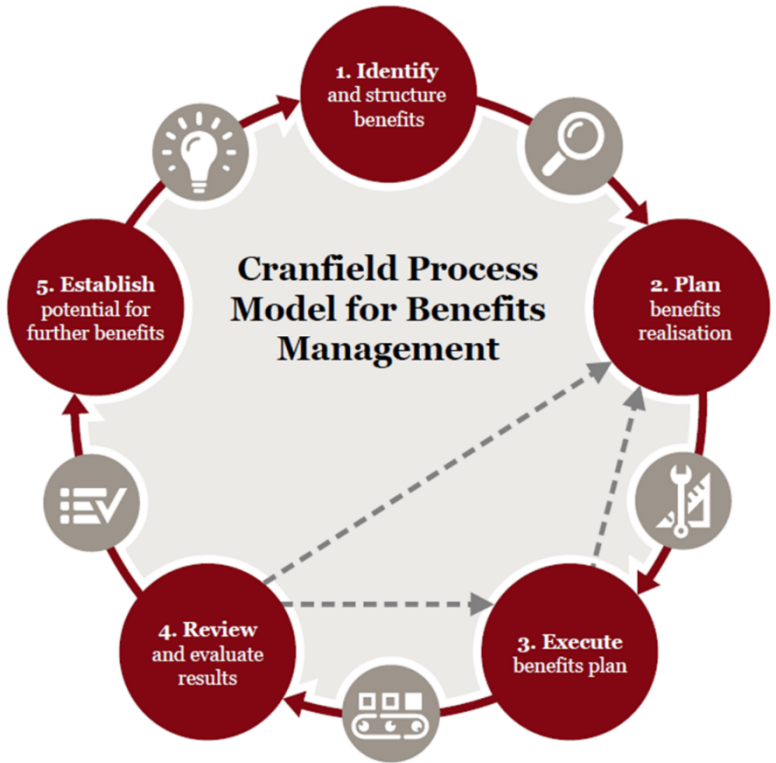
A RACI matrix with provisional assignments of responsibilities for each phase of benefits realisation at an organisational level has been provided to management.

It is recommended that the PMO is allocated a resource to enable the development, implementation and on-going facilitation of benefits realisation.

# 2.0 Benefits Realisation

## Good practice implementation of a benefits realisation process

The Cranfield Process Model of Benefits Management by Ward and Daniel is seen as the most common model used for successfully realising benefits. It structures the benefit realisation process into the below five stages across the project lifecycle:



RACI Matrix Stage	Cranfield Process Model Stage
Define	<b>1. Identify and structure benefits</b> The first step is to identify and categorise the intended benefits including any interdependencies. During this stage, the benefit profile for identified benefits can start to be filled out.
Plan	<b>2. Plan benefits realisation</b> The second step is to create a plan for benefits realisation including the allocation of owners to each intended benefit.
Realise	<b>3. Execute benefits plan</b> During the execution stage of the benefits realisation process, the benefits realisation plan may be revisited and refined based on new information or circumstances that come to light. Results will be periodically reviewed and evaluated during this stage and adjustments made where needed to the benefits realisation plan which has a flow-on impact to execution. During this stage results of interim benefit measurement will be recorded in Psoda.
Evaluate	<b>4. Review and evaluate results</b> After completion of the project, results should be reviewed and evaluated against the initial planned benefits to evaluate the success of the project. The PMO should use the results of this to disseminate the lessons learnt and achievement of benefits across the wider management group.
	<b>5. Establish potential for further benefits</b> The last stage is to identify what potential future benefits can now be realised due to the outcomes from the completion of the project. These benefit opportunities are tracked centrally by the PMO.

## 2.0 Benefits Realisation

### Existing capabilities to support the benefits realisation process

Psoda is an existing tool that can be utilised to support the implementation of the benefits realisation process. Psoda provides a benefits realisation tool as part of its Programme and Project Management module. This can be used from the planning stage onwards and provides functionality which covers:

- A benefits register (Appendix A) for tracking periodic measurements of benefits realisation progress.
- A benefits map which highlights the interdependencies between the realisation of various benefits and shows the achievement progress of each benefit.

### Benefits Realisation Plan Overview

For each key benefit of the project a plan should be put in place that covers the below:

- Baseline and target measurements to be achieved for each benefit (baseline is measured prior to the start of the project);
- A description of how each benefit will be measured and the data source;
- The expected delivery schedule for each benefit;
- An overview of the monitoring capabilities required to measure each specified benefit, along with details explaining how each capability will be delivered; and
- An explanation of the risks that may threaten the achievement of each benefit and how the threat will be handled.

Responsibilities should also be assigned as to what role each stakeholder has in the benefits realisation process. An RACI matrix can be used to outline who is Responsible, Accountable, Consulted and Informed of all decisions.

Individual project plans should be combined into a programme plan that provides the link between individual project outputs, the delivery of outcomes, and the realisation of benefits. Risks to overall delivery of outputs can also be documented in a Programme/Project Risk Register. The Benefits Register (*Appendix A*) can be used to collate the periodic tracking of benefits for each individual project.

It is recommended that a pilot is carried out where a few projects are put through the above benefits realisation process to help refine the benefits realisation process before it is implemented across the whole organisation.

# Appendices



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## Appendix A – Psoda Benefits Register

The below screenshot is from Council's Psoda system that has the functionality to manage benefits. At present, Council is not utilising this functionality.

Dashboard	Schedule	Milestones	Budgets	Risks	Issues	Change requests	Lessons	Benefits	
-----------	----------	------------	---------	-------	--------	-----------------	---------	----------	--

The following benefits have been defined for this Project:

Table view

Selected	Reference	Type	Title	Last measurement	Progress	Target value	Measurement unit	Next measurement date	Measurement approach	Benefit evidence	Owner	Actions	Approved?	Measurement start date	Target realisation date
<input type="checkbox"/>	012 All														

## Appendix B – Risk assessment framework

### Risk Prioritisation Matrix

#### Impact

Level	Description
<b>High</b>	A significant weakness which could compromise Management's internal control.
<b>Moderate</b>	An issue which can undermine Management's internal control and should be addressed but with a lower priority than High.
<b>Low</b>	A weakness which does not seriously detract from the system of internal control but which should nevertheless be considered by Management.

#### Likelihood

Level	Description
<b>High</b>	Risk is likely or almost certain to happen (66-100%)
<b>Moderate</b>	Risk is possible to happen (36- 65%)
<b>Low</b>	Risk is unlikely or rarely will happen (0-35%)

### Risk Matrix

Likelihood	High	Moderate	High	High
	Moderate	Low	Moderate	High
	Low	Low	Low	Moderate
		Low	Moderate	High
		Impact		

### Priority Rating

Level	Risk	Consequences of Risk Ratings
<b>H</b>	<b>High</b>	Requires immediate attention
<b>M</b>	<b>Moderate</b>	Requires attention/action underway within 3 months
<b>L</b>	<b>Low</b>	Requires attention/action underway within 6 months



# Appendix C – Terms of Reference

## Terms of Reference - extract

In accordance with our contract 16265 dated 1 July 2017, including all terms, we set out below the terms of reference for our assessment of business cases and benefits realisation at Hamilton City Council (HCC).

### Background

Business cases are an important key document in the project management lifecycle as they demonstrate the rationale for the project and link to the organisation's strategic objectives. The business case brings together why the project should be undertaken, options for delivery, risks, costs and benefits.

As part of HCC's project management framework, a full or lite business case has to be developed and approved at the initiation phase.

The success of an organisation hinges on the overall benefit realised by implementing projects and change. The successful realisation of project benefits often takes some time after completion for benefits to take hold.

Currently, as part of the HCC project completion processes, a project closure report can be done that includes benefits realisation and lessons learnt at a very brief level. The project closure report is performed immediately after the completion of the project and therefore it does not capture the benefits realised over time.

### Sponsor

The Hamilton City Council (HCC) Executive Sponsor for this engagement will be Chris Allen, General Manager Development.

### Objective and scope

The objective of this engagement is to:

1. Assess the quality of business cases prepared at HCC.
2. Provide thought leadership on benefits realisation processes.

### Scope limitations

Our work will not cover NZTA related business cases.

Our assignment does not constitute a review, audit, or assurance engagement as defined in the standards issued by the External Reporting Board. Accordingly, this engagement is not an assurance engagement, nor is it intended to, and will not result in, the expression of an assurance, audit or review opinion, or the fulfilling of any statutory audit or other assurance requirement.

### Approach

Our approach will be:

Business Case assessment

- Evaluate the HCC business case format against the Treasury Better Business Case framework
- The incorporation of the four wellbeing's into the business case template
- For a sample of five business cases, evaluate the quality of completion.

#### 1. Benefits Realisation

- Research good practice and PwC thought leadership to make recommendations on how HCC could implement a benefits realisation process.

### Deliverable

At the conclusion of the fieldwork, we will workshop the findings with management and prepare a written report of our findings identified during the assessment (both strengths and weaknesses) along with recommendations for improvement where weaknesses are identified.

The report will be issued in draft to the engagement sponsor for comment, followed by a final report once all comments have been received, agreed, and incorporated within the report.

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# Hamilton City Council

## Internal Audit of Property Management Process

Internal audit report – SRAC version  
19 February 2021





EXECUTIVE SUMMARY & OBSERVATIONS SNAPSHOT	04
APPENDICES	09
i. Risk Matrix	
ii. Terms of Reference	

#### FOR ACTION

- Jen Baird (General Manager Growth)

#### FOR INFORMATION

- Strategic Risk and Assurance Committee

**Inherent limitations:** This assignment does not constitute a review, audit or assurance engagement as defined in the standards issued by the External Reporting Board. Accordingly, this engagement is not an assurance engagement, nor is it intended to, and will not result in, the expression of an assurance, audit or review opinion, or the fulfilling of any statutory audit or other assurance requirement.

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T: +64 7 838 3838

Jen Baird  
General Manager Growth  
Hamilton City Council  
Private Bag 3010  
Hamilton 3240  
New Zealand

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19 February 2021

Dear Jen,

In accordance with our Contract dated 1 July 2017 and the Terms of Reference dated 21 October 2020, we are delighted to report on our findings arising from the assessment of the property management process for Hamilton City Council ('Council').

We would like to extend our appreciation for the assistance provided by Council staff towards the completion of this internal audit.

Yours faithfully

A handwritten signature in blue ink, appearing to read 'Matthew White', is placed above the printed name.

Matthew White  
PwC New Zealand | Partner

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## Executive Summary

Item 10

Attachment 2



# Executive Summary

## Introduction

Council own and manage a range of properties related to operational, community and infrastructure requirements. Currently there are 106 residential (17) and commercial properties (89) that are leased out to third parties as a means of generating revenue for council until a time when the property is needed for an alternative purpose or for ongoing property use (for example telecom sites, airspace rights).

In managing these property portfolios, there are a number of different elements to consider, including, but not limited to, lease application and vetting processes, rent and income management, property maintenance and record management.

In order for the Council's property management process to function efficiently and effectively, a number of factors need to be considered, including the coordination of external agencies, the integration of Council's operating systems and the active monitoring of property lease agreements for both residential and commercial properties. Council has recently digitised lease record keeping and management processes within "Authority".



## Objective & Scope

The objective of this engagement is to assess the:

- Property management process for non-community properties owned by Council and leased to third parties.
- Functionality within Authority (and interactions with other systems/third parties used) to administer/manage leased properties owned by Council.
- Completeness of the Authority property portfolio (excluding community properties).

The scope includes all properties within the Authority system that are owned by Council and leased, or available to lease, to third parties, and will cover the following property management processes:

- Property identification as available for lease (covers both how newly acquired properties are added to the lease portfolio and those properties that are currently vacant)
- Lease application and vetting process
- Lease agreements
- Bond management
- Rent and income management
- Property maintenance, refurbishment, capital works
- Operating cost management
- Property inspections
- Records management.

## Scope limitations

Our work will not cover the acquisition or disposal of properties or those properties that are not leased (or available for lease). Our work does not cover any community properties as these are still being loaded into Authority.

Our assignment does not constitute a review, audit, or assurance engagement as defined in the standards issued by the External Reporting Board. According, this engagement is not an assurance engagement, nor is it intended to, and will not result in, the expression of an assurance, audit or review opinion, or the fulfilling of any statutory audit or other assurance requirement.

# Executive Summary

## Background

We note the following about the key components of the property management process:

**Property available for lease:** When properties are vacant (of which there are currently two commercial properties) Council use external agencies to advertise the properties. Once a potential tenant has applied to lease the property, a stringent approval process is followed whereby the tenant must satisfy conditions relating to ability to service rent payments, suitability of business for the premise, and approval from a delegated list of Council representatives, ultimately to be approved by the CEO. In some cases where the rent of the leasing of the property is for a short duration of time, a project lead can sign off on the lease agreement. In agreements involving residential properties, the vetting process and administrative tasks are largely carried out by Harcourts (the primary agent), however for commercial properties, Council staff run the process.

**Lease agreements:** Residential leases are all fairly standardised and managed with by Harcourts. Commercial leases are often bespoke and tailored to the specific needs and requirements of the tenant. Specific terms that are agreed with commercial tenants include whether there are any on-charges for rates, water and utilities and also whether the tenant is responsible for building and ground repairs on each property. This information is all stored in Authority and is updated when details change.

**Bond management:** Bonds for residential properties are managed and collected by Harcourts. During this process, Harcourts collects the payments from tenants and passes them on to MBIE. A report of these bond payments is communicated to Council and MBIE in the form of a bond report.

**Rent and income management:** Rental income for residential properties are managed by Harcourts. Harcourts collects rent for the residential properties on a weekly basis and pays Council the proceeds on a monthly basis, with deductions made for any maintenance on the properties and management fees. Along with the monthly payment, Harcourts provides Council with a comprehensive breakdown of the rent collected and costs incurred, along with relevant invoices and supporting documentation.

The rental income for commercial properties is largely an automated process. Once a tenant has entered into an agreement with Council, they are sent invoices in accordance with their payment frequency, rental payments are processed as standing charges and are then reviewed by the finance department. Monthly debtor listings are monitored, resulting in rapid identification of tenants in arrears.

**Rent reviews and renewals:** Rent reviews and renewals are controlled by the Property Officer and have been made easier following the implementation of the Authority system. Reminders are set in the system to ensure awareness of commercial properties coming up for renewal or rent review (usually six months to one year in advance), ensuring sufficient time is provided to the Property Officer to action a rent review, or in the case of a renewal, be aware that a notice of renewal may be forthcoming from the tenant. Council facilities team is responsible for organising Telfer Young property valuations at the appropriate times to assess the market rental value. Residential properties are monitored by Harcourts and are communicated with the Property Officer in a timely manner.

When the rent needs to change for a commercial property, the Property Officer sends a standing charge form through to Sundry Debtors and Sundry Debtors will email confirming that the invoices have been updated for the Tenant. From there, the Property Officer updates the Authority system to reflect the changes.

**Property maintenance, refurbishment, capital works:** For residential properties, Harcourts are authorised to organise and pay for repairs and maintenance up to the value of \$350 per property, without prior authorisation from Council. Harcourts are also responsible for installing smoke alarms and assisting with the implementation of the healthy homes initiative, whereby they work with contractors to install insulation and heat pumps in homes, with Council's prior approval. In regards to commercial properties, the responsibility of maintaining and repairing properties falls mainly on the Council facilities team. This team ensures that tests are carried out on the properties (including for asbestos), obtaining earthquake reports, regular inspections. Any major maintenance or capital works that are carried out on the basis of these results are approved by Council.

**Operating cost management:** Operating costs that are irregular or tend to change each period, are dealt with on an invoice by invoice basis for commercial properties. This very manual process is performed by the Strategic Property Business Coordinator.

**Property inspections:** For residential properties, property inspections are carried out quarterly by Harcourts and again upon the termination of the tenancy, where a fully detailed inspection is carried out with a report sent through to Council. For commercial properties inspections are carried out on a regular basis by the facilities team.

**Record management:** Council's Property Officer is responsible for the management of all commercial and residential lease records and documents. This includes loading the tenants information, documentation and lease terms into Authority, and keeping records up to date.



# Executive Summary

## Key findings

Council has recently begun to use the Authority system to manage both commercial and residential properties that are leased to third parties. Community properties are currently being transferred into Authority, which is taking some time. The sooner all properties are included in one source system, the sooner Council will gain the benefits from utilising Authority for property management.

The loading of property lease information and ongoing management within Authority is a major improvement from the old paper file system. Our work identified some teething issues with the transfer of data and documentation of processes, that are common with recently implemented systems.

The key areas of process improvement that have been highlighted are as follows:

- Authority data integrity review and process documentation
- Visibility across different teams of work related to commercial lease management
- Manual invoice processing.

### Authority

There is currently a lack of process notes to guide new users of Authority. This poses a risk of key person reliance, as the property management process is only understood by the Property Officer and difficulty may arise in transferring knowledge to new users in the future. There needs to be a consistent approach for the use of Authority given that multiple areas of Council are using it (Strategic Property and Community).

There is also no formal review process in place for changes that have been made in the Authority system which gives rise to data integrity risks. There were a number of errors that PwC found in sampling the information loaded into Authority from the lease contracts.

With the property information now loaded into Authority, there is the opportunity to further investigate how the Authority this can be linked into other Authority modules that Council uses (e.g. rates, accounting, accounts receivable) to create efficiencies.

We compared a sample of properties on the lease register against the fixed asset register and no differences were noted.

### Commercial lease management

We note that duties are segregated into many different parts when dealing with commercial leases, with separate systems being utilised by each team as shown in the below table:

Area of responsibility	Council Team	System used
Lease management	Strategic Property	Authority
Repairs, maintenance and inspections. Capital improvements.	Facilities	IPS
Lease Operating expense billing	Strategic Property	Spreadsheets
Invoicing	Sundry Debtors	Authority

The key area of risk that has been identified when considering the commercial lease management process is the lack of visibility of the work performed by the different teams.

The inspections/work carried out by Council's facilities team needs to be more readily available to the Property Officer and records linked to the Authority system.

### Manual Invoicing Processes

Another key area of the property management process that has been identified as a key area of risk is the manual processes that are used for generating invoices for commercial properties for the monthly operating cost recoveries.

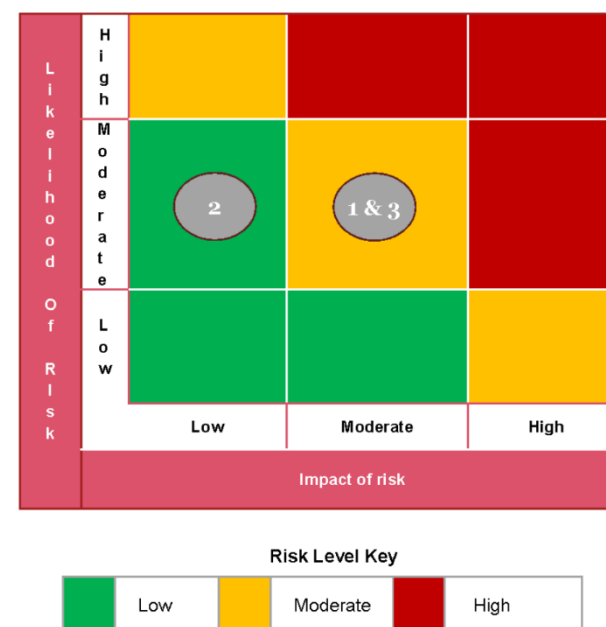
The process is very manual, with no review process, which gives rise to data integrity, completeness and accuracy risks as well as being inefficient. We also note that it is out of line with current practices in the commercial property market.

# Observation Snapshot

We set out below a mapping of our findings against the risk assessment methodology, which is attached in Appendix I. Our detailed findings have been provided to management and a summary is included below.

	Observation	Risk Rating/ Mgt Comment
1	There is a lack of process notes, reliance on key people and current manual processes have resulted in data entry errors.	Moderate
Recommendations	1.1 Document processes in Promapp. 1.2 Decide on Lease information metadata. 1.3 Implement a data entry review process.	Agreed
2	With multiple teams and systems used to manage Commercial property, there is a need for good communication and sharing of information.	Low
Recommendations	2.1 Facilities inspection records need to be shared with Property. 2.2 Provide the Property Officer with a dashboard of works being undertaken.	Agreed
3	The creation of monthly invoices for operating expense recoveries is very manual and prone to error.	Moderate
Recommendations	3.1 Simplify the receipt of information. 3.2 Implement a review process of the draft invoices. 3.3 Investigate implementing a regular monthly invoice and wash-up.	Agreed

Findings mapped to Risk assessment framework



# 2

## Appendices

# Appendix I – Risk assessment framework

## Risk Prioritisation Matrix

### Impact

Level	Description
High	A significant weakness which could compromise Management's internal control.
Moderate	An issue which can undermine Management's internal control and should be addressed but with a lower priority than High.
Low	A weakness which does not seriously detract from the system of internal control but which should nevertheless be considered by Management.

### Likelihood

Level	Description
High	Risk is likely or almost certain to happen (66-100%)
Moderate	Risk is possible to happen (36- 65%)
Low	Risk is unlikely or rarely will happen (0-35%)

### Risk Matrix

Likelihood		Impact		
		Low	Moderate	High
	High	Moderate	High	High
	Moderate	Low	Moderate	High
	Low	Low	Low	Moderate
		Low	Moderate	High

### Priority Rating

Level	Risk	Consequences of Risk Ratings
H	High	Requires immediate attention
M	Moderate	Requires attention/action underway within 3 months
L	Low	Requires attention/action underway within 6 months

# Appendix II – Terms of Reference

## Terms of Reference - extract

In accordance with our contract 16265 dated 1 July 2017, including all terms, we set out below the terms of reference for our assessment of the property management processes at Hamilton City Council (Council).

### Background

Council own and manage a range of properties related to operational, community and infrastructure requirements. For this engagement we are focussed on those properties that are leased. The leased portfolio of properties held by Council are primarily split into two categories being:

- Held properties – these are properties that are acquired for future projects that may involve use of a portion or the whole property for projects (such as new roads, public transport improvements, public space development).
- Leased community properties – these are council owned land and buildings that are made available to community groups through community occupancy. These are in the process of being loaded into Authority.

The Authority system also includes other “properties” including airspace licences, encroachment licences/leases and other such property related agreements.

Council have recently implemented the Authority system modules that incorporate property management and are in the process of updating the new system with all properties.

### Sponsor

The Hamilton City Council (Council) Executive Sponsor for this engagement will be Jen Baird, General Manager City Growth.

### Objective and scope

The objective of this engagement is to assess the:

- Property management process for non-community properties owned by Council and leased to third parties.
- Functionality within Authority (and interactions with other systems/third parties used) to administer/manage leased properties owned by Council
- Completeness of the Authority property portfolio (excluding community properties).

The scope includes all properties within the Authority system that are owned by Council and leased, or available to lease, to third parties, and will cover the following property management processes:

- Property identification as available for lease (covers both how newly acquired properties are added to the lease portfolio and those properties that are currently vacant)
- Lease application and vetting process
- Lease agreements
- Bond management
- Rent and income management
- Rent reviews and renewals
- Property maintenance, refurbishment, capital works
- Operating cost management
- Property inspections
- Records management

### Scope limitations

Our work will not cover the acquisition or disposal of properties or those properties that are not leased (or available for lease). Our work does not cover any community properties.

Our assignment does not constitute a review, audit, or assurance engagement as defined in the standards issued by the External Reporting Board. Accordingly, this engagement is not an assurance engagement, nor is it intended to, and will not result in, the expression of an assurance, audit or review opinion, or the fulfilling of any statutory audit or other assurance requirement.

# Appendix II – Terms of Reference

## Terms of Reference - extract

### Approach

Our approach will be to assess the design effectiveness of property management processes through enquiry and observation with Council staff, understanding of Council policy and procedures, walkthrough of processes to confirm our understanding and identification of key controls.

We will make a comparison of the fixed asset register and intangibles against the Authority property register to assess completeness.

We will assess the design effectiveness and if considered effective, we will then perform operational effectiveness procedures on the key controls.

### Deliverable

At the conclusion of the fieldwork, we will workshop the findings with management and prepare a written report of our findings identified during the assessment (both strengths and weaknesses) along with recommendations for improvement where weaknesses are identified.

The report will be issued in draft to the engagement sponsors for comment, followed by a final report once all comments have been received, agreed, and incorporated within the report.

# Thank you

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# Council Report

Item 11

**Committee:** Strategic Risk and Assurance Committee  
**Date:** 11 March 2021  
**Author:** Morva Kaye  
**Authoriser:** Tracey Musty  
**Position:** Internal Auditor  
**Position:** Financial Controller  
**Report Name:** Organisational Improvement Report

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

1. To inform the Strategic Risk and Assurance Committee on the status of Hamilton City Council's Organisational Improvement Register as at 31 January 2021.

## Staff Recommendation - *Tuutohu-aa-kaimahi*

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

## Discussion - *Matapaki*

3. Council's risk management programme includes the completion of external audits by Audit New Zealand, New Zealand Transport Agency (NZTA) and others and internal audits by PricewaterhouseCoopers (PwC) and Council staff.
4. Actions and recommendations resulting from these audits are recorded and monitored through the Organisational Improvement Register.
5. Staff consider the decision in this report to have low significance and that the recommendations comply with the Council's legal requirements.

### Audit New Zealand

6. There is no change to report on the eight recommendations outstanding in Audit New Zealand's final management report for the year ended 30 June 2020.

### PwC Tax Compliance Review

7. There is no change to report on the four recommendations outstanding.

## Financial Considerations - *Whaiwhakaaro Puutea*

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

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

9. Staff confirm that this project complies with the Council's legal and policy requirements.



### **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 as outlined below.
12. There are no known social, economic, environmental or cultural considerations associated with this matter.

### **Risks - *Tuuraru***

13. Any known risks have been identified relevant to the matters in this report.

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

#### **Significance**

14. Having considered the Significance and Engagement Policy, staff have assessed that the matters in this report have low significance.

#### **Engagement**

15. 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 12

**Committee:** Strategic Risk and Assurance Committee

**Date:** 11 March 2021

**Author:** Lynnro van der Nest

**Authoriser:** Tracey Musty

**Position:** Fixed Asset Accountant

**Position:** Financial Controller

**Report Name:** Audit Engagement Letter for 2021

<b>Report Status</b>	Open
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## Purpose - *Take*

1. To inform the Strategic Risk and Assurance Committee on the Audit Engagement Letter authorised last year covering the Annual Audits for this year ending 30 June 2021 and 2022.

## Staff Recommendation - *Tuutohu-aa-kaimahi*

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

## Executive Summary - *Whakaraapopototanga matua*

3. This year's Annual Report audit is guided by the Audit Engagement Letter bought to Strategic Risk and Assurance Committee meeting of 8 March 2020 [[Agenda](#)], and authorised at the Council Meeting of 19 March 2021 [[Minutes](#)].
4. There have been no changes in the terms, nature or responsibilities outlined in the Engagement Letter.
5. Staff consider the matter outlined in this report is of low significance and that the recommendations comply with Council's legal requirements.

## Background - *Koorero whaimaarama*

6. The Audit Engagement letter (**Attachment 1**) covers the financial years ending 30 June 2020, 2021 and 2022.
7. The letter outlines the terms and nature of the audit engagement and the responsibilities of the Council and Audit New Zealand with regards to the financial statements and performance information.

## Discussion - *Matapaki*

8. The Annual Report Audit for 30 June 2021 constitutes the second of the three-year engagement covered by the Audit Engagement Letter dated 15 January 2020.
9. No changes have been made to the terms and nature of the engagement nor the responsibilities of the Council and Audit New Zealand in respect of the financial statements and performance information.

### **Financial Considerations - *Whaiwhakaaro Puutea***

10. The cost associated with this year's audit is estimated to be approximately \$145,000, which is funded through the 2018-2028 Long Term Plan.

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

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

### **Wellbeing Considerations - *Whaiwhakaaro-aa-oranga tonutanga***

12. 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').
13. 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.
14. The recommendations set out in this report are consistent with that purpose.

### **Risks - *Tuuraru***

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

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

#### **Significance**

16. Having considered the Significance and Engagement Policy, staff have assessed that the matter in this report is of low significance.

#### **Engagement**

17. Given the low level of significance determined, the engagement level is low and accordingly no engagement is required.

### **Attachments - *Ngaa taapirihanga***

Attachment 1 - Audit NZ Audit Engagement Letter 2020 - 2022



15 January 2020

Level 4, 127 Alexandra Street  
PO Box 256, Waikato Mail Centre  
Hamilton 3240  
Ph 04 496 3099

Paula Southgate  
Mayor  
Hamilton City Council  
Private Bag 3010  
Waikato Mail Centre  
Hamilton 3240

Dear Paula

### Audit Engagement Letter

This audit engagement letter is sent to you on behalf of the Auditor-General who is the auditor of all “public entities”, including Hamilton City Council, under section 14 of the Public Audit Act 2001 (the Act). The Auditor-General has appointed me, Clarence Susan, using the staff and resources of Audit New Zealand, under sections 32 and 33 of the Act, to carry out the annual audits of the Hamilton City Council’s financial statements and performance information. We will be carrying out these annual audits on the Auditor-General’s behalf, for the years ending 30 June 2020, 2021, and 2022.

This letter outlines:

- the terms of the audit engagement and the nature, and limitations, of the annual audit; and
- the respective responsibilities of the Council and me, as the Appointed Auditor, for the financial statements and performance information.

The objectives of the annual audit are:

- to provide an independent opinion on the Hamilton City Council’s financial statements and performance information; and
- to report on other matters that come to our attention as part of the annual audit (typically those matters will relate to issues of financial management and accountability).

We will carry out the audit in accordance with the Auditor-General’s Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board (collectively the Auditing Standards). The Auditing Standards require that we comply with ethical requirements, and plan and perform the annual audit to obtain reasonable assurance about whether the Hamilton City Council’s financial statements and performance information are free from material misstatement.

The Auditing Standards also require that we remain alert to issues of concern to the Auditor-General. Such issues tend to relate to matters of financial management and accountability.

#### **Your responsibilities**

Our audit will be carried out on the basis that the Council acknowledges that it has responsibility for:

- preparing the financial statements and performance information in accordance with any applicable legal requirements and financial reporting standards;
- having such internal control as determined necessary to enable the preparation of financial statements and performance information that are free from material misstatement, whether due to fraud or error; and
- providing us with:
  - access to all information relevant to preparing the financial statements and performance information such as records, documentation, and other information;
  - all other information, in addition to the financial statements and performance information, to be included in the annual report;
  - additional information that we may request from the Hamilton City Council for the purpose of the audit;
  - unrestricted access to Council members and employees that we consider necessary; and
  - written confirmation concerning representations made to us in connection with the audit.

In addition, the Council is responsible:

- for the preparation of the summary financial statements and summary performance information;
- for making the audited summary financial statements and summary performance information readily available to the intended users of that information; and
- for including our audit report on the summary financial statements and summary performance information in any document that contains that information and that indicates that we have reported on that information.

The Council's responsibilities extend to all resources, activities, and entities under its control. We expect that the Council will ensure:

- the resources, activities, and entities under its control have been operating effectively and efficiently;

- it has complied with its statutory obligations including laws, regulations, and contractual requirements;
- it has carried out its decisions and actions with due regard to minimising waste;
- it has met Parliament's and the public's expectations of appropriate standards of behaviour in the public sector in that it has carried out its decisions and actions with due regard to probity; and
- its decisions and actions have been taken with due regard to financial prudence.

We expect the Council and/or the individuals within the Hamilton City Council with delegated authority, to immediately inform us of any suspected fraud, where there is a reasonable basis that suspected fraud has occurred – regardless of the amount involved. Suspected fraud also includes instances of bribery and/or corruption.

The Council has certain responsibilities relating to the preparation of the financial statements and performance information and in respect of financial management and accountability matters. These specific responsibilities are set out in Appendix 1. Appendix 2 contains some additional responsibilities relating to the health and safety of audit staff. We expect members of the Council to be familiar with those responsibilities and, where necessary, have obtained advice about them.

The Council should have documented policies and procedures to support its responsibilities. It should also regularly monitor performance against its objectives.

### **Our responsibilities**

#### ***Carrying out the audit***

We are responsible for forming an independent opinion on whether the financial statements of the Hamilton City Council:

- present fairly, in all material respects:
  - its financial position; and
  - its financial performance and cash flows for the financial year;
- comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards.

We are also responsible for forming an independent opinion on whether the performance information of Hamilton City Council:

- presents fairly, in all material respects, the performance for the financial year, including:
  - its performance achievements as compared with forecasts included in the Long term plan for the financial year; and

- o its actual revenue and expenses as compared with the forecasts included in the Long term plan or annual plan for the financial year; and
- complies with generally accepted accounting practice in New Zealand.

An audit involves obtaining evidence about the amounts and disclosures in the financial statements and performance information. How we obtain this information depends on our judgement, including our assessment of the risks of material misstatement of the financial statements and performance information, whether due to fraud or error. An audit also includes evaluating the appropriateness of accounting policies and the reasonableness of accounting estimates, as well as evaluating the overall presentation of the financial statements and performance information.

We do not examine every transaction, nor do we guarantee complete accuracy of the financial statements and performance information. Because of the inherent limitations of an audit, together with the inherent limitations of internal control, there is an unavoidable risk that some material misstatements may not be detected, even though the audit is properly planned and performed in accordance with the Auditing Standards.

During the audit, we obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Hamilton City Council's internal controls. However, we will communicate to you in writing about any significant deficiencies in internal control relevant to the audit of the financial statements and performance information that we identify during the audit.

During the audit, the audit team will:

- be alert for issues of effectiveness and efficiency – in particular, how the Council and the Hamilton City Council have carried out their activities;
- consider laws and regulations relevant to the audit;
- be alert for issues of waste – in particular, whether the Council obtained and applied the resources of the Hamilton City Council in an economical manner, and whether any resources are being wasted;
- be alert for issues of a lack of probity – in particular, whether the Council and the Hamilton City Council have met Parliament's and the public's expectations of appropriate standards of behaviour in the public sector; and
- be alert for issues of a lack of financial prudence.

### ***Our independence***

It is essential that the audit team and Audit New Zealand remain both economically and attitudinally independent of Hamilton City Council; including being independent of management personnel and members of the Council). This involves being, and appearing to be, free of any interest that might be regarded, whatever its actual effect, as being incompatible with the objectivity of the audit team and the Audit New Zealand.

To protect our independence, specific limitations are placed on us in accepting engagements with the Council other than the annual audit. We may accept certain types of other engagements, subject to the requirements of the Auditing Standards. Any other engagements must be the subject of a separate written arrangement between the Council and me or Audit New Zealand.

### ***Reporting***

We will issue an independent audit report that will be attached to the financial statements and performance information. This report contains our opinion on the fair presentation of the financial statements and performance information and whether they comply with the applicable reporting requirements. The audit report may also include comment on other financial management and accountability matters that we consider may be of interest to the addressee of the audit report.

In addition, we will issue an audit report that will be attached to the summary financial statements and summary performance information. This audit report will contain an opinion that provides the same level of assurance as the audit report on the full financial statements and full performance information.

We will also issue a report to the Council. This report communicates any matters that come to our attention during the audit that, in our opinion, are relevant to the Council. Typically those matters will relate to issues of financial management and accountability. We may also provide other reports to the Hamilton City Council from time to time. We will inform the Council of any other reports we have issued.

Please note that the Auditor-General may publicly report matters that are identified in the annual audit, in keeping with section 21 of the Public Audit Act 2001.

### ***Next steps***

Please acknowledge receipt of this letter and the terms of the audit engagement by signing the letter in the space provided and returning a copy to me. The terms will remain effective until a new Audit Engagement Letter is issued.

If you have any questions about the audit generally, or have any concerns about the quality of the audit, you should contact me as soon as possible. If after contacting me you still have concerns, you should contact the Director of Auditor Appointments at the Office of the Auditor-General on (04) 917 1500.



If you require any further information, or wish to discuss the terms of the audit engagement further before replying, please do not hesitate to contact me.

Yours sincerely



Clarence Susan  
Appointed Auditor  
On behalf of the Auditor-General

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I acknowledge the terms of this engagement and that I have the required authority on behalf of the Council.

Signature \_\_\_\_\_

Date: \_\_\_\_\_

Paula Southgate  
Mayor

## Appendix 1: Respective specific responsibilities of the Council and the Appointed Auditor

Responsibilities of the Council	Responsibility of the Appointed Auditor
<b>Responsibilities for the financial statements and performance information</b>	
<p>You are required by legislation to prepare financial statements and performance information in accordance with legal requirements and financial reporting standards.</p> <p>You must also ensure that any accompanying information in the annual report is consistent with that reported in the audited financial statements and performance information.</p> <p>You are required by legislation to prepare the financial statements and performance information and provide that information to us before the statutory reporting deadline. It is normal practice for you to set your own timetable to comply with statutory reporting deadlines. To meet the reporting deadlines, we are dependent on receiving the financial statements and performance information ready for audit and in enough time to enable the audit to be completed. "Ready for audit" means that the financial statements and performance information have been prepared in accordance with legal requirements and financial reporting standards, and are supported by proper accounting records and complete evidential documentation.</p>	<p>We are responsible for carrying out an annual audit, on behalf of the Auditor-General. We are responsible for forming an independent opinion on whether the financial statements:</p> <ul style="list-style-type: none"> <li>• present fairly, in all material respects: <ul style="list-style-type: none"> <li>◦ the financial position; and</li> <li>◦ the financial performance and cash flows for the financial year;</li> </ul> </li> <li>• comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards.</li> </ul> <p>We are also responsible for forming an independent opinion on whether the performance information:</p> <ul style="list-style-type: none"> <li>• presents fairly, in all material respects, the performance for the financial year, including: <ul style="list-style-type: none"> <li>◦ the performance achievements as compared with forecasts included in the Long term plan for the financial year; and</li> <li>◦ the actual revenue and expenses as compared with the forecasts included in the Long term plan or annual plan for the financial year;</li> </ul> </li> <li>• complies with generally accepted accounting practice in New Zealand.</li> </ul> <p>We will also read the other information accompanying the financial statements and performance information and consider whether there are material inconsistencies with the audited financial statements and performance information.</p>

Responsibilities of the Council	Responsibility of the Appointed Auditor
	<p>Materiality is one of the main factors affecting our judgement on the areas to be tested and on the timing, nature, and extent of the tests and procedures performed during the audit. In planning and performing the annual audit, we aim to obtain reasonable assurance that the financial statements and performance information do not have material misstatements caused by either fraud or error. Material misstatements are differences or omissions of amounts and disclosures that, in our judgement, are likely to influence the audit report addressee's overall understanding of the financial statements and performance information.</p> <p>If we find material misstatements that are not corrected, they will be referred to in the audit opinion. The Auditor-General's preference is for you to correct any material misstatements and avoid the need for them to be referred to in the audit opinion.</p> <p>An audit also involves evaluating:</p> <ul style="list-style-type: none"> <li>• the appropriateness of accounting policies used and whether they have been consistently applied;</li> <li>• the reasonableness of the significant accounting estimates and judgements made by those charged with governance;</li> <li>• the appropriateness of the content and measures in any performance information;</li> <li>• the adequacy of the disclosures in the financial statements and performance information; and</li> <li>• the overall presentation of the financial statements and performance information.</li> </ul> <p>We will ask you for written confirmation of representations made about the financial statements and performance information. In particular, we will seek confirmation that:</p> <ul style="list-style-type: none"> <li>• the adoption of the going concern basis of accounting is appropriate;</li> <li>• all material transactions have been recorded and are reflected in the financial statements and performance information;</li> </ul>

Responsibilities of the Council	Responsibility of the Appointed Auditor
	<ul style="list-style-type: none"> <li>all instances of non-compliance or suspected non-compliance with laws and regulations have been disclosed to us; and</li> <li>uncorrected misstatements noted during the audit are immaterial to the financial statements and performance information.</li> </ul> <p>Any representation made does not in any way reduce our responsibility to perform appropriate audit procedures and enquiries.</p> <p>We will ensure that the annual audit is completed by the reporting deadline or, if that is not practicable because of the non-receipt or condition of the financial statements and performance information, or for some other reason beyond our control, as soon as possible after that.</p> <p>The work papers that we produce in carrying out the audit are the property of the Auditor-General. Work papers are confidential to the Auditor-General and subject to the disclosure provisions in section 30 of the Public Audit Act 2001.</p>
Responsibilities for the accounting records	
<p>You are responsible for maintaining accounting and other records that:</p> <ul style="list-style-type: none"> <li>correctly record and explain the transactions of Hamilton City Council;</li> <li>enable you to monitor the resources, activities, and entities under your control;</li> <li>enable the Hamilton City Council's financial position to be determined with reasonable accuracy at any time;</li> <li>enable you to prepare financial statements and performance information that comply with legislation (and that allow the financial statements and performance information to be readily and properly audited); and</li> <li>are in keeping with the requirements of the Commissioner of Inland Revenue.</li> </ul>	<p>We will perform sufficient tests to obtain reasonable assurance as to whether the underlying records are reliable and adequate as a basis for preparing the financial statements and performance information.</p> <p>If, in our opinion, the records are not reliable or accurate enough to enable the preparation of the financial statements and performance information and the necessary evidence cannot be obtained by other means, we will need to consider the effect on the audit opinion.</p>

Responsibilities of the Council	Responsibility of the Appointed Auditor
<b>Responsibilities for accounting and internal control systems</b>	
<p>You are responsible for establishing and maintaining accounting and internal control systems (appropriate to the size of Hamilton City Council), supported by written policies and procedures, designed to provide reasonable assurance as to the integrity and reliability of financial and performance information reporting.</p>	<p>The annual audit is not designed to identify all significant weaknesses in your accounting and internal control systems. We will review the accounting and internal control systems only to the extent required to express an opinion on the financial statements and performance information.</p> <p>We will report to you separately, on any significant weaknesses in the accounting and internal control systems that come to our notice and that we consider may be relevant to you. Any such report will provide constructive recommendations to assist you to address those weaknesses.</p>
<b>Responsibilities for preventing and detecting fraud and error</b>	
<p>The responsibility for the prevention and detection of fraud and error rests with you, through the implementation and continued operation of adequate internal control systems (appropriate to the size of Hamilton City Council) supported by written policies and procedures.</p> <p>We expect you to formally address the matter of fraud, and formulate an appropriate policy on how to minimise it and (if it occurs) how it will be dealt with. Fraud also includes bribery and corruption.</p> <p>We expect you to consider reporting all instances of actual, suspected, or alleged fraud to the appropriate law enforcement agency, which will decide whether proceedings for a criminal offence should be instituted. We expect you to immediately inform us of any suspected fraud where you, and/or any individuals within the Hamilton City Council with delegated authority have a reasonable basis that suspected fraud has occurred - regardless of the amount involved.</p>	<p>We design our audit to obtain reasonable, but not absolute, assurance of detecting fraud or error that would have a material effect on the financial statements and performance information. We will review the accounting and internal control systems only to the extent required for them to express an opinion on the financial statements and performance information, but we will:</p> <ul style="list-style-type: none"> <li>• obtain an understanding of internal control and assess its ability for preventing and detecting material fraud and error; and</li> <li>• report to you any significant weaknesses in internal control that come to our notice.</li> </ul> <p>We are required to immediately advise the Office of the Auditor-General of all instances of actual, suspected, or alleged fraud.</p> <p>As part of the audit, you will be asked for written confirmation that you have disclosed all known instances of actual, suspected, or alleged fraud to us.</p> <p>If we become aware of the possible existence of fraud, whether through applying audit procedures, advice from you, or management, or by any other means, we will communicate this to you with the expectation that you will consider whether it is appropriate to report the fraud to the appropriate law enforcement agency.</p>

Responsibilities of the Council	Responsibility of the Appointed Auditor
	In the event that you do not report the fraud to the appropriate law enforcement agency, the Auditor-General will consider doing so, if it is appropriate for the purposes of protecting the interests of the public.
<b>Responsibilities for compliance with laws and regulations</b>	
<p>You are responsible for ensuring that Hamilton City Council has systems, policies, and procedures (appropriate to the size of Hamilton City Council) to ensure that all applicable legislative, regulatory, and contractual requirements that apply to the activities and functions of Hamilton City Council are complied with. Such systems, policies, and procedures should be documented.</p>	<p>We will obtain an understanding of the systems, policies, and procedures put in place for the purpose of ensuring compliance with those legislative and regulatory requirements that are relevant to the audit. Our consideration of specific laws and regulations will depend on a number of factors, including:</p> <ul style="list-style-type: none"> <li>• the relevance of the law or regulation to the audit;</li> <li>• our assessment of the risk of non-compliance; and</li> <li>• the impact of non-compliance for the addressee of the audit report.</li> </ul> <p>The way in which we will report instances of non-compliance that come to our attention will depend on considerations of materiality or significance. We will report to you and to the Auditor-General all material and significant instances of non-compliance.</p> <p>We will also report to you any significant weaknesses that we observe in internal control systems, policies, and procedures for monitoring compliance with laws and regulations.</p>

Responsibilities of the Council	Responsibility of the Appointed Auditor
<b>Responsibilities to establish and maintain appropriate standards of conduct and personal integrity</b>	
<p>You should at all times take all practicable steps to ensure that your members and employees maintain high standards of conduct and personal integrity. You should document your expected standards of conduct and personal integrity in a “Code of Conduct” and, where applicable, support the “Code of Conduct” with policies and procedures.</p>	<p>We will have regard to whether you maintain high standards of conduct and personal integrity – particularly in matters relating to financial management and accountability. Specifically, we will be alert for significant instances where members and employees of Hamilton City Council may not have acted in accordance with the standards of conduct and personal integrity expected of them.</p>
<p>The expected standards of conduct and personal integrity should be determined by reference to accepted “Codes of Conduct” that apply to the public sector.</p>	<p>The way in which we will report instances that come to our attention will depend on significance. We will report to you and to the Auditor-General all significant departures from expected standards of conduct and personal integrity that come to our attention during the audit.</p>
	<p>The Auditor-General, on receiving a report from us, may, at his discretion and with consideration of its significance, decide to conduct a performance audit of, or an inquiry into, the matters raised. The performance audit or inquiry will be subject to specific terms of reference, in consultation with you. Alternatively, the Auditor-General may decide to publicly report the matter without carrying out a performance audit or inquiry.</p>
<b>Responsibilities for conflicts of interest and related parties</b>	
<p>You should have policies and procedures to ensure that your members and employees carry out their duties free from bias.</p>	<p>To help determine whether your members and employees have carried out their duties free from bias, we will review information provided by you that identifies related parties, and will be alert for other material related-party transactions.</p>
<p>You should maintain a full and complete record of related parties and their interests. It is your responsibility to record and disclose related-party transactions in the financial statements and performance information in accordance with generally accepted accounting practice.</p>	<p>Depending on the circumstances, we may enquire whether you have complied with any statutory requirements for conflicts of interest and whether these transactions have been properly recorded and disclosed in the financial statements and performance information.</p>

Responsibilities of the Council	Responsibility of the Appointed Auditor
<b>Responsibilities for publishing the audited financial statements on a website</b>	
<p>You are responsible for the electronic presentation of the financial statements and performance information on the public entity's website. This includes ensuring that there are enough security and controls over information on the website to maintain the integrity of the data presented.</p> <p>If the audit report is reproduced in any medium, you should present the complete financial statements, including notes, accounting policies, and any other accountability statements.</p>	<p>Examining the controls over the electronic presentation of audited financial statements and performance information, and the associated audit report, on your website is beyond the scope of the annual audit.</p>



## Appendix 2: Health and safety of audit staff

The Auditor-General and Audit New Zealand take seriously their responsibility to provide a safe working environment for audit staff. Under the Health and Safety at Work Act 2015 we need to make arrangements with you to keep our audit staff safe while they are working at your premises. We expect you to provide a safe work environment for our audit staff. This includes providing adequate lighting and ventilation, suitable desks and chairs, and safety equipment, where required. We also expect you to provide them with all information or training necessary to protect them from any risks they may be exposed to at your premises. This includes advising them of emergency evacuation procedures and how to report any health and safety issues.

# Council Report

Item 13

**Committee:** Strategic Risk and Assurance Committee  
**Date:** 11 March 2021  
**Author:** Lynnro van der Nest  
**Authoriser:** Tracey Musty  
**Position:** Fixed Asset Accountant  
**Position:** Financial Controller  
**Report Name:** Annual Report 2021 Planning Update

<b>Report Status</b>	Open
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## Purpose - *Take*

1. To inform the Strategic Risk and Assurance Committee on the plan and timetable for the 2021 Annual Report.

## Staff Recommendation - *Tuutohu-aa-kaimahi*

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

## Executive Summary - *Whakaraapopototanga matua*

3. Staff are currently undertaking planning activities in relation to the 2021 Annual Report.
4. Audit New Zealand's existing commitments, in terms of the audit of the consultation document and long-term plan, has resulted in a delay in delivering the Audit plan for the 2021 Annual Report. This is now expected to arrive at the end of April 2021.
5. Once received, it will be electronically distributed to the Committee with the appropriate commentary.
6. Staff consider the matter covered in the report is of low significance and that the recommendations comply with Council's legal requirements.

## Discussion - *Matapaki*

7. The Audit plan for the year ending June 2021 from Audit New Zealand has been delayed and is now only expected towards the end of April 2021.
8. Staff are currently undertaking initial planning activities for the preparation of the 2021 Annual Report and will refocus planning once the areas of audit focus has been identified.
9. The year-end/annual report timetable will be prepared in due course following receipt of the Audit plan to ensure timely and quality information for the audit process.

## Financial Considerations - *Whaiwhakaaro Puutea*

10. The cost of this engagement is funded through the 2018 – 2028 Long-Term plan.

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

11. Staff confirm that the matters in this report complies with Council's legal and policy requirements.

### **Wellbeing Considerations - *Whaiwhakaaro-aa-oranga tonutanga***

12. 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').
13. The subject matter of this report has been evaluated in terms of the 4 wellbeings during the process of developing this report.
14. The recommendations set out in this report are consistent with that purpose.

### **Risks - *Tuuraru***

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

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

#### **Significance**

16. Having considered the Significance and Engagement Policy, staff have assessed that the matter in this report has low significance.

#### **Engagement**

17. 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 14

**Committee:** Strategic Risk and Assurance Committee  
**Date:** 11 March 2021  
**Author:** Narelle Waite  
**Authoriser:** Becca Brooke  
**Position:** Governance Advisor  
**Position:** Governance Manager  
**Report Name:** Draft Schedule of Reports for Strategic Risk and Assurance

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

1. To inform the Strategic Risk and Assurance Committee on the Draft Schedule of Reports for the Strategic Risk and Assurance Committee meetings of 2021.

## Staff Recommendation - *Tuutohu-aa-kaimahi*

2. That the Strategic Risk and Assurance Committee:
  - a) receives the draft Schedule of Reports for Strategic Risk and Assurance 2021; and
  - b) notes that the Schedule of Reports for Strategic Risk and Assurance 2021 will be updated regularly.

## Executive Summary - *Whakaraapopototanga matua*

3. The purpose of this report and the draft schedule of reports for Council and Committees is to provide Members with oversight of the planned and upcoming activities/schedule of work for 2021 Council and Committee meetings. The schedule sets out all known reports due to the Strategic Risk and Assurance Committee for 2021, as well as the intended meeting dates where these will be presented. The schedule also lists future reports for consideration that have not yet been assigned a meeting date or where they are due to come to a subsequent year (in red).
4. The Draft Schedule of Reports for all Council and Committee meetings 2021 was received by the Council at the Council meeting of 4 February 2021 [[Agenda](#), [Minutes](#)].
5. The Draft Schedule of Reports for Strategic Risk and Assurance (**Attachment 1**) provides a current view of Strategic Risk and Assurance activities throughout the year, the schedule will be regularly updated when new items arise or when timing or circumstances change.
6. 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.

7. The Governance Unit and the Senior Leadership Team Executive Assistants will take responsibility for maintaining an up-to-date document. Members can request updates to the schedule via the Governance Team or Principal Advisors.
8. In addition to the above, the Governance team have recently implemented an improved process to increase public visibility of upcoming open agenda items on our website ahead of the agenda itself being released.

#### **Financial Considerations - *Whaiwhakaaro Puutea***

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

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

10. Staff confirm that the recommendations in the report comply with Council's legal and policy requirements.

#### **Wellbeing Considerations - *Whaiwhakaaro-aa-oranga tonutanga***

11. 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').
12. 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.
13. The recommendations set out in this report are consistent with that purpose.
14. The draft schedule of reports Strategic Risk and Assurance provides the Community oversight of the planned and upcoming schedule of work for 2021 Committee meetings. This increases transparency and encourages greater engagement in the democratic process.

#### **Risks - *Tuuraru***

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

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

##### **Significance**

16. 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.

##### **Engagement**

17. Given the low level of significance determined, the engagement level is low. No engagement is required.

#### **Attachments - *Ngaa taapirihanga***

Attachment 1 - Draft Council And Committee Agenda Items - 2021

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**2019-22 Council and Committee Agenda Items (SLT Visibility)**

	Council	Finance	Infrastructure Operations	Strategic Growth	Environment	Community	Economic Development	Hearings and Engagement	Strategic Risk and Assurance	District Plan Amendments
March 2021	<b>18 March 2021</b> <a href="#">D-3545804</a>	<b>23 March 2021</b> <a href="#">D-3578119</a>		<b>30 March 2021</b> <a href="#">D-3545748</a>	<b>2 March 2021</b> <a href="#">D-3573574</a>	<b>25 March 2021</b> <a href="#">D-3573563</a>	<b>9 March 2021</b> <a href="#">D-3545779</a>	<b>24 March 2021</b>	<b>11 March 2021</b> <a href="#">D-3578716</a>	<b>4 March 2021</b> <a href="#">D-3606419</a>
	<ul style="list-style-type: none"> <li>Whatukoruru Reserve Hearing Deliberations Report</li> <li>Approval of Deed of Lease Montana Catering 2001 Limited Claudelands Office</li> <li>Three Waters Reform Update</li> <li>Central City Commuter Parking</li> <li>Watercare Water Allocation Application - Board of Inquiry</li> <li><b>Recommendation from Committees</b></li> <li><b>- Financial Strategy Monitoring Report</b></li> </ul>	<ul style="list-style-type: none"> <li>Capital Portfolio Monitoring Report</li> <li>Annual Monitoring Report</li> <li>Financial Strategy Monitoring Report</li> <li>Overdue Debtors Update</li> <li>Long Term Plan Performance Measures Quarterly Update</li> <li>Contract 17416 Addinsight Sensors Extension</li> </ul>		<ul style="list-style-type: none"> <li>GM Report</li> <li>- Strategic Collaboration Round Up</li> <li>- Waikato/Waipā/HCC Growth Discussions</li> <li>- Government Engagement on Growth Matters</li> <li>- Final Rotokauri Business Case</li> <li>Future Proof (including H2A, HWMSP, Transit, Waters)</li> <li>Hamilton-Waikato Metro Wastewater DBC</li> <li>Approval of submission on draft Waikato Regional Land Transport Plan</li> <li>Hamilton Urban Growth Strategy review Scope</li> <li>DC Remissions Q2 2020/21</li> <li>Peacocke Programme Update</li> <li>DC Remissions Q2 (PX)</li> <li>Ruakura Programme Update</li> <li>Newcastle DMA Contract Award</li> <li>Wairere Drive, Cambridge to Cobham MSQA PSP Contract Sum Increase</li> <li>HuGs Review Scoping –</li> </ul>	<ul style="list-style-type: none"> <li>Open Air Burning Bylaw Review</li> <li>Climate Change Action Plan Update</li> <li>Environment Principles Update</li> <li>Stakeholder reports</li> <li>- Department of conservation</li> <li>- Waikato Regional Council (Water Control, Pest Management, and Waste)</li> <li>- Waikato Tainui (Climate Change Strategy and Resilience Plan)</li> </ul>	<ul style="list-style-type: none"> <li>PX GMs Report</li> <li>- Review</li> <li>Open GMs Report</li> <li>- Welcoming Communities Programme Update</li> <li>- National Libraries COVID Response funding – engagement and activation roles (18 months)</li> <li>- Libraries Heritage and archival digitisation – strategic risk update</li> <li>Matters of Cultural Significance Work Programme Update</li> <li>Accessible Properties Report</li> <li>Community and Social Development</li> <li>Draft Public Art Policy – Approval for consultation (TBC)</li> <li>Civic Defence Emergency Management Update</li> <li>Domain Endowment Lease – Freeholding – 5 Cotter Place</li> <li>PX TBC Area Q/Gym</li> <li>PX River Explorer</li> </ul>	<ul style="list-style-type: none"> <li>Lease – Two Degrees – Raymond Street</li> <li>Lease – Kordia Ltd – FMG Stadium Waikato</li> <li>Economic Update – (Stafford Hodgson)</li> <li>International relations policy update</li> <li>H3 Activity Report for Q2 Oct – Dec 2020</li> <li>Hamilton and Waikato Tourism six-monthly report to 31 Dec 2020</li> <li>Waikato Regional Airport six-monthly report to 31 Dec 2020</li> <li>Sister City update</li> <li>Strategic Approach to Shared Services</li> <li>HCBA 6 monthly report</li> <li>Appointment and Remuneration of Board Members of Cos, CCOs and CCTO</li> </ul>	<ul style="list-style-type: none"> <li>Korikori Green Pedestrian Mall</li> <li>Speed limit bylaw register changes</li> <li>Parking restrictions and traffic bylaw changes – including further information in Victoria Street/Claudelands Bridge Cycle Lane.</li> <li>He Pou Manawa Ora (Council's Māori Strategy)</li> </ul>	<ul style="list-style-type: none"> <li>CE Report</li> <li>Safety and Wellness Report</li> <li>Risk Management Report</li> <li>Internal Audit</li> <li>Internal Audit</li> <li>Organisational Improvement Register</li> <li>PX Emerging Legal Risks</li> <li>PX Fraud and Protective Disclosure</li> <li>PX Cyber Risks</li> <li>External Audit (Audit NZ)</li> <li>Organisational Improvement Register</li> <li>SafePlus Onsite Assessment and Advice Report</li> </ul>	
April 2021	<b>13-15 April 2021 (LTP)</b> <a href="#">D-3545805</a>		<b>27 April 2021</b> <a href="#">D-3577995</a>							<b>23 April 2021</b> <a href="#">D-3606420</a>
	<ul style="list-style-type: none"> <li>Long Term Plan 2021-31 Hearings</li> </ul>		<ul style="list-style-type: none"> <li>GM Report</li> <li>- Innovating Streets</li> <li>- Biking &amp; Micro-mobility Update</li> <li>External Committee Updates</li> <li>- Regional Transport Committee (RTC)</li> <li>- Regional Connections Committee (RCC)</li> <li>- Rail Governance</li> <li>Road safety update including external guest (Police)</li> <li>Korikori Green Pedestrian Mall</li> <li>Revocation of SH26 within Hamilton City boundary</li> <li>School and University Link Business Case</li> <li>Personal hire (Transport) Devices review</li> <li>Central City Parking Management Plan</li> </ul>							
	<b>29 April 2021</b> <a href="#">D-3545806</a>									
	<ul style="list-style-type: none"> <li>RMA Commissioner Panel selections</li> <li>Central City Transformation Plan Update</li> <li>Domain Endowment Lease – Freeholding – 5 Cotter Place</li> <li>LGNZ Remits 2021</li> <li>Three Waters Reform Update</li> <li>HCC Remits for Consideration</li> <li>Consideration of Māori Wards</li> <li><b>Recommendation from Committees</b></li> </ul>									

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## 2019-22 Council and Committee Agenda Items (SLT Visibility)

	<ul style="list-style-type: none"> <li>- Commuter Parking - On Street</li> <li>- Korikori Green Pedestrian Mall Designation</li> <li>- Financial Strategy Monitoring Report</li> </ul>		<ul style="list-style-type: none"> <li>▪ Commuter Parking - On Street (fees and charges, rec to council)</li> <li>▪ Biking and Micro mobility Update</li> <li>▪ Transport Centre – Business Case</li> <li>▪ Gordonton Road Corridor Business Case and Proposed Safety Interventions</li> <li>▪ Water Stimulus Funding Update</li> <li>▪ WRC verbal update</li> <li>▪ Vision Zero bi-annual report</li> <li>▪ Eastern Pathways Updates</li> <li>▪ High Water user agreement – Broadwater</li> </ul>							
May 2021	<b>4-6 May 2021 (LTP)</b> <a href="#">D-3545807</a>	<b>13 May 2021</b> <a href="#">D-3578113</a>	-	<b>20 May 2021</b> <a href="#">D-3545749</a>		<b>18 May 2021</b> <a href="#">D-3573558</a>		27 May 2021		<b>24 May 2021</b> <a href="#">D-3606422</a>
	<ul style="list-style-type: none"> <li>▪ Long Term Plan 2021-31 Deliberations</li> </ul>	<ul style="list-style-type: none"> <li>▪ Capital Portfolio Monitoring Report</li> <li>▪ Annual Monitoring Report</li> <li>▪ Financial Strategy Monitoring Report</li> <li>▪ Overdue Debtors Update (Public Excluded)</li> <li>▪ New Zealand Local Government Funding Agency report (SOI)</li> <li>▪ New Zealand Local Government Funding Agency report (Half-year)</li> </ul>		<ul style="list-style-type: none"> <li>▪ GM Report</li> <li>- Strategic Collaboration Round Up</li> <li>- Waikato/Waipā/HCC Growth Discussions</li> <li>- Government Engagement on Growth Matters</li> <li>- Final Rotokauri Business Case</li> <li>▪ Future Proof (including H2A, HWMSP, Transit, Waters)</li> <li>▪ Hamilton-Waikato Metro Wastewater DBC</li> <li>▪ Rotokauri programme status update</li> <li>▪ Ruakura programme status update</li> <li>▪ DC Remissions Q3 2020/21</li> <li>▪ Peacocke Programme Update</li> </ul>		<ul style="list-style-type: none"> <li>▪ Single-Year Community Grant (Sandra Larsen)</li> <li>▪ Open Space Provision Policy (Review)</li> <li>▪ Civic Defence Emergency Management Update</li> <li>▪ Libraries Strat Plan Update</li> <li>▪ Play Strategy Work programme and progress</li> <li>▪ Beale Cottage Update</li> <li>▪ Reserves Management Plans Review approval</li> <li>▪ Parks naming</li> <li>▪ External Funding Applications Policy Update</li> <li>▪ key priority projects for external funding focus</li> <li>▪ Multi Year Grants Policy Review</li> </ul>				
June 2021	<b>10 June 2021</b> <a href="#">D-3545809</a>	<b>15 June 2021</b> <a href="#">D-3578117</a>	<b>8 June 2021</b> <a href="#">D-3577990</a>		<b>1 June 2021</b> <a href="#">D-3573567</a>	<b>22 June 2021</b> <a href="#">D-3573560</a>	<b>3 June 2021</b> <a href="#">D-3545780</a>	21 June 2021	<b>17 June 2021</b> <a href="#">D-3578717</a>	<b>23 June 2021</b> <a href="#">D-3606424</a>
	<ul style="list-style-type: none"> <li>▪ Corporate Hospitality and Entertainment Policy Review</li> <li>▪ Elected Members Support Policy Review</li> <li>▪ Delegations to Positions Policy Review</li> <li>▪ Rototuna Pool</li> <li>▪ Three Waters Reform Update</li> <li>▪ Approval of Remits to Support at LGNZ</li> <li>▪ <b>Recommendation from Committees</b></li> <li>- Financial Strategy Monitoring Report</li> </ul>	<ul style="list-style-type: none"> <li>▪ Capital Portfolio Monitoring Report</li> <li>▪ Annual Monitoring Report</li> <li>▪ Financial Strategy Monitoring Report</li> <li>▪ Overdue Debtors Update (Public Excluded)</li> <li>▪ Long Term Plan Performance Measures Quarterly Update</li> </ul>	<ul style="list-style-type: none"> <li>▪ GM Report</li> <li>- Innovating Streets</li> <li>- Biking &amp; Micro-mobility Update</li> <li>▪ External Committee Updates</li> <li>- Regional Transport Committee (RTC)</li> <li>- Regional Connections Committee (RCC)</li> <li>- Rail Governance</li> <li>▪ Waikato Regional Council - Public Transport Update</li> <li>▪ Water Stimulus Funding Update</li> <li>▪ 3 Waters Reticulation Renewals Contract Award</li> <li>▪ Road Stopping/Encroachment</li> </ul>		<ul style="list-style-type: none"> <li>▪ Climate Change Action Plan Update</li> </ul>	<ul style="list-style-type: none"> <li>▪ Community and Social Development</li> <li>▪ Approval of the Draft Public Art Policy</li> <li>▪ Cemeteries Bylaw review</li> <li>▪ Alcohol Control Bylaw review</li> </ul>	<ul style="list-style-type: none"> <li>▪ H3 Activity Report for Q3 (Jan - Mar 2021)</li> <li>▪ Major Event Sponsorship Funding 2021-2022 Applications for approval</li> <li>▪ Te Waka 6 monthly update</li> <li>▪ WIGL/NZFIWL – Director Rotation and Amendments to Shareholders Agreement</li> <li>▪ Brooklyn Road Heapby Terrace Disposal</li> <li>▪ Municipal Endowment Fund Action Management Plan Implementation</li> <li>▪ 242-266 Victoria Street Redevelopment</li> </ul>	<ul style="list-style-type: none"> <li>▪ Naming of Roads, Open Spaces, and Council Facilities Policy</li> <li>▪ Central City Parking Management Plan</li> </ul>	<ul style="list-style-type: none"> <li>▪ CE Report</li> <li>▪ Safety and Wellness Report</li> <li>▪ Risk Management Report</li> <li>▪ Internal Audit</li> <li>▪ Internal Audit (PwC)</li> <li>▪ Organisational Improvement Register</li> <li>▪ PX Emerging Legal Risks</li> <li>▪ PX Fraud and Protective Disclosure</li> <li>▪ PX Cyber Risks</li> <li>▪ External Audit (Audit NZ)</li> <li>▪ Organisational Improvement Register</li> </ul>	

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## 2019-22 Council and Committee Agenda Items (SLT Visibility)

	<ul style="list-style-type: none"><li>▪ Long Term Plan 2021-31 Adoption</li><li>▪ Development Contribution Policy Approval</li><li>▪ Growth Funding Policy Approval</li><li>▪ Investment and Liability Management Policy</li></ul>							<ul style="list-style-type: none"><li>▪ Accounting Treatment Review</li></ul>		
July 2021				<b>29 July 2021</b> <a href="#">D-3545752</a>				<b>28 July 2021</b>		
				<ul style="list-style-type: none"><li>▪ GM Report<ul style="list-style-type: none"><li>- Strategic Collaboration Round Up</li><li>- Waikato/Waipā/HCC Growth Discussions</li><li>- Government Engagement on Growth Matters</li><li>- Final Rotokauri Business Case</li></ul></li><li>▪ Future Proof (including H2A, HWMSP, Transit, Waters)</li><li>▪ Hamilton-Waikato Metro Wastewater DBC</li><li>▪ Rotokauri programme status update</li><li>▪ Ruakura programme status update</li><li>▪ Peacocke Programme Update</li></ul>				<ul style="list-style-type: none"><li>▪ Open Air Burning Bylaw</li></ul>		
August 2021	<b>12 August 2021</b> <a href="#">D-3545846</a>	<b>24 August 2021</b> <a href="#">D-3578121</a>	<b>17 August 2021</b> <a href="#">D-3577993</a>		<b>26 August 2021</b> <a href="#">D-3573577</a>	<b>31 August 2021</b> <a href="#">D-3573566</a>	<b>11 August 2021</b> <a href="#">D-3545781</a>	<b>25 August 2021</b>	<b>5 August 2021</b> <a href="#">D-3578713</a>	<b>3 August 2021</b> <a href="#">D-3606426</a>
	<ul style="list-style-type: none"><li>▪ Three Waters Reform Update</li><li>▪ <b>Recommendation from Committees</b><ul style="list-style-type: none"><li>- <b>Financial Strategy Monitoring Report</b></li><li>- <b>Approval of the Draft Public Art Policy</b></li><li>- <b>Cemeteries Bylaw review</b></li><li>- <b>Commuter Parking - On Street</b></li></ul></li></ul>	<ul style="list-style-type: none"><li>▪ Capital Portfolio Monitoring Report</li><li>▪ Annual Monitoring Report</li><li>▪ Financial Strategy Monitoring Report</li><li>▪ Overdue Debtors Update (Public Excluded)</li><li>▪ CE Savings Report</li></ul>	<ul style="list-style-type: none"><li>▪ GM Report<ul style="list-style-type: none"><li>- Innovating Streets</li><li>- Biking &amp; Micro-mobility Update</li></ul></li><li>▪ External Committee Updates<ul style="list-style-type: none"><li>- Regional Transport Committee (RTC)</li><li>- Regional Connections Committee (RCC)</li><li>- Rail Governance</li></ul></li><li>▪ Water Stimulus Funding Update</li><li>▪ Central City Parking Management Plan</li></ul>		<ul style="list-style-type: none"><li>▪ Open Air Burning Bylaw</li><li>▪ Hamilton City Council - Corporate sustainability update (including H3)</li><li>▪ Climate Change Action Plan Update</li></ul>	<ul style="list-style-type: none"><li>▪ Disability Policy Action Plan review</li><li>▪ Central City Safety Strategy Review</li><li>▪ Age Friendly Plan (Review)</li><li>▪ Reserve Management Plan review (tbc) –Approval to consult</li><li>▪ Aquatic Strategic Plan</li><li>▪ Matters of Cultural Significance Work Programme Update<ul style="list-style-type: none"><li>- Captain Hamilton,</li><li>- Naming of Roads, Open Spaces and Council Facilities Policy</li></ul></li><li>▪ Civic Defence Emergency Management Update</li></ul>	<ul style="list-style-type: none"><li>▪ H3 Activity Report Year End Report to 30 June 2021</li><li>▪ Hamilton and Waikato Tourism Year-End report to 30 June 2021</li><li>▪ Waikato Regional Airport Year-End report to 30 June 2021</li><li>▪ HCBA 6 monthly report</li></ul>	<ul style="list-style-type: none"><li>▪ Alcohol Control Bylaw</li></ul>	<ul style="list-style-type: none"><li>▪ CE Report</li><li>▪ Safety and Wellness Report</li><li>▪ Risk Management Report</li><li>▪ Internal Audit</li><li>▪ Internal Audit (PwC)</li><li>▪ Organisational Improvement Register</li><li>▪ PX Emerging Legal Risks</li><li>▪ PX Fraud and Protective Disclosure</li><li>▪ PX Cyber Risks</li><li>▪ Review of Draft Annual Report</li><li>▪ Review of Draft Engagement Letter</li><li>▪ External Audit Interim Annual Report (Audit NZ)</li><li>▪ External Audit Interim LTP (Audit NZ)</li></ul>	<ul style="list-style-type: none"><li>▪</li></ul>
September 2021	<b>30 September 2021</b> <a href="#">D-3545847</a>		<b>28 September 2021</b> <a href="#">D-3577996</a>	<b>7 September 2021</b> <a href="#">D-3545753</a>				<b>23 September 2021</b>	<b>14 September 2021</b> <b>ANNUAL REPORT</b>	<b>21 September 2021</b> <a href="#">D-3606428</a>
	<ul style="list-style-type: none"><li>▪ Naming of Roads, Open Spaces and Council Facilities Policy</li><li>▪ Open Air Burning Bylaw</li><li>▪ Three Waters Reform Update</li></ul>		<ul style="list-style-type: none"><li>▪ GM Report<ul style="list-style-type: none"><li>- Innovating Streets</li><li>- Biking &amp; Micro-mobility Update</li></ul></li><li>▪ External Committee Updates</li></ul>	<ul style="list-style-type: none"><li>▪ GM Report<ul style="list-style-type: none"><li>- Strategic Collaboration Round Up</li><li>- Waikato/Waipā/HCC Growth Discussions</li></ul></li></ul>					<ul style="list-style-type: none"><li>▪ Final Approval of Annual Report</li><li>▪ Final Approval of Engagement Letter</li></ul>  Workshop 3 Sept	

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## 2019-22 Council and Committee Agenda Items (SLT Visibility)

	<ul style="list-style-type: none"><li>▪ Recommendations for Committees:<ul style="list-style-type: none"><li>- Open Air Burning Bylaw</li><li>- Naming of Roads, Open Spaces, and Council Facilities Policy</li><li>- 2020/21 Annual report</li><li>- Financial Strategy Monitoring Report</li></ul></li></ul>		<ul style="list-style-type: none"><li>- Regional Transport Committee (RTC)</li><li>- Regional Connections Committee (RCC)</li><li>- Rail Governance</li><li>▪ Waikato Regional Council - Public Transport Update</li><li>▪ Water Stimulus Funding Update</li></ul>	<ul style="list-style-type: none"><li>- Government Engagement on Growth Matters</li><li>- Final Rotokauri Business Case</li><li>▪ Future Proof (including H2A, HWMSP, Transit, Waters</li><li>▪ Hamilton-Waikato Metro Wastewater DBC</li><li>▪ Rotokauri programme status update</li><li>▪ Ruakura programme status update</li><li>▪ DC Remissions Q4 2020/21</li><li>▪ Peacocke Programme Update</li></ul>					<ul style="list-style-type: none"><li>▪ Review of above documents.</li></ul>	
October 2021		5 October 2021 <a href="#">D-3578111</a>		19 October 2021 <a href="#">D-3545755</a>		12 October 2021 <a href="#">D-3573559</a>		13 October 2021		
		<ul style="list-style-type: none"><li>▪ Long Term Plan Performance Measures Quarterly Update</li><li>▪ Capital Portfolio Monitoring Report</li><li>▪ Annual Monitoring Report</li><li>▪ Financial Strategy Monitoring Report</li><li>▪ Overdue Debtors Update (Public Excluded)</li></ul>		<ul style="list-style-type: none"><li>▪ GM Report (Jen Baird):<ul style="list-style-type: none"><li>- Strategic Collaboration Round Up</li><li>- Waikato/Waipā/HCC Growth Discussions</li><li>- Government Engagement on Growth Matters</li><li>- Final Rotokauri Business Case</li></ul></li><li>▪ Future Proof (including H2A, HWMSP, Transit, Waters</li><li>▪ Hamilton-Waikato Metro Wastewater DBC</li><li>▪ Rotokauri programme status update</li><li>▪ Ruakura programme status update</li><li>▪ Peacocke Programme Update</li></ul>		<ul style="list-style-type: none"><li>▪ Community Event Grant</li><li>▪ Welcoming Communities</li><li>▪ Social Housing Sector</li><li>▪ Alcohol Control Bylaw</li><li>▪ Libraries Strat Plan update</li></ul>				
November 2021	11 November 2021 <a href="#">D-3545848</a>		9 November 2021 <a href="#">D-3577991</a>		30 November 2021 <a href="#">D-3573579</a>	25 November 2021 <a href="#">D-3573565</a>	23 November 2021 <a href="#">D-3545782</a>		18 November 2021 <a href="#">D-3578719</a>	4 November 2021 <a href="#">D-3606429</a>
	<ul style="list-style-type: none"><li>▪ Alcohol Control Bylaw</li><li>▪ Three Waters Reform Update</li><li>▪ Recommendation from Committees<ul style="list-style-type: none"><li>- Financial Strategy Monitoring Report</li><li>- Alcohol Control Bylaw</li></ul></li></ul>		<ul style="list-style-type: none"><li>▪ GM Report<ul style="list-style-type: none"><li>- Innovating Streets</li><li>- Biking &amp; Micro-mobility Update</li></ul></li><li>▪ External Committee Updates<ul style="list-style-type: none"><li>- Regional Transport Committee (RTC)</li><li>- Regional Connections Committee (RCC)</li><li>- Rail Governance</li></ul></li><li>▪ Water Stimulus Funding Update</li><li>▪ Vision Zero bi-annual report</li></ul>		<ul style="list-style-type: none"><li>▪ Nature in the City Strategy annual update</li><li>▪ Climate Change Action Plan Update</li></ul>	<ul style="list-style-type: none"><li>▪ Community and Social Development</li><li>▪ Creative Partnership Fund</li><li>▪ Community Facilities Strategy Annual Update</li><li>▪ Reserves Management Plan review (tbc) – adopt</li><li>▪ Arts and Culture Strategy</li><li>▪ Civic Defence Emergency Management Update</li><li>▪ Animal Nuisance Bylaw Review Update</li></ul>	<ul style="list-style-type: none"><li>▪ H3 Activity Report Year End Report Q1 21/22</li><li>▪ Te Waka 6 monthly update</li></ul>		<ul style="list-style-type: none"><li>▪ CE Report</li><li>▪ Safety and Wellness Report</li><li>▪ Risk Management Report</li><li>▪ Internal Audit</li><li>▪ Internal Audit (PwC)</li><li>▪ Organisational Improvement Register</li><li>▪ PX Emerging Legal Risks</li><li>▪ PX Fraud and Protective Disclosure</li><li>▪ PX Cyber Risks</li><li>▪ Final Management Report (Audit NZ)</li><li>▪ External Audit Final LTP (Audit NZ)</li><li>▪ Annual Credit Rating Update</li><li>▪ Annual Insurance Update</li></ul>	<ul style="list-style-type: none"><li>▪</li></ul>

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**2019-22 Council and Committee Agenda Items (SLT Visibility)**

									▪ Annual SRA Committee Self Review	
	<b>16 December 2021</b> <a href="#">D-3545849</a>	<b>7 December 2021</b> <a href="#">D-3578115</a>	<b>14 December 2021</b> <a href="#">D-3577992</a>	<b>2 December 2021</b> <a href="#">D-3545757</a>				<b>9 December 2021</b>		<b>15 December 2021</b> <a href="#">D-3606445</a>
<b>December 2021</b>	<ul style="list-style-type: none"> <li>▪ Three Waters Reform Update</li> <li>▪ <b>Recommendation from Committees</b></li> <li>- <b>Financial Strategy Monitoring Report</b></li> </ul>	<ul style="list-style-type: none"> <li>▪ Capital Portfolio Monitoring Report</li> <li>▪ Annual Monitoring Report</li> <li>▪ Financial Strategy Monitoring Report</li> <li>▪ Overdue Debtors Update (PX)</li> <li>▪ Long Term Plan Performance Measures Quarterly Update</li> <li>▪ New Zealand Local Government Funding Agency report (Full-year)</li> </ul>	<ul style="list-style-type: none"> <li>▪ GM Report</li> <li>- Innovating Streets</li> <li>- Biking &amp; Micro-mobility Update</li> <li>▪ External Committee Updates</li> <li>- Regional Transport Committee (RTC)</li> <li>- Regional Connections Committee (RCC)</li> <li>- Rail Governance</li> <li>▪ Waikato Regional Council - Public Transport Update</li> <li>▪ Water Stimulus Funding Update</li> </ul>	<ul style="list-style-type: none"> <li>▪ GM Report</li> <li>- Strategic Collaboration Round Up</li> <li>- Waikato/Waipā/HCC Growth Discussions</li> <li>- Government Engagement on Growth Matters</li> <li>- Final Rotokauri Business Case</li> <li>▪ Future Proof (including H2A, HWMS, Transit, Waters)</li> <li>▪ Hamilton-Waikato Metro Wastewater DBC</li> <li>▪ Rotokauri programme status update</li> <li>▪ Ruakura programme status update</li> <li>▪ DC Remissions Q1 2021/22</li> <li>▪ Peacocke Programme Update</li> </ul>						
<b>Future</b>	<ul style="list-style-type: none"> <li>▪ Waikato Regional Theatre – Approval of Funding Deed (TBC)</li> <li>▪ District Licensing Committee Appointment</li> <li>▪ Notice of Motion - Road Renaming, Dame Hilda Ross</li> <li>▪ <b>2021 Recommendation from Committees:</b></li> <li>- <b>Rates Remissions and Postponements Policy</b></li> <li>- <b>Rating Policy</b></li> <li>- <b>Revenue and Financing Policy</b></li> <li>- <b>Funding Needs Analysis Policy</b></li> <li>- <b>Rating Policy</b></li> <li>- <b>Financial Strategy Policy</b></li> <li>- <b>Rates, Remission and Postponements Policy</b></li> <li>- <b>Community Occupancy Policy</b></li> <li>- <b>Open Space Provision Policy</b></li> <li>- <b>Appointment of Directors to Cos, CCOs and CCTOs</b></li> <li>- <b>Streetscape Beautification and Verge</b></li> </ul>	<ul style="list-style-type: none"> <li>▪ New Zealand Local Government Funding Agency report</li> <li>▪ Weathertight Buildings Update - Financial Summary Funding Needs Analysis Policy</li> <li>▪ Investment and Liability Management Policy</li> <li>▪ Rates Remissions and Postponements Policy</li> <li>▪ Rating Policy</li> <li>▪ Revenue and Financing Policy</li> </ul>	<ul style="list-style-type: none"> <li>▪ Speed Limits Bylaw 2018</li> <li>▪ Seismic Performance of Building policy</li> <li>▪ Traffic Bylaw 2015</li> <li>▪ Stormwater Bylaw 2015 – Adoption</li> <li>▪ Snell Drive Pump Station Contract Award</li> <li>▪ Wastewater Supply Agreement with Waipā</li> <li>▪ Horotiu Landfill Site – Property</li> <li>▪ Streetscape Beautification and Verge Maintenance Policy Review</li> <li>▪ Gateways Policy</li> <li>▪ Waka Kotahi update (including SH1 project phasing and air/noise pollution)</li> <li>▪ Water Supply Agreement with Waikato District</li> <li>▪ Waipā District Council - Septage Proposal</li> <li>▪ PX - LOOP Car Share – Trial Update</li> <li>▪ Revocation process for SH26 from expressway to Burger King roundabout.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Aratiki (10 Year view of what is needed to deliver on the Governments current priorities and LT objections for land transport)</li> <li>▪ Access Hamilton Strategy</li> <li>▪ PX – Peacocke Programme</li> <li>▪ Public Excluded Item – Property Update</li> <li>▪ Growth Projections for the 2021-31 LTP update</li> <li>▪ Rotokauri programme status update – Karen</li> <li>▪ Ruakura programme status update</li> <li>▪ Peacocke Programme Update</li> <li>▪ DC Remissions Q2 2021/22</li> <li>▪ DC Remissions Q3 2021/22</li> <li>▪ DC Remissions Q4 2021/22</li> <li>▪ DC Remissions Q1 2022/23</li> </ul>	<ul style="list-style-type: none"> <li>▪ Climate Change requirements</li> <li>▪ H3 Sustainability Programme</li> <li>▪ Peacocke Bat Management Plan</li> </ul>	<ul style="list-style-type: none"> <li>▪ Age Friendly Plan Review</li> <li>▪ Trading in public places policy</li> <li>▪ Naming of Roads, open spaces, and council facilities Policy</li> <li>▪ Zoo Waiwhakareke Shared Entry Precinct Update</li> <li>▪ Civic Defence Emergency Management Update</li> <li>▪ Class 4 Gambling Venue Policy</li> <li>▪ Community Occupancy Policy</li> <li>▪ Cultural and Recreational Facilities Bylaw</li> <li>▪ Event Sponsorship Policy</li> </ul>	<ul style="list-style-type: none"> <li>▪ Victoria Riverside Property Purchase report (PX)</li> <li>▪ Waikato Local Authority Shared Services (WLASS)</li> <li>▪ Appointment and Remuneration of Board Members Policy</li> <li>▪ Event Sponsorship Policy</li> <li>▪ Freeholding of Council Endowment land Policy</li> <li>▪ Business Improvement District (BID) policy</li> <li>▪ International Relations Policy (Mayor's Office)</li> <li>▪ Municipal Endowment Fund</li> <li>▪ HCBA 6 monthly report</li> </ul>	<ul style="list-style-type: none"> <li>▪ Commuter Parking Hearings</li> </ul>	<ul style="list-style-type: none"> <li>▪ Climate Change Requirements (update post Enviro Committee future report)</li> <li>▪ Tax Risk Management report</li> <li>▪ Accounting Treatment Review</li> <li>▪ Risk Management Policy Review</li> <li><b>Annual SRA Reports:</b></li> <li>- <b>Audit Proposal and Engagement Letter</b></li> <li>- <b>Annual Report Planning Update</b></li> <li>- <b>Review of Draft Annual Report (workshop topic)</b></li> <li>- <b>Final Approval of Annual Report</b></li> <li>- <b>Rep Letter Review</b></li> <li>- <b>External Audit Report (Interim)</b></li> <li>- <b>External Audit Report (Final) AKA Final Management Report</b></li> </ul>	

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2019-22 Council and Committee Agenda Items (SLT Visibility)										
	<div><div>Maintenance Policy Review</div><div><div>- Gateways Policy</div><div>- International Relations Policy</div></div><div><div>▪ 2022 Recommendation from Committees:</div><div><div>- Stormwater Bylaw 2015</div><div>- Tradewaste and Waste Water Bylaw</div><div>- Dog Control Policy and Bylaw</div><div>- Animal Nuisance</div><div>- Public Places</div><div>- TAB Board Venue Policy</div><div>- Freeholding of Council Endowment Land</div></div></div></div>		<div><div>▪ Alternative wastewater treatment systems (Benefits)</div><div>▪ Commuter Parking</div><div>▪ Removal of non-toxic medical waste</div><div>▪ Rubbish and Recycling Contract Update</div><div>▪ Solid Waste Bylaw 2021</div><div>▪ Water and Wastewater Treatment Plant Pipework and Valve Renewal</div><div>▪ Zoo Waiwhakareke Project</div></div>						<div><div>- Annual Insurance Update</div><div>- Annual SRA Self Review</div></div>	

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## 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 - 4 December 2020	) 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. Fraud and Protected Disclosures Update		
C4. Cyber Risks / Issues - Verbal Report		

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 maintain legal professional privilege	Section 7 (2) (g)
Item C3.	to protect information which is subject to an obligation of confidence and disclosure would likely prejudice continual supply of similar information where it is in the public interest for that information to continue to be available	Section 7 (2) (c) (i) Section 7 (2) (c) (ii)
Item C4.	to protect information which is subject to an obligation of confidence where disclosure would likely damage the public interest	
	to prevent the disclosure or use of official information for improper gain or improper advantage	Section 7 (2) (j)