

Notice of Meeting:

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

Date: Thursday 9 June 2022
Time: 9.30am
Meeting Room: Council Chamber and Audio Visual Link
Venue: Municipal Building, Garden Place, Hamilton

Lance Vervoort
Chief Executive

Strategic Risk and Assurance Committee

Komiti Whakamauru Tuuraru

OPEN AGENDA

Membership

Chairperson External appointee - Keiran Horne
Heamana

Deputy Chairperson External appointee - Bruce Robertson
Heamana Tuarua

Members Mayor Paula Southgate Cr Maxine van Oosten
Cr Rob Pascoe Maangai Jaydene Kana
Cr Dave Macpherson
Cr Angela O'Leary
Cr Mark Bunting

Quorum: Four members (including one external appointee)

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

Amy Viggers
Mana Whakahaere
Governance

31 May 2022

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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: 09 June 2022

Author: Narelle Waite

Authoriser: Michelle Hawthorne

Position: Governance Advisor

Position: Governance and Assurance Manager

Report Name: Confirmation of the Strategic Risk and Assurance Committee Open Minutes - 30 March 2022

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 30 March 2022 as a true and correct record.

Attachments - *Ngaa taapirihanga*

Attachment 1 - Strategic Risk and Assurance Committee Open Unconfirmed Minutes of 30 March 2022

Strategic Risk and Assurance Committee *Komiti Whakamauru Tuuraru* OPEN MINUTES

Minutes of a meeting of the Strategic Risk and Assurance Committee held via audio-visual link on Wednesday 30 March 2022 at 9.31am.

PRESENT

Chairperson Ms K Horne
Heamana

Deputy Chairperson Mr B Robertson
Heamana Tuarua

Members Cr D Macpherson
Cr A O'Leary
Cr M van Oosten
Maangai J Kana

In Attendance Cr M Donovan
Lance Vervoort – Chief Executive
David Bryant – General Manager People and Organisational Performance
Eeva-Liisa Wright – General Manager Infrastructure Operations
Chris Allen – General Manager Development
Murray Heke – General Manager Customer, Technology and Transformation
Tracey Musty – Financial Controller
Michelle Hawthorne – Governance and Assurance Manager
Dan Finn – People, Safety and Wellness Manager
Morva Kaye – Internal Auditor
Cory Lang – Building Control Manager
Marie Snowball – Safety and Wellness Lead
Iain Anderson – Capital Financial Lead
Aaron Steele and Matt White – PricewaterhouseCoopers
Clarence Susan – Audit NZ

Governance Staff Carmen Fookes – Senior Governance Advisor
Narelle Waite – Governance Advisor

1. Apologies - *Tono aroha*

Resolved: (Ms Horne/Cr van Oosten)

That the apologies for absence from Mayor Southgate and Crs Pascoe and Bunting, and for partial attendance from Cr Macpherson are confirmed.

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

Resolved: (Ms Horne/Cr O'Leary)

That the agenda is confirmed.

3. **Declarations of Interest - *Tauaakii whaipaaanga***

No members of the Committee declared a Conflict of Interest.

4. **Public Forum - *AAtea koorero***

No members of the public wished to speak.

5. **Confirmation of the Strategic Risk and Assurance Committee Open Minutes - 18 November 2021**

Resolved: (Ms Horne/Mr Robertson)

That the Strategic Risk and Assurance Committee confirm the Open Minutes of the Strategic Risk and Assurance Committee Meeting held on 18 November 2021 as a true and correct record.

6. **Chief Executive Report**

The Chief Executive spoke to his report, noting the written format, Covid-19 and staff absence, vaccine mandates, staff vacancies, the Annual Plan and health and safety. He responded to questions from Members concerning recruitment priorities and flexible work environments, resource increases and prioritisation, and support for people leaders in the current environment.

Resolved: (Ms Horne/Maangai Kana)

That the Strategic Risk and Assurance Committee receives the report.

7. **Safety and Wellness Report - 1 November 2021 to 31 January 2022**

The People, Safety and Wellness Manager spoke to the report noting the Safety Management System, Project Ora and the safety reset work programme. He responded to questions from Members concerning Elected Member safety and wellness training opportunities, notifiable illness or injury definitions, Employee Assistance Programme data and mental health reporting, contractor reporting trends, Safety Governance Committee meetings, health and safety internal audit timings, sensitive reporting concerning governance oversight and response, injury rates, and critical risk work undertaken.

Staff Action: *Staff undertook to report back to Members concerning trends identified from the three Waipa Civil service strikes reported.*

Resolved: (Ms Horne/Cr Macpherson)

That the Strategic Risk and Assurance Committee receives the report.

Cr Macpherson joined the meeting (10.14am) during the discussion of the above item. He was present when the matter was voted on.

8. **Risk Management Report**

The Governance and Assurance Manager took the report as read, noting the Omicron outbreak and response work, supply chain and cost escalation in the capital works programme, and third party services outages. She responded to questions from Members concerning security of key infrastructure assets, procurement policy and cost escalation, Pukete Wastewater Treatment Plant emerging risk, and Council's relationship with Waikato Regional Council.

Resolved: (Ms Horne, Cr O'Leary)

That the Strategic Risk and Assurance Committee receives the report.

9. PwC – Internal Audit Update and Report

Aaron Steele and Matt White (PricewaterhouseCoopers) took the report as read, noting the Internal Audit Plan development. They responded to questions from Members concerning timing of the fraud, bribery and corruption audit, and capacity and resourcing to achieve the audit programme.

Resolved: (Ms Horne/Mr Robertson)

That the Strategic Risk and Assurance Committee receives the report.

Item 11 (Audit NZ Final Management Report 30 June 2021) was taken after item 9 (PwC – Internal Audit Update and Report) to accommodate staff availability.

11. Audit NZ Final Management Report 30 June 2021

The Financial Controller took her report as read, noting the delay to the Annual Report. She responded to questions from Members concerning the recommendations, capital commitments, and revaluations.

Item 11 (Audit NZ Final Management Report 30 June 2021) was deferred to accommodate speaker availability.

10. HCC – Internal Audit Update and Report

The Internal Auditor took the report as read noting the recommendations from the capitalisation of assets audit and work undertaken in response to the contracts register audit. Staff responded to questions from Members concerning resourcing the capitalisation of assets workload, contracts register report, approved contract sums and contingency.

Resolved: (Ms Horne/Mr Robertson)

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

Item 13 (Draft Conflicts of Interest Management Policy) was taken after item 10 (HCC – Internal Audit Update and Report) to accommodate speaker availability.

13. Draft Conflicts of Interest Management Policy

The Governance and Assurance Manager spoke to the report noting work undertaken, the draft policy and feedback requested.

Resolved: (Ms Horne/Mr Robertson)

That the Strategic Risk and Assurance Committee:

- a) receives the report;
- b) notes that the Terms of Reference for the Strategic Risk and Assurance Committee empower the Committee to review the Conflicts of Interest Management Policy (**Attachment 1** of the staff report);
- c) notes that any feedback the Committee provides on the draft Conflicts of Interest Management Policy will be considered and addressed by staff before the policy is adopted in accordance with internal processes;

- d) notes that further progress to implement the Office of the Auditor General recommendations will be reported to future Strategic Risk and Assurance Committee meetings in the Organisation Improvement Register.

11. **Audit NZ Final Management Report 30 June 2021 – Continued**

Clarence Susan (Audit NZ) spoke to the report noting the recommendations concerning revaluations and IT. He responded to questions from Members concerning the CCO audit timing and resourcing.

Resolved: (Ms Horne/Maangai Kana)

That the Strategic Risk and Assurance Committee receives the report.

12. **Annual Report 2022 Planning Update**

The Financial Controller and Clarence Susan (AuditNZ) spoke to the report, noting the timeline for the Annual Report 2022. They responded to questions from Members concerning resourcing to achieve timelines and statutory deadlines, and ability to defer elements of the audit.

Resolved: (Ms Horne/Maangai Kana)

That the Strategic Risk and Assurance Committee receives the report.

14. **Organisational Improvement Report**

The Internal Auditor took the report as read. Staff responded to questions from Members concerning the compliance strategic risk and Ministry of Business, Innovation and Employment's (MBIE) mandate, recommendation for increases to staff resources, and ability to feedback to MBIE.

Resolved: (Ms Horne/Maangai Kana)

That the Strategic Risk and Assurance Committee receives the report.

15. **Compliance Reporting Update**

The Governance and Assurance Manager spoke to the report noting the Council Policy list update and that there were no protected disclosure, instances of fraud or corruption nor significant non-compliance with the Privacy Act to report. She responded to questions from Members concerning the policy reviews resourcing, protected disclosure reporting and education.

Staff Action: *Staff undertook to update the Council Policies list with coloured status indicators.*

Resolved: (Ms Horne/Maangai Kana)

That the Strategic Risk and Assurance Committee receives the report.

16. **Draft Schedule of Reports for Council and Committee 2022**

The General Manager People and Organisational Performance took the report as read.

Resolved: (Ms Horne/Cr O'Leary)

That the Strategic Risk and Assurance Committee:

- a) receives the Schedule of Reports for Council and Committee 2022; and

- b) notes that the Schedule of Reports will be updated regularly.

17. Resolution to Exclude the Public

Resolved: (Ms Horne/Cr Maangai Kana)

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 - 18 November 2021) 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. Cyber Risks		

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 prevent the disclosure or use of official information for improper gain or improper advantage	Section 7 (2) (j)

The meeting moved to Public Excluded session at 11.43pm.

The meeting was declared closed at 12.41pm.

Council Report

Item 6

Committee: Strategic Risk and Assurance Committee
Date: 09 June 2022
Author: Lance Vervoort
Authoriser: Lance Vervoort
Position: Chief Executive
Position: Chief Executive
Report Name: Chief Executive Report

Report Status	Open
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Purpose - *Take*

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

Staff Recommendation - *Tuutohu-aa-kaimahi*

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

Executive Summary - *Whakaraapopototanga matua*

3. The information in this report is intended to highlight the key risk topic areas the Chief Executive would like to bring to the Committee's attention in his update.
4. Key areas of interest to be highlighted at this meeting are health and safety, Covid-19, staff vacancies, and inflation.
5. Other risks may be included in the verbal update should they become a matter of concern to the Chief Executive following submission of this report.
6. A more detailed review of Council's key risks is included the Risk Management report to this Committee meeting.
7. Staff consider the matters in this report have low significance and that the recommendations comply with Council's legal requirements.

Discussion - *Matapaki*

Health & Safety

8. Maintaining a safe working environment for staff and contractors continues to be a priority.
9. Covid-19 continues to have an impact on staff and operational activities. During this time there is an increased risk of injury to workers as they continue to navigate uncertainty and operational disruptions such as increased workloads caused by staff shortages, capability shortages due to skilled staff isolating, and personal wellbeing difficulties continue.
10. This situation is likely to continue through the winter months as staff are also impacted by reinfection of Covid-19, influenza and measles.

11. People Leaders continue to support staff by regularly checking in on their wellbeing and helping them prioritise their workload to manageable levels.

Covid-19

12. Since the last Committee meeting the Government has changed New Zealand's Traffic Light System setting to Orange, removed vaccination mandates in certain sectors, and is reopening New Zealand's borders in July 2022. At the same time as the Government removed some vaccination mandates, Council has removed its requirements for vaccination passes at Council facilities and removed its staff vaccination policy requiring all staff to be vaccinated.
13. However, the risk of infection of Covid-19, and reinfection, remains. Sickness and isolation requirements are still impacting Council operations and our community.
14. The Ministry of Health is preparing with DHBs for an expected winter surge of Covid-19 as well as other infectious diseases such as influenza and measles. This includes preparing for a possible increase of the load on hospital services and other impacts in the event of a Covid-19 variant that is more infections or severe than Omicron.
15. Business Continuity Plans are in place to guide the business and minimise disruptions impacting our community.

Staff vacancies

16. Council continues to have a large number of vacancies due to the difficulty in recruiting appropriately skilled talent in New Zealand's tight labour market. There is still strong competition for candidates causing pressure to match higher remuneration levels being offered by other organisations.
17. Some relief may occur once New Zealand's borders reopen in July 2022 however the impact of this isn't known. The cost of living continues to rise in New Zealand, and this may result in more people leaving for greener pastures overseas putting further pressures on the labour market.
18. Retention of existing staff is a key focus for our People Leadership team with a number of initiatives already in place.

Inflation

19. Covid-19 and the war in Ukraine are key drivers of cost escalation and material supply chain issues in New Zealand.
20. As a result, Council is facing significant operational disruptions and inflationary pressures.
21. Staff are working with Elected Members to develop a 2022/23 Annual Plan to address these challenges as best as possible.

Financial Considerations - *Whaiwhakaaro Puutea*

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

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

23. Staff consider the matter of this report to be of low significance and that the recommendations comply with Council's legal requirements.

Wellbeing Considerations - *Whaiwhakaaro-aa-oranga tonutanga*

24. 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').

25. The subject matter of this report has been evaluated in terms of the 4 wellbeings during the process of developing this report.
26. The recommendations set out in this report are consistent with that purpose.
27. No known social, economic, environmental or cultural considerations were identified in the development of this report.

Risks - *Tuuraru*

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

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

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

Attachments - *Ngaa taapirihanga*

There are no attachments for this report.

Council Report

Committee: Strategic Risk and Assurance Committee
Date: 09 June 2022
Author: Dan Finn
Authoriser: David Bryant
Position: People, Safety & Wellness Manager
Position: General Manager People and Organisational Performance
Report Name: Safety and Wellness Report - 1 February 2022 to 30 April 2022

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

1. To inform the Strategic Risk and Assurance Committee on safety and wellness strategic progress, performance, and activities for the period covering 1 February to 30 April 2022.

Staff Recommendation - *Tuutohu-aa-kaimahi*

2. That the Strategic Risk and Assurance Committee:
 - a) receives the report; and
 - b) notes that that the Council will receive a copy of the Safety and Wellness report of 9 June 2022.

Executive Summary - *Whakaraapopototanga matua*

3. This report is intended to provide the Strategic Risk and Assurance Committee with visibility on progress of key strategic activities that are aligned to risks, relationships and resources. It is also intended to provide Elected Members with a progress update on wider activities, assurance, and successes.
4. The Safety Management System (SMS) has been endorsed by ELT and is currently with our Communications Team, finalising the design and branding requirements. Both teams will work closely together to introduce the framework across the organisation, which is planned in May/June 2022.
5. We continue to make good progress on Project Ora – our new safety software, with the development of the Event, Hazard and Sensitive Reporting and Inspection Checklist Modules. An organisational risk register has also been developed. User Acceptance Testing (UAT) is in its first phase, running from 16 of May 2022 to 10 June 2022, with employee representatives across Council. The intended 'Go Live' is on-track for the end of June 2022.
6. The Contractor Management workstream continues to progress, and a number of guides have been developed in collaboration with teams from both Procurement and Facilities. Council's Intranet – Velocity, is also being updated to improve access to this information, including training for those who work closely with our Contractors in this space. A Contractor Management Handbook outlining Council's health and safety requirements and expectations has also been finalised and will be issued to contractors at the outset of engagement.

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

Discussion - *Matapaki*

Strategic Progress - *Te ahunga whakamua rautaki*

8. The following workstreams outline Council's progress on our 'safety reset' activities previously communicated. They are designed to strengthen and support our wider safety and wellbeing strategy and will continue to formulate part of this report until full completion.

Workstream	Status	Next milestone	Comment
SafePlus review recommendations	60%	Consolidate actions & recommendations	Several recommendations will be completed via Ora/SMS streams
SMS development and implementation	100%	SMS has been endorsed by ELT and now with the Communication Team for design purposes	Next steps - communicate out across the business
Technology and communication (Ora)	90%	Event / Hazard & Sensitive Reporting and Inspection Checklists and Organisational Wide Risk Register have been completed in Phase 1 of the rebuild	This work is a key priority to give clear oversight of what events are occurring and to whom, with robust reporting for relevant key stakeholders. Good progress is being made
Critical risk management	40%	Organisational critical risks have been confirmed. Risk owners to be identified, along with Project Teams formed	Review previous bowties that have been completed. Coachio Group have been engaged to complete bowtie risk assessment training in August
Contractor management	85%	Finalisation of documentation and formulating process on Promapp. Investigating software to support contractor induction process	Relevant communication training across the business
Resourcing and structure review	100%	The Safety & Wellness Team have a full complement of people now on board.	Aligning with the Business Partnering Model meeting key stakeholders and building on a collaborative approach to support Council in health, safety & wellbeing

Table 1 Key workstreams

Risks and Incidents - *Ngaa Tuuraru me ngaa Paanga*

9. Incidents profiled for the quarter are summarised in below.
10. There was a total of 27 injuries this quarter, compared to 13 in the previous period. Of those injured, 1 resulted in lost time and 10 required medical treatment. Near hit reporting has slightly reduced from the previous period with 20 near hits recorded.



Council WorkSafe Notifiable Events

11. There were no notifiable events through to WorkSafe from Council during this period.

Contractor WorkSafe Notifiable Events

12. There were 4 events that were notified through to WorkSafe by various contractors. Of those notified, 3 were service strike events, where pipes were struck, and gas was released. The 1 remaining event was reported when a high voltage power cable was struck and damaged. Further details of these notifiable events can be found in **Attachment 1**.
13. The Development Unit will be available at the meeting to provide an update concerning the trends identified from the three Waipa Civil service strikes, as requested at the 30 March 2022 meeting of the Committee.

Relationships - *Whanaungatanga*

14. After much work to introduce Council's Covid-19 Staff Vaccination Policy, further risk assessments were carried out to better reflect the changing environment and the Omicron variant, which had superseded Delta. Based on a lower risk profile, Council withdrew its Policy that had previously mandated all employees to be fully vaccinated to safely carry out their duties at work. This decision was made in parallel with our Facilities and followed closely the decision by Council to withdraw vaccine passes after the Central Government had announced that these would be no longer needed in most settings.
15. Due to the ongoing impact of Covid-19, Council has a supply of Rapid Antigen Tests (RATs) to enable those who are classed as critical workers to test and return to work if they are isolating as a household contact (under the current Covid-19 Protection Framework at Orange). The RATs are also being used on Council critical operational sites as a surveillance monitoring tool.
16. The annual WorkWell Survey has been completed. The results are being reviewed by the Safety & Wellbeing Team to provide key insights, analysis and identify the main themes to support targeted actions. We had 370 staff members participate in the survey, which represents 30% approximately of our total workforce.
17. The Safety & Wellbeing Team continue providing ELT with a monthly report, designed to increase awareness around specific safety events and initiatives. It is also a tool that can be used to cascade within Groups and Business Units lead by GM's to inform and educate.

18. New Zealand has moved to the orange setting as part of the Covid-19 Protection Framework (Traffic Light System), which has enabled our workers to return to the office and get out and about around Council sites. As a Safety & Wellbeing Team it is important that our Business Partners re-establish site visits to build on relationships formed during remote working, which has largely dominated these last two years. Having a physical presence on sites and at our facilities is also proving greatly beneficial in understanding each of our businesses and the complexities inherent with our different operations.
19. The Safety Governance Committee (SGC) met on 11 April 2022, via audio-visual link. The next meeting is scheduled for 2 June 2022. An excerpt from the minutes is below, and the full minutes are provided as **Attachment 2**.

‘The SGC undertook a critical risk deep dive on Working at Heights, with representation and insights provided by the Community Group in relation to a general overview of how work is done in this area. An update was given by the Safety & Wellbeing Team on the pending WorkSafe review of regulations for plant, structures and working at heights and an update was given on the contractor management framework.

Resources - Rauemi

20. The Safety & Wellbeing Business Partner who had a serious non work injury in early November 2021 will be starting their return-to-work programme from 23rd May 2022. This is great news, as the team have worked hard to pick up additional responsibilities and cover important work during this extended absence.

Assurance - Kii Taurangi

21. The ‘State of Safety’ review was designed to measure the level of safety maturity across Council. An updated heatmap (**Attachment 3**) provides visibility on the progress of corrective actions assigned to each Business Unit.
22. The Safety & Wellbeing Business Partners continue to support and partner with Business Units to monitor and close out recommendations.
23. There are several recommendations that were identified through the SafePlus Audit which are being remedied through current projects that the Safety & Wellbeing Team are responsible for. These include finalising the SMS, strengthening performance reporting, worker participation, critical risk assessments, having a greater focus on wellbeing, shifting investigating to a learning event and contractor management.
24. The completion of these projects of work link directly into the assurance pillar of the SMS.

Success and Recognition - Angituutanga me ngaa Mihi

25. It’s time to reflect and recognise the truly inspirational efforts made by the Incident Management Team (IMT), along with many Business Units in supporting our people and community during Covid-19. We have traversed alert levels and traffic light settings and have done our best as an employer to protect those most vulnerable, including our health system from not being overwhelmed. We would not have been so successful if it wasn’t for the empathy, resilience, agility, and the dedication by so many towards our people’s wellbeing.

Financial Considerations - Whaiwhakaaro Puutea

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

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

27. Staff confirm that any recommendations in this report comply with Council's legal and policy requirements.

Wellbeing Considerations - *Whaiwhakaaro-aa-oranga tonutanga*

28. 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 well-beings').
29. The subject matter of this report has been evaluated in terms of the 4 well-being's during the process of developing this report.
30. This report addresses matters of safety and wellbeing. There are no known social, economic, environmental, or cultural considerations associated with the matters in this report.

Risks - *Tuuraru*

31. There are no risks associated with the recommendations in this report.

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

Significance

32. Staff have considered the key considerations under the Significance and Engagement Policy and have assessed that the matter(s) in this report has/have a low level of significance.

Engagement

33. Given the low level of significance determined, the engagement level is low. No engagement is required.

Attachments - *Ngaa taapirihanga*

Attachment 1 - Notifiable Events

Attachment 2 - Safety Governance Meeting Minutes

Attachment 3 - State of Safety Audit Heatmap

Notifiable Events

During this reporting period (1 February 2022 to 30 April 2022) there were 4 notifiable events involving contractors. A brief summary is below:

Date	Incident summary	Status
14 February 2022	WorkSafe Notifiable - Contractor Waipa Civil Limited were excavating a trench to install a CLS water main. In the process a gas lateral pipe was struck by the excavator when carrying out the works and gas was released as a result.	<ol style="list-style-type: none"> 1. Waipa Civil contained the gas leak and crimped the small flex pipe straight away. 2. First Gas arrived for the repair works. 3. WorkSafe were notified.
23 February 2022	WorkSafe Notifiable - Contractor During scarification (breaking up, loosening, or roughening up of the surface) by HEB Construction prior to placing and spreading topsoil a duct containing a 33kv power cable was struck and damaged. The cable itself was not damaged and no person was injured or plant damaged as a result. There was no uncontrolled release of energy. However, because of the very high voltage of the power cable there was the potential for serious harm and therefore notifiable.	<ol style="list-style-type: none"> 1. A WEL Network stand-over had been present the day before but had agreed with Council that there was no need to be there for the top soiling operation (both were unaware of the buried cable at that time), the primary focus had been on the HV overheads. 2. WorkSafe were notified. 3. An ICAM investigation was completed with 9 recommendations which consisted of permit issuing, cyclic refresher training, work with WEL to understand responsibilities, benchmark current workload practices, implement a system that provides precise location of works and hazards, clean up of induction and qualification register, subcontractor management with both systems and risk assessments activities and ongoing corrective actions will be managed in Vault by the Peacocke Project Team.

25 February 2022	<p>WorkSafe Notifiable – Contractor Waipa Civil Limited while horizontal drilling grazed a 40mm gas main and gas was released.</p>	<ol style="list-style-type: none"> 1. The area was closed off to the public 2. First Gas were called out and isolated the gas 3. WorkSafe were notified. 4. Corrective actions implemented: <ol style="list-style-type: none"> (a) Plant, Equipment and Substances: The SE locator has been removed from the crew and swapped out with the Falcon F2 which can locate ahead of the sonde (b) Procedures: Drill sheet pre-check sheets to be utilised going forwards to ensure each process is followed on a step-by-step basis (c) People: Internal investigations have been carried out against the employee's contract (d) Hazard Identification: Toolbox to advise staff of importance of assessing the area appropriately for any hazards based on the plant being utilised
30 March 2022	<p>WorkSafe Notifiable - Contractor When Downer IA were digging out an existing road, the gas lateral was 450mm deep from the lip of the kerb and channel and a strike occurred and gas was released. This gas lateral was not shown in as a built plan of First Gas. There was a tracer wire running underneath the pipe unfortunately it was not picked up by GPR survey.</p>	<ol style="list-style-type: none"> 1. The site was made safe and closed out to the public. 2. The school close by was notified. 3. First Gas fixed the lateral issue and informed the Fire Brigade. 4. There were no injuries. 5. WorkSafe were notified.

Meeting Minutes

Safety Governance Committee

Time and date:	1:30pm, Monday 11 April 2022
Venue:	Zoom
In Attendance:	Greg Dearsly (Independent Chair), Lance Vervoort (Chief Executive), Dan Finn (People, Safety & Wellness Manager), David Bryant (GM POP), Helen Paki (GM Community), Marie Snowball (Safety & Wellbeing Lead), Emily Botje (City Waters), Lee Farnhill (Parks Services Manager), Claire Toko (H3), Dion Liddel (AWUNZ), Tracey Wood (Communications), Ewan Wilson (Elected Member), Olly Te Ua (Maaori Rep) Virginie Maene (Minutes), Erin Roberts (Capital Delivery) and Amanda Barlow (Safety & Wellbeing Business Partner)
Apologies:	Ewan Wilson, Keri Devine, Tracey Wood

1. Welcome

Meeting opened by the Chair to the first (hybrid) meeting of 2022 acknowledging Covid has taken a lot of everyone's attention and work.

David thanked Dan, Mish and Marie for the way they have been exemplary in supporting our staff.

Guests are Amanda Barlow from our H&S Team and Lee Farnhill who is the Parks Service Manager.

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

The minutes of the Safety Governance Committee Meeting held Monday 1 November 2021, have been confirmed.

Moved by: Lance

Seconded by: Olly

The previous meetings action register was reviewed and amended as follows.

Action	Assigned To	Due Date	Comments	Status
Find suggested actions from previous work done by staff on how we can control Critical Risks. Staff came up with ideas, we need to show that we are taking feedback onboard.	Dan/Marie	Next meeting		

Plant, Structures and Working at heights. New regulations are due to come out. Do a review of what the new regulations actually applies to, making sure you are following the process - hierarchy of controls.	Marie	Next meeting		
Ensure presentations and documents relating to the next meeting are sent out in ample time to read through and flag questions.	Marie/Dan	Next meeting		
Plant, Structures and Working at heights – New regulations	H&S Team	Next meeting	Amanda Barlow presented on this item during this meeting	Completed
Looking at make-up of committee.	Dan	Next meeting	Eeva-Liisa should be here from Infrastructure Operations. Their group has a lot of critical risks areas. Let's review annually, we might swap areas around, so all the exec team gets some exposure.	Completed

3. Safety Reset Programme – progress update

Dan presented the Safety Reset Programme and recapped why and the progress we have made since.

The following questions were asked by the Committee:

Q. Covid has been disruptive – teams have not been getting together as BAU, the implementation of some new initiatives has been hindered. Have you identified what is going to make the biggest difference? Have we moved the need around safety culture? Where are the teams at?

A. The whole ethos behind the structure of my team was to be collaborative, the Business Partners are getting out into the business, to understand the business and build the relationships. Unfortunately, we have been in an out of Covid lockdowns ever since which has been a struggle – despite that we can see the difference with the relationships that we have built.

Q. What is the plan for the team to get out and learn about the Critical Risks?

A. Our Business Partners work closely with the leadership teams and always communicate with the team first. We will start doing this now.

Q. Can we see more results and statistics at this level? e.g., notifiable events and near hits – good stats and trends. It's something that we need to keep looking at – comparing results as we go on and keep our eye on that.

A. Ora has that in mind, we will be able to see trends and be more proactive.

Some comments on the presentation are listed below:

- We need to ensure to show staff that we are taking their feedback onboard and we need to keep them engaged.
- The framework is comprehensive, noting the disruption that has been caused I am keen to hear from the staff on the ground to see how well it's working.
- Once BAU has returned we will get the results from Workwell.
- The H&S team has had a positive impact and the support has improved compared to the past. We can respond to issues more in line with the Government. There is new expertise we can now tap into – it's a resource we haven't had previously. All positive!
- Often Culture is the root cause of issues, we need to keep engaging with staff.
- Good update, the SafePlus audit is recommended every couple of years, definitely check up on recommendations, we should be improving not getting worse.
- What is the HCC Culture and how is safety applied to that? This should be one and the same thing. The Anglo-Saxon approach may not work for everyone e.g., Te Ao Maaori. We need to focus on things that will make the biggest difference.

4. Safety Management System (SMS) Update

Marie Snowball presented the Safety Management System document (one pager)

The following questions were asked by the committee:

Q. Is this the finalised version?

A. Yes, the intent of the one-page document is for ease to take it to the business – it's also easy to put up on a screen in all areas and easy to understand how it fits into things. Communications will help with proper branding and communications plan.

Q. How do we get assurance that leaders are adopting it?

A. The assurance pillar will ensure that it is being adopted and that we are supporting people to be successful.

Q. In Infrastructure Operations we work in a hybrid model, how do we merge H&S Infrastructure Operations and this system into one?

A. The H&S team is here to support the organisation, we are aware of decentralised teams where things are done differently. We are trying to understand the business and how we can support it, also ensuring supporting the non-negotiables.

5. Contractor Management Framework

Marie Snowball presented an overview of the Contractor Management Framework.

Some comments on the presentation are listed below:

- There is a range of pre-quals systems that has been assessed by Tautika which means the contractor has a choice. Tautika has been invited by construction industry, councils are signing up to the framework.
- The team has done a great job, it provides assurances, good progress been made.
- There are procurement boundaries, we need to ensure that we are clear on where procurement starts and stops. A workshop is taking place with procurement and facilities to work through this.

6. Critical Risk Deep Dive – Working at heights

Lee Farnhill shared the Arborist unit's experiences of working at heights.

The following questions were asked by the Committee:

Q. What was the last big incident?

A. A handsaw fell out of a tree.

Q. Notifiable with the radiator – how did you respond to that? Experienced people are often at risk, become complacent or overconfident. How do you deal with making sure that people are keeping up to date with the processes?

A. We had a good chat with the person, he was more embarrassed than anything. He just wanted to finish his day – if he alerted us, it could have been prevented. We had everything in place, he was overdelivering on his targets and rushing – we did a reset with the team and went over maintenance. Message: let us know any issues and we will deal with the risks.

Some comments are listed below:

- I was lucky enough to go out with the arb team and I was really impressed with the team. The team has to be so cognisant of all the road users' safety and their own safety. Arborists are very passionate with regards to their machinery – there was a culture of how they can do things better all the time. E.g., when the electrical chainsaw falls out of the tree it will switch itself off – keeping themselves and everyone around them safe.

7. Plant, Structures and Working at heights – New regulations and what it means for us

Amanda Barlow presented the new regulations to the Committee.

8. General discussion – around the table

- Would like to see in more detail how council is managing working at heights once new regulations are in place. I would like more assurance – follow up in 6 to 12 months.
- Really informative meeting, quality of the conversation has really shifted, sharing right info at right level now, grateful we are dedicating the time.
- Council is looking at implementing health insurance for all staff which will help with attraction/retention but also for looking after people after work.
- More staff will be coming back into the Muni building under the Orange traffic light setting; mental wellbeing has dipped a bit so we need to discuss flexible working – we need to look at the needs of the business and social interaction (to be discussed at the next meeting).
- Good meeting, great energy around Health and Safety across the organisation.
- With staff getting back into office, vaccination certificates are no longer required, we will end up with vaccinated and non-vaccinated people in the workforce, you may have vulnerable people or carers in the workspace.

9. Actions Register

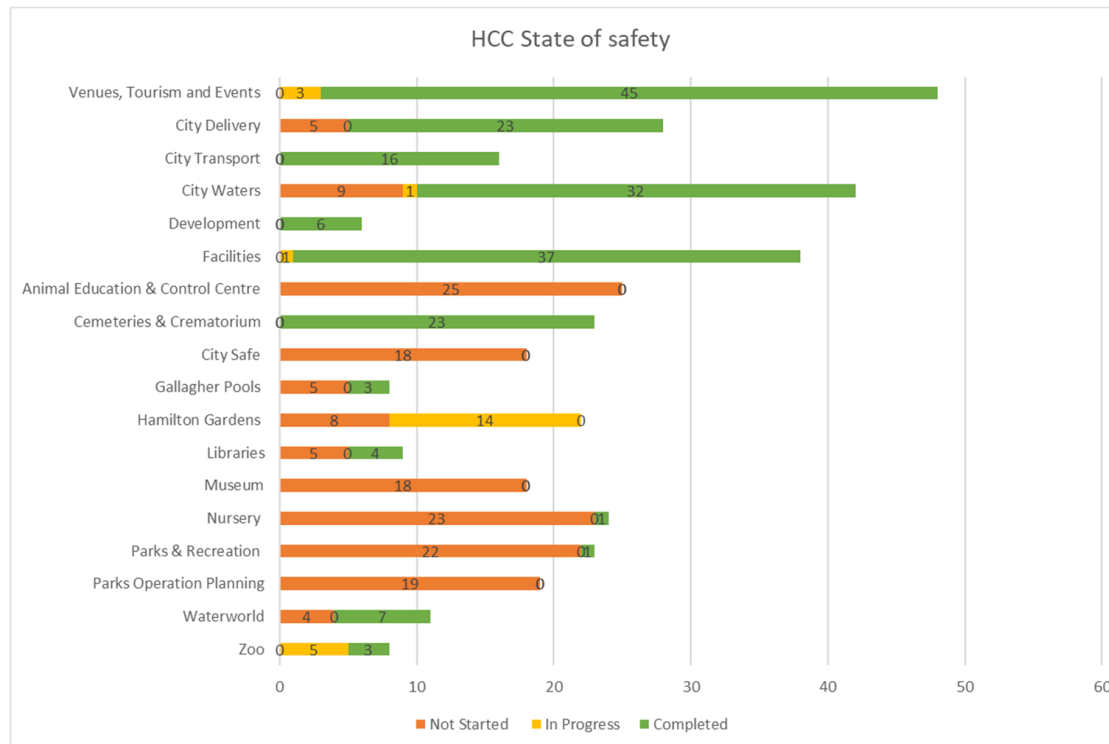
Action	Assigned To	Due Date	Comments	Status
Look at the make-up of the Committee, do we need to invite other people across tiers?		Next meeting	EL should be here from IO. Their group has a lot of critical risks areas. Let's review annually, we might swap areas around, so all the exec team gets some exposure.	Completed
Changes to the regulatory framework with a review of regulations for plant, structures and working at heights is to commence in early 2022. The implementation of new regulations will come into force by the end of 2022. This should be top of the list for 2022, do we know what we have and how compliant are we?	Marie Snowball	Next Meeting		Completed

It was agreed more time was required to digest the Monitoring What Matters survey results and discuss at next meeting.	Dan Finn	Next meeting		Completed
Further follow up from Governance to confirm Safety and Wellness updates to be included at full Council Meetings.	Dan Finn		Dan to discuss with Becca, more discussion on that. Minutes and reports will go to full council and SRA - quarterly	Completed

The meeting was declared closed at 3:55pm

Next meeting will be held on 2 June 2022.

State of Safety Review — Progress update May 2022



Changes made effective from 1/12/21	% Change *
Venues, Tourism and Events	33
City Delivery	21
City Transport	69
City Waters	17
Facilities	49
Animal Education & Control Centre	0
City Safe	0
Gallagher Pools	0
Hamilton Gardens	0
Libraries	44
Museum	0
Nursery	0
Parks & Recreation	4
Parks Operation Planning	0
Waterworld	0
Zoo	13

*Percentage change figures are calculated to capture movement from different stages, it does not reflect which percentage has been completed. For example, it could reflect a move from Not Started to In Progress.

Development and Cemeteries are not included in the percentage change chart due to having completed all recommendations prior to this 1 December 2021.

Council Report

Committee: Strategic Risk and Assurance Committee

Date: 09 June 2022

Author: Nicholas Whittaker

Authoriser: David Bryant

Position: Risk Advisor

Position: General Manager People and Organisational Performance

Report Name: Risk Management Report

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

1. To inform the Strategic Risk and Assurance Committee on the status of Hamilton City Council's nine strategic risks, three key organisational risks and any key emerging risks.

Staff Recommendation - *Tuutahu-aa-kaimahi*

2. That the Strategic Risk and Assurance Committee:
 - a) receives the report; and
 - b) notes that that the Council will receive a copy of the Risk Management report of 9 June 2022.

Executive Summary - *Whakaraapopototanga matua*

3. Hamilton City Council's top strategic and organisational risks have been reviewed over the last quarter and updated to reflect the changing risk environment.
4. Staff continue to provide a regular report on these matters at each meeting of the Strategic Risk and Assurance Committee. The focus areas for the Committee to note for enterprise risks are outlined in the following paragraphs:
 - i. Central Government's reform agenda continues to progress sporadically, with feedback having recently been provided through formal and informal processes in relation to the reviews. Staff have established a cross-council reform team to determine the potential impacts of the suite of reforms on Council's form and function and will communicate potential change to the wider organisation as information becomes available. Smaller teams have been established to focus on each of the individual reform work programmes; Three Waters, Resource Management, and the Future for Local Government
 - ii. Strategic Risk 7 (Significant Cost Escalation and/or Shortage of Key External Resources) is another escalating risk for Council. The impact of both global and national events is compounding existing supply chain and cost escalation risks
5. Staff consider the matters in this report have medium significance and that the recommendations comply with Council's legal requirements.

Discussion - *Matapaki*

6. 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. Further to this Climate Change was added as the ninth strategic risk.
7. The purpose of this report is to highlight significant activity over the last quarter for each risk. Where a risk has no significant update this quarter it has not been included in this report. The appended Risk Register sets out more detail on all of our strategic and organisational risks including treatment plans.
8. A review of Council's Strategic Risk Register with the Executive Leadership Team took place in May 2022. The outcome of this workshop will be brought to the Strategic Risk and Assurance Committee Workshop on 8 June 2022. Any changes to the current Risk Register will be reflected in September's report.

Strategic Risk 1 – A Disaster Event

9. Waikato CDEM Group is actively monitoring the ongoing volcanic situation on Mt Ruapehu. High levels of volcanic gas emissions and strong volcanic tremors continue at the mountain and the Crater Lake (Te Wai ā-moe) temperature has risen to 41°C. The volcano is still at a heightened level of unrest and the Volcanic Alert Level remains at Level 2 (Unrest – moderate to heightened volcanic unrest).
10. Volcanologists advise the most likely outcome of this unrest episode is minor disruptive activity confined to the lake basin but there remains a risk it may generate a lahar (a volcanic mudflow) in the Whangaehu River. Neither activity would present any risks to Hamilton.
11. In June, Waikato CDEM Group begin a series of risk assessment workshops as they commence scoping for the new Waikato CDEM Group Plan. The Group Plan is required by legislation and is renewed every five years. The Act requires Groups to identify, assess and manage hazards and risks, consult and communicate about risks and to identify and implement cost effective risk reductions. Hamilton will be represented at the workshops by a number of staff from across the organisation.
12. On 17 May, Council engaged in Exercise Tahi Waikato, our required Tier 2 (Regional) CDEM exercise for this financial year. The objective of Exercise Tahi Waikato, is to evaluate our Council's capability when faced with a potentially large-scale and time critical incident. It aims to assess our response capability, to test out remote working in a post COVID-19 era and to further inform our future training and exercise focus.

Strategic Risk 2 – Major Economic and Financial Shock

13. The budget for the Long-Term Plan (LTP) was developed as a Community Wellbeing Budget to give effect to the five priorities as agreed by Council. The budget provided for an increase in the Renewals and Compliance budget, as well as increased investment in renewing assets that would directly improve the amenity of the city. The unprecedented growth experienced by Hamilton and associated demand on existing infrastructure and services was forecasted to continue for the period of the LTP. Council also responded to the challenges driven by increasing policy and legislation requirements, specifically growth, water, wastewater and stormwater standards, transport, and climate change. Council's asset base continues to increase with investment in infrastructure assets being the key driver, resulting in increased costs to maintain these assets throughout the period of the Long-Term Plan. Council's Financial Strategy reflects those challenges.

14. The current financial year is still seeing a reduction in revenue for Visitor Destinations and Venues, Tourism and Major Events due to COVID-19 related issues. Council will also continue to monitor the work programmes it has committed to do in this financial year. Again, due to staff shortages, delays in supply chains etc. some of this work has not been able to be delivered.
15. In consideration of the impact of COVID-19 on material availability, supply logistics, COVID-19 related supply chain disruptions and resourcing, staff have identified projects that are unlikely to be delivered in the 2022-23 year. This has been discussed as part of the deliberations and drafting of the Annual Plan for 2023. Of particular note is that Council have increased the inflation assumption from what was previously used in the LTP for both operational expenditure and for specific capital projects.

Strategic Risk 3 – Increasing Compliance Standards

16. Significant reform continues to be promulgated by Government. Visibility of the reform programme is provided to Council through regular reports. Several specialist staff continue to participate in external work programmes and in an advisory capacity to central government to influence the direction of new legislation.
17. Staff will be available to discuss the risks associated with the legislation and potential impact on Council business.
18. An update on the larger pieces of reform is provided below.

Resource Management

19. On 20 December, the Resource Management (Enabling Housing Supply and Other Matters) Amendment Act 2021 was passed into law – with the intention of unlocking more housing in our growing cities.
20. This amendment to the RMA requires tier 1 councils in Auckland, and greater Hamilton, Tauranga, Wellington and Christchurch to change their planning rules so most of their residential areas are zoned for medium density housing. It also creates a new streamlined process so these councils can implement the National Policy Statement – Urban Development's (NPS-UD's) intensification policies faster.
21. As part of the District Plan change programme of work two plan changes (9 & 12) will be notified in July and August respectively. Plan Change 9 will identify and protect matters of historic heritage and natural environments across the city while Plan Change 12 will give effect to the NPS-UD and the more recent Amendment Act.
22. As part of the programme of work, two key reputational risks have been identified as follows:
 - i. The plan changes are challenged on the basis they don't comply with RMA and statutory requirements. Particularly with respect to the Amendment Act which is new and untested law. Mitigations include proactively seeking legal advice which is ongoing on a range of matters regarding the Act including; qualifying matters, specifically Te Ture Whaimana. Legal review is also carried on draft s32 reporting and plan provisions.
 - ii. There are numerous aspects of the plan changes that are likely to alter existing property rights. This will result in adverse reactions from some landowners. A comprehensive communication and engagement strategy is in place and education and information for potentially affected property owners will be provided at the earliest opportunity.

Local Government Reform

23. On 23 April 2021 the Minister of Local Government established a Review into the Future for Local Government. The Review is to consider, report and make recommendations on this matter to the Minister. The Review is considering:
 - i. the functions, roles, and structures of local government;
 - ii. relationships between local government, central government, iwi, Māori, businesses, communities and other organisations;
 - iii. necessary changes for local government to most effectively reflect and respond to their communities;
 - iv. the embodiment of Te Tiriti o Waitangi; and
 - v. funding arrangements for local government.
24. The Panel undertaking the review has established the following timeline:
 - i. early soundings (Complete) - This first stage has involved initial scoping and early engagement with local government and other organisations to help the Panel take a future-focused look at the local governance system and identify key issues and lines of inquiry. This interim report reflects the results of that work and signals the broad lines of inquiry for the next stage;
 - ii. broader engagement 2021/22 - Stage 2 of the review will involve broader public engagement about the future of local governance and democracy in New Zealand, alongside research and policy development. After completing this work, the Panel will report to the Minister of Local Government with draft findings and recommendations. Under the terms of reference, that report is due late 2022; and
 - iii. formal consultation and final report 2022/23 - The third stage will involve formal consultation about the draft recommendations. The Panel will consider public submissions, before it delivers its final report in April 2023.

Three Waters Reform

25. On 29 April 2022, the Ministers of Infrastructure and Local Government announced, following the cabinet consideration of the Representation, Governance and Accountability Workgroup, that the Government would progress the Three Waters Service Delivery reform. Legislation is expected in Parliament before the end of June 2022.
26. This announcement combined with significant transition work being undertaken by the Department of Internal Affairs – National Transition Unit is sufficient to move this from an emerging risk to an active risk status.
27. At the 12 May 2022 Council Meeting, Council recognised that while it advocates its opposition to the Government's 4 Entity Model, staff will continue to work with the Department of Internal Affairs (DIA) to influence better outcomes.

Strategic Risk 4 – Cyber Attack

28. This risk continues to be managed “to ensure the organisation is secure from, or prepared for, credible cyber threats”.
29. Staff are currently progressing through the implementation of the Security Operations Services defined in the request for quote (RFQ). This will expand Council's cyber security partnerships and introduce key cyber security capabilities. These capabilities will significantly improve Council's ability to identify, protect, detect and respond to cyber security threats.

30. Council continues to experience significant activity in cyber-attacks through sophisticated email phishing campaigns, these have the primary focus of compromising Council passwords and running malicious software on Council devices. The impact of compromised Council passwords is being mitigated by Multi-Factor Authentication and suspicious login alerts. Targeted end-user education is ongoing.
31. Ransomware attacks continue to grow in number. Palo Alto Networks recently released analysis of six New Zealand ransomware cases, which found ransomware payments by New Zealand organisations are at record highs. Of the cases studied, the average New Zealand ransomware demand in 2021 was NZ\$2.2million, and the average payment NZ\$541,000

Strategic Risk 5 – Growth

32. Strategic Risk 5 looks at significant changes in growth demand, and/or the consequences of growth not delivering positive outcomes for the community.
33. Demand in the residential sector continues to be high in Hamilton. In the 12 months to April 2022 the number of residential sub-division lots granted was 2,271, up 12% on the previous 12 months. Subdivision consents were 22% higher than the average for the last 5 years.
34. The proportion of infill consents increased from 51% in the year to April 2021 to 58% to April 2022. In the 12 months to April 2022 consents for 1,655 new dwellings were granted, up 15% on the prior 12 months and well above the 5-year average of 1,454 new dwellings. There were 1,419 Code Compliance Certificates (CCCs) issued in the 12 months to April 2022, down 7.2% on the 12 months prior. This is expected and in line with dwelling consents granted trends 12 to 18 months prior. It is also 11% higher than the average number of CCCs issued in the last 5 years.

Strategic Risk 7 – Significant Cost Escalation and/or Shortage of Resources to Deliver Works Programmes

35. This risk focuses on not being able to achieve our strategy and not deliver expected community wellbeing due to a shortage of resources including people both internally and externally as well as materials.
36. Since the last report to Committee the conflict in the Ukraine has not diminished adding to cost escalation and material supply chain issues. Omicron has had a significant impact on all organisations contributing to the delivery of our work programmes with most experiencing a high amount of unexpected absenteeism, skills shortage, material supply and cost issues.
37. The cumulative impact of the supply chain challenges, and COVID-19 are starting to emerge as real here and now issues rather than predictions with examples emerging of reduced competition in tenders, increased tender tension over risk allocation, utility authorities unable to commit to programmes etc.
38. Council budgeted in both the 2018-28 LTP and the current 2021-31 LTP to deliver an increasing capital works programme, substantially higher than in previous years. The 2018-28 LTP was prepared in a pre-COVID-19 environment and the 2021-31 LTP in an emerging COVID-19 - environment.
39. From a 2017/18 LTP budget of \$75m Council has progressively increased its spend to above \$250m in 2020/21 with the same forecast for the current 2021/22 year. The spend rate hasn't matched budget expectations resulting in increasing capital deferrals.
40. Deferrals have largely related to the timing of projects within the LTP periods rather than projects not being started or completed. The consequences of project deferrals in a high-cost escalation environment can be more significant than in a low-cost escalation environment and it is an increasingly important issue.

41. In anticipation of the continued difficult operating environment and together with the increasing capital deferral trend a comprehensive deliverability review of the draft 2022/23 Annual Plan has been undertaken. This review has required programme and project managers from across the organisation to be more realistic in what they expect to deliver over the next 1 to 2 years. This has resulted in the 2022/23 Annual Plan indicating a much-reduced budget from that indicated at the 17 March 2022 Council meeting to adopt a draft 2022/23 Annual Plan for consultation.
42. In undertaking this review a key aspect has been taking an approach to identify any barriers to delivery and to look to address these barriers first rather than accept a funding deferral. This will result in a number of improved initiatives for the following 12 to 24 months including:
 - i. improved governance structures to allow more efficient decision making across all of the different phases of a project;
 - ii. increased and improved reporting identifying delivery risks in advance of risks being realised; and
 - iii. improved matching of internal resources with appropriate outsourced resourcing to projects and delivery times.
43. The report to the last Committee meeting indicated that the deliverability risk in terms of both delays and escalating costs will be tangible on projects which are entering the construction procurement phase or programmed in 2022/23 or future years and that the following initiatives with our construction partners would be undertaken to encourage them to proactively invest in growing local delivery capacity and capability:
 - i. a Council-led construction industry briefing session following finalisation of the 2022/23 Annual Plan to present a comprehensive regional forward works pipeline to contractors and designers - including other key regional client organisations (other councils, Waka Kotahi NZTA and key developers);
 - ii. ensuring integration and alignment with the New Zealand Infrastructure Commission and their national infrastructure pipeline;
 - iii. a draft strategy/plan for delivery of the upcoming 2021-31 LTP programme including an emerging preferred option to implement long-term collaborative panel contracts for delivery of large components of the programme. Along with other benefits, this model would incentivise enhanced investment in delivery resources through longer term; and
 - iv. commitments, improved forward works certainty, early contractor involvement during design, opportunities to advance order items/materials and improved collaboration.
44. As part of developing the 2022/23 Annual Plan, an increased cost escalation of 7% (instead of the 3% previously assumed) has been applied on a risk-based approach to certain projects to better reflect price increases indicated by industry accepted indices. This approach hasn't taken account of the rapidly deteriorating situation since the Annual Plan was developed nor does an adjustment of budgets by a price index take into account the other supply and demand market forces being shaped by the current and difficult operating environment.
45. It is expected that even with some Annual Plan increases for cost escalation, there will be projects that have insufficient budgets to manage the difficult to predict market pressures, resulting in escalation for Council decision making. A key focus will be on taking a portfolio approach in the reporting to Council.

Strategic Risk 9 - Climate Change

46. The first draft of Climate Change Strategy was taken to a workshop with the Environment Committee in February 2022 for feedback and is planned to go to Council on the 30th of June.

47. Feedback on the draft strategy has been collected via six online workshops with key stakeholders including local organisations and businesses such as Go Eco, Wintec, Waikato DHB, and WEL Networks, as well as members of the public from the Voice of Hamilton Kirikiriroa panel. The draft document has also been reviewed with iwi partners (THaWK, Ngaati Wairere, Waikato Tainui and currently working with Te Ruunanga o Kirikiriroa) and partner councils (Waikato Regional Council and Waikato District Council). Key themes from the feedback include needing to make the strategy stronger, more direct and ambitious, ensuring that it leads to bold and urgent action, and increasing focus on restoration and support for biodiversity/nature as part of our climate response.
48. Staff are currently also developing the next Climate Change Action Plan which will sit underneath the strategy. This draft will be shared across the business throughout May 2022 to allow review and input by stakeholders across the organisation.
49. The third monitoring report of the (current) 2021/22 Climate Change Action Plan was presented to the Environment Committee in May 2022 and found that most items are on track, with six out of 45 actions requiring additional monitoring or have had timing adjustments as a result of COVID-19 restrictions or resourcing issues, and three actions completed. Staff will be preparing an end-of-year report for the next Environment Committee meeting (2 August 2022) which will outline what has been delivered over the 2021/22 financial year.
50. The Climate Change Policy was taken to a workshop with the Environment Committee in February/March 2022 for feedback and is planned to go to Council on the 30th of June. The Draft Policy outlines the approach for undertaking climate change impact statements for consideration in decision making and Council's intent to complete a risk assessment and an annual climate change disclosure report. The climate change impact statements will be used to assess all new projects as part of business cases, project planning and used in the development of the asset management plans. The process for assessing long term plan projects is also to be determined.
51. In September 2021, the Ministry for the Environment (MFE) released guidance for local government on completing a Climate Change Risk Assessment. MFE recommended this process can take up to 18 months to complete. Staff will be commencing this for Hamilton in 2022, post the adoption of the Climate Change Policy.
52. During the United Nations Framework Convention on Climate Change (COP26) in November 2021, the New Zealand Government increased the Paris Agreement pledge to cutting emissions by 41 per cent by 2030. Government modelling indicates that around two thirds of the target would be achieved through buying international carbon credits.
53. The Intergovernmental Panel on Climate Change (IPCC) have completed their 6th Climate Assessment, including the release of The Impacts Adaptation and Vulnerabilities Report - February 2022. This Report finds that human-induced climate change is causing dangerous and widespread disruption in nature and affecting the lives of billions of people around the world, despite efforts to reduce the risks. The Report warns that inaction will result in dire consequences for our wellbeing and a healthy planet, but there is still a brief window of time to avoid the very worst. The Report shows there are now unavoidable impacts for Australia providing a warning to New Zealand about where the local impacts of climate change could (are likely) to go.
54. The IPCC also released the Mitigation of Climate Change Report - March 2022. It states that all global modelled pathways that limit warming to 1.5°C involve rapid, deep and, in most cases, immediate Greenhouse Gases (GHG) emission reductions in all sectors. Emissions need to peak between 2020 and 2025 with rapid and deep reductions throughout 2030 and global net zero reached in the early 2050.

55. Staff are developing a Council submission in response to Central Government's National Adaptation Plan (released April 2022). A recommendation was made to the Environment Committee for the Chair and Deputy Chair to be given delegated authority to work with staff to develop and approve Council's submission, which is due on the 3rd of June.
56. At the start of May 2022, Government announced the first three emissions budgets which will set Aotearoa New Zealand on the course for achieving its climate targets. The first three budgets are as follows:
 - i. Emissions Budget 1 (2022–2025): 290 megatonnes of carbon dioxide equivalent greenhouse gasses (72.4 megatonnes per year)
 - ii. Emissions Budget 2 (2026–2030): 305 megatonnes (averages 61 megatonnes per year) [in principle]
 - iii. Emissions Budget 3 (2031–2035): 240 megatonnes (48 megatonnes per year) [in principle]
57. New Zealand's first Emissions Reduction Plan was released on 16 May 2022. The plan is currently being reviewed by staff to understand how it will influence our response to climate change.
58. The Minister of Finance has outlined the first investments from the Climate Emergency Response Fund which include an Electric Vehicle (EV) funding scheme, national kerbside food waste collection, a low emission car leasing scheme, national public transport ticketing and more.

Organisational Risks

Organisational Risk 1 – H&S – Workers (incl. contracted workers & volunteer workers)

59. COVID-19 continues to be present in our communities, although its impact on workers has diminished with infections peaking some months ago. As an employer we continue to reiterate important messages and monitor any changes relevant to the virus, including new information and guidance that becomes available. The Safety and Wellbeing team continue to focus their efforts on continuous improvement programmes and initiatives, which will be covered off in greater detail as part of the Health and Safety Report.

Organisational Risk 2 – Safety and Wellbeing of the Community

60. Business Continuity and Pandemic Response Plans continue to be refreshed as required and our teams have focussed on maintaining service and responding to the increased risks of Omicron. Staff are working on enhanced communications relating the mask mandate requirements, effective 31 May 2022, to ensure the community are well informed of the change.
61. Staff have recently submitted a funding application to the Tourism Infrastructure Fund for \$750k to enhance visitor safety infrastructure at the Hamilton Gardens. This funding would help deliver a number of the items identified in the Hamilton Gardens Security Risk Assessment, including enhanced CCTV and safer visitor flow within the arrival precinct. The outcome of this funding application will be known by end of June 2022.

Emerging Risks

62. There are no new emerging risks this quarter.

Financial Considerations - *Whaiwhakaaro Puutea*

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

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

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

Wellbeing Considerations - *Whaiwhakaaro-aa-oranga tonutanga*

65. 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').
66. 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.
67. The recommendations set out in this report are consistent with that purpose.

Social

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

Economic

69. The risks highlighted in this report have the capacity to affect economic wellbeing should they materialise. Threats and opportunities relating to external material and human resources could impact on economic wellbeing locally, regionally, nationally and globally with the continued active resurgence of COVID-19. Council's management of the risks and opportunities in this report continues to reflect the impact on economic wellbeing.

Environmental

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

Cultural

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

Risks - *Tuuraru*

72. The Risk Register (**Attachment 1**) identifies the risks discussed in this report.

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

Significance

73. Having considered the Significance and Engagement Policy, staff have assessed that the matters in this report have a medium level of significance.

Engagement




74. Community views and preferences are already known to Council. Given the medium level of significance determined, no engagement is required.

Attachments - *Ngaa taapirihanga*

Attachment 1 - Strategic Risk and Assurance Committee - Strategic and Organisational Risk Register - June 2022

Item 8

Risk Number	Strategic Risk Description	Risk Owner	Residual Risk Rating
1	A Disaster Event <i>A natural or human-induced disaster event (excluding act of terrorism)</i>	Helen Paki	Very High 
2	Major Economic or Financial Shock <i>An external financial event impacts Council's financial strategy, fiscal and monetary position.</i>	David Bryant	Medium 
3	Increasing Compliance Standards due to Stakeholder Expectations <i>The risk of central government and regional council increasing compliance standards or changes in community expectations.</i>	David Bryant	High 
4	Cyber Attack <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>	Murray Heke	High 
5	Growth <i>Significant change to/in growth demand and/or the consequences growth does not deliver positive outcomes for the community.</i>	Blair Bowcott	High 
6	Political changes impact Council's strategic direction <i>Political stakeholders make unpredictable decisions or take actions that significantly impact or contradict Council's strategic imperatives.</i>	Blair Bowcott	Very High 
7	Significant Cost Escalation and/or Shortages of Resources to Deliver Works Programmes <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	High-Level security threat or major emergency <i>A safety, security or environmental attack materialises and impacts Council's strategic direction.</i>	David Bryant	High 
9	Climate Change <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 

Risk Number	Organisational Risk Description	Risk Owner	Residual Risk Rating
1	H&S – Workers (incl. contracted workers & volunteer workers) <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	Safety and Wellbeing of the Community <i>Failure to create, provide and maintain a safe environment for the community leading to a serious injury incident or fatality.</i>	Helen Paki	High  Medium
3	Failure of critical assets <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.*
- *Three Waters Reform Programme – reforming the delivery of water services in New Zealand.*

Risk Type	Definition
Strategic	The risk of an event or impact that is external to Council and could impact the organisation's strategies, including Council's Financial Strategy, Long Term Plan and 30 Year Infrastructure Strategy.
Organisational	The risk of an event or impact that is internal or external to Council and could impact the whole organisation.
Operational	The risk of an event or impact that is internal or external 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.

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)					
Risk Owner – (GM Level)		Helen Paki (GM Community)		Category	Strategic Preparation and Disaster Recovery
Risk Triggers					
<ul style="list-style-type: none">Natural disaster event without warning or build upSevere weather events that increase in intensity, including those events that are a result of climate changeCritical asset failure that impacts the safety of Hamiltonians – water, energy, telecommunications, financial, transportationCivil 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 structuresPandemic					
Inherent Likelihood	Possible	Inherent Consequence Driver	Catastrophic	Inherent Risk Rating	Rating
		Strategic Safety & Wellbeing,			Very High
Existing Controls					
Emergency management					
<ul style="list-style-type: none">Annual external (NEMA) capability assessmentsCollaboration 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 levelEmergency Management Framework – National Emergency Management Agency (NEMA), Group, Local Emergency Operations Centre (EOC) structureEmergency management training program TAKATU implemented for Council staffRobust emergency exercise schedule in place to test preparedness and response functionality					
Infrastructure resilience					
<ul style="list-style-type: none">Asset and service monitoring capabilityCriticality assessments and asset identification ratingsEngineering standards identified and managedActivity 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 renewalAvailability 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 mitiaqtions relating to critical assets can be found in Orqanisationl Risk #3.					

Residual Likelihood	Possible	Residual Consequence Driver Strategic Safety & Wellbeing,	Major	Residual Risk Rating	Rating Very High
Action Owner			Risk Treatment		
Kelvin Powell			Mitigate		
Treatment Plan	Previous updates			Update – June 2022	
<ul style="list-style-type: none"> Implementation of CDEM workplan deliverables ahead of next external Capability Assessment November 2021 	<ul style="list-style-type: none"> (November 21) - Workplan continues but at reduced pace due to ongoing demand and impacts of COVID and support to Westport flooding. (March 22) - Workplan still continues at reduced pace due to ongoing demand and impacts of COVID. Regional exercise now deferred until March 2022. Capability assessment continues to be further deferred due to Covid implications. Support to Council responses to Cyclone Dovi high wind event 			<ul style="list-style-type: none"> Required Tier 2 Exercise (Exercise Tahi) held on 17 May 2022 based on a significant weather event and flooding in the city. CDEM training has recommenced 	
<ul style="list-style-type: none"> Complete review of Covid-19 Post Action report to identify work programme and lessons learnt by March 2022 	<ul style="list-style-type: none"> (November 21) Hub and spoke approach introduced in Covid responses in August and worked well with support from a small local Incident Control Point (March 22) - Focus is on provision of support to community agencies to impact on COVID vaccination and testing. Focus on maintaining sufficient staff to respond to an emergency in a time of high staff abstractions due to Covid 			<ul style="list-style-type: none"> Learnings from Covid have been fully implemented and incorporated into the latest CDEM exercise (combination of remote and onsite attendance) Treatment now considered closed 	

Strategic Risk 2					
Major Economic or Financial Shock					
An external financial event impacts Council's financial strategy, fiscal and monetary position.					
Risk Owner (GM Level)	David Bryant (GM – People and Organisational Performance)	Category	Financial		
Risk Triggers					
<ul style="list-style-type: none">Global financial or pandemic crisisRapid 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 affordabilityCritical infrastructure failureMajor construction industry failureMajor government policy changes negatively impact Council’s income streams or cost baseNatural 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	Likely	Inherent Consequence Driver Safety and Wellbeing, Financial, Service Delivery	Major	Inherent Risk Rating	Rating High
Existing Controls					
<ul style="list-style-type: none">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 mattersSix weekly financial forecasting and planning cycles through reporting to the Finance Committee,Monitoring of macro trends (Finance, Treasury, Economic Growth team)Additional \$100M bank facilityFinancial scenario modellingCouncil’s ability to urgently reprioritise and reduce capital spendingCouncil’s ability to urgently reprioritise and reduce community levels of service spendingAvailability for options to respond to a shock, depending on the type of shock					
Residual Likelihood	Unlikely	Residual Consequence Driver Strategic Safety & Wellbeing,	Serious	Residual Risk Rating	Rating Medium
Action Owner			Risk Treatment		
Tracey Musty, Greg Carstens			Mitigate		

Treatment Plan	Previous updates	Update – June 2022
<ul style="list-style-type: none"> Staff are currently working with an independent party to help determine the consequences of supply issues and price escalation across the construction industry 	<ul style="list-style-type: none"> (November 21) - Staff are still reviewing the outcomes of the latest lockdown and are constantly revising contracts and monitoring projects and their budgets. The current risk at the moment is availability of material, cost escalation and time constraints. All of which can lead to the possibility of delayed projects and increased overall costs. (March 22) - The draft budget for the draft Annual Plan was presented to Council on the 17th of March. The report took into consideration and is a response to the current pressures that HCC is facing with regards to Covid-19 and other world challenges. Staff continue to revise contracts and monitor their projects and budgets with a revised forecast position for Council presented at the March Finance Committee. 	<ul style="list-style-type: none"> This treatment plan is now considered complete.
<ul style="list-style-type: none"> Annual Plan Approval by 30 June 2022 	<ul style="list-style-type: none"> (March New IP) 	<ul style="list-style-type: none"> Currently going through the approval process. Annual Plan is currently out for consultation (May 2022) with hearings and Council Reports upcoming.

Strategic Risk 3					
Increasing Compliance Standards <i>The risk of central government and regional council increasing compliance standards, or changes in community expectations resulting in increased compliance standards.</i>					
Risk Owner – (GM Level)		David Bryant (GM – People and Organisational Performance)	Category	Compliance and Regulatory Environment Strategic	
Risk Triggers					
<ul style="list-style-type: none">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 disasterContinued or serious breaches leading to increased compliance requirements and regulationCommunity service-level expectations in management of water quality, recycling, climate change and other services not being metFailure 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 IANZ)Legal challenge to HCC policy or practice resulting in findings of non-compliant practicesChange in stakeholder partner expectations for environmental performanceChanges to our own District Plan impacting other parts of the business (e.g. changes to resource consents affect consented Three Waters activities)					
Inherent Likelihood	Possible	Inherent Consequence Drivers Safety & Wellbeing, Financial, Service Delivery, Compliance	Major	Inherent Risk Rating	Rating Very High
Existing Controls					
<ul style="list-style-type: none">Local and regional council relationships establishedInternal resource allocated for specific compliance changesKey stakeholders engaged for central government submissionsBylaws and Policies overseen centrally in councilCompetency assessments and training in place for staff – internally and externallyNotification protocols in place for unforeseen eventsCouncil has established an Incident Management Team to respond to natural disasters or unforeseen eventsRegular reporting, accreditation and auditing by independent providersInternal programme for continuous improvement in placeRegular legal services advice and input from other specialist experts available by external providersInternal legal advisor resourceExternal experts – for example advice on HR, taxation matters.					

<ul style="list-style-type: none"> Advice available from trusted external legal service providers on an ad hoc basis, as well as regular quarterly updates and training. Council has access to Lexis Nexis database 					
Residual Likelihood	Possible	Residual Consequence Drivers Safety & Wellbeing, Financial, Service Delivery, Compliance	Serious	Residual Risk Rating	Rating High
Action Owner			Risk Treatment		
Michelle Hawthorne			Mitigate		

Treatment Plan	Previous updates	Update – June 2022
<ul style="list-style-type: none"> Council to consider WCLASS Joint Procurement Project to invest in the compliance programme for effective reporting on legislative compliance. 	<ul style="list-style-type: none"> (November 2021) - Staff have made a decision as part of the implementation of SHIELD to use this platform for reporting legislative compliance, this was previously noted as part of the September update to the committee- adaptation of an existing platform. (March 22) - Action now part of the SHIELD rollout. Further updates to be provided at the June Committee. 	<ul style="list-style-type: none"> Action now part of the SHIELD rollout, delays due to priorities in recruiting and other areas mean this will likely get underway in the latter half of 2022
<ul style="list-style-type: none"> Identify and implement an online compliance education programme by June 2023 	<ul style="list-style-type: none"> (March 22) - Implementation of the Privacy module is complete. Staff will look to replicate the module with other organisation-wide compliance topics – e.g. LGOIMA, elections protocols for staff in 2022. 	<ul style="list-style-type: none"> Staff have used the same model to update and implement an elections protocols module for staff, this has been implemented and is accessible to all staff and required for new starters up to completion of the elections. As noted, further modules and in person training on other compliance related topics.

Strategic Risk 4					
Cyber Attack <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>					
Risk Owner (GM Level)	Murray Heke (GM – Customer, Technology and Transformation)	Category	Disaster Recovery/ Business Continuity		
Risk Triggers					
<ul style="list-style-type: none">• 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• A supplier being breached					
Inherent Likelihood	Possible	Inherent Consequence Driver Service Delivery	Catastrophic	Inherent Risk Rating	Rating Very High
Existing Controls					
Identify <ul style="list-style-type: none">• 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 <ul style="list-style-type: none">• 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					

<ul style="list-style-type: none"> Access to Hamilton City Council services are managed effectively Information and assets have implemented processes and controls 					
Detect					
<ul style="list-style-type: none"> Reviews on Council's IT technology environment are conducted to improve detection and response capabilities. External and internal security audit and reviews 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					
<ul style="list-style-type: none"> 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					
<ul style="list-style-type: none"> Business continuity and disaster recovery (BCDR) processes in place and tested Cyber recovery planning processes known, understood, and practiced Ensuring data survivability, data will be backed up and available 					
Residual Likelihood	Unlikely	Residual Consequence Driver Service Delivery	Major	Overall Residual Risk Rating	Rating High
Action Owner			Risk Treatment		
Quentin Speers, Karl Bout			Mitigate		

Improvement Plan	Previous Updates	Update – June 2022
<ul style="list-style-type: none"> Implement vulnerability management tools, processes and resourcing by March 2022 	<ul style="list-style-type: none"> (November 21) - Implementation discovery phase underway (March 22) - Vulnerability management toolset is live and being onboarded by our new sec ops vendor. The base capability is expected to be live by Q4 2021/2022. 	<ul style="list-style-type: none"> Base capability now live. Scaling up to full organisational coverage is underway and expected to complete Q2 2022/2023
<ul style="list-style-type: none"> Re-architecture of current IT and OT network design by March 2022 	<ul style="list-style-type: none"> (November 21) - Cyber security architecture document is being drafted (March 22) - Cyber security architecture document is expected to complete by Q4 2021/2022 	<ul style="list-style-type: none"> Council is engaging vendors for the review of current network design, proposal and implementation of an upgrade network design that aligns with Council's cyber security architecture requirements. This is expected to complete by Q3 2022/23
<ul style="list-style-type: none"> Security Operations Centre development and turning 	<ul style="list-style-type: none"> (March 22) - A 12-month improvement plan is now underway to develop and tune this capability for the remainder of the HCC 	<ul style="list-style-type: none"> No Update

	environment. This is due to complete by Q4 2022/2023	
<ul style="list-style-type: none"> Establish a cyber security incident handling and response capability by March 2022 	<ul style="list-style-type: none"> (Nov 21) - Implementation discovery phase is underway (March 22) - Discovery report has been received and is now under review. The base capability is expected to be live by Q4 2021/2022. 	<ul style="list-style-type: none"> No update
<ul style="list-style-type: none"> Development and testing of Disaster Recovery and Business Continuity Plans 	<ul style="list-style-type: none"> (Nov 21) - Current DR and BC plans are being reviewed (March 22) - DR and BC plans have been reviewed. An RFP is now underway to develop and test new DR and BC plans. RFP is expected to complete Q2 2022/2023 	<ul style="list-style-type: none"> No update

Strategic Risk 5					
Growth <i>Significant change in growth demand, and/or the consequences of growth do not deliver positive outcomes for the community.</i>					
Risk Owner (GM Level)	Blair Bowcott (GM – Growth)	Category	Strategic, Service Delivery		
Risk Triggers					
Understanding growth <ul style="list-style-type: none">• Wider economic downturn• 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 <ul style="list-style-type: none">• 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 or legislation impact on desired growth outcomes or our ability to effectively respond to growth• Requests from developers for unplanned, out of boundary and/or out of sequence developments• Central Government funding and financing initiatives such as Housing Infrastructure Fund, Infrastructure Funding (IFF) and Financing and the Infrastructure Acceleration Fund (IAF)					
Growth consequences <ul style="list-style-type: none">• Groups within Council planning and budgeting for growth separately versus in a joined-up way					
Inherent Likelihood	Possible	Inherent Consequence Driver Service Delivery	Major	Inherent Risk Rating	Rating Very High
Existing Controls					

Understanding growth

- Growth Funding & Analytics Unit in place to function as Council's growth funding, growth projection and economics specialists
- HCC Growth and Development Contributions model provides data analysis, forecasting and scenario management. Inputs and modelling externally peer reviewed.
- Hamilton Housing Market & Economy Growth Indicator Report provides annual, 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 finalised in 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.
- Growth Funding Policy in place for out of sequence and unfunded developments.
- Engagement with neighbouring Councils on strategic growth planning (Metro Spatial Plan, FutureProof partnership, Growth discussions at CE and Governance level, Future Proof Priority Development Workstream, good officer level relationships).
- Engagement with Central Government to explore and implement new tools for funding and delivering growth related projects, for example IFF and IAF.
- Preparation of growth programme business cases to assist with investment decisions into growth cells. The business cases have a wellbeing lens (vs just economic) and include the full costs of the growth cell including community and network infrastructure, consequential operating expenditure, commercial considerations and how the programme will be delivered.
- Strategic and consequential infrastructure costs are considered and investigated as part of the zoning decisions process (high level business cases prepared as required).
- 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.
- Private Developer Agreements in place for provision of infrastructure.
- Submissions on any neighbouring councils plan changes.
- Draft out of Boundary Principles developed for unplanned, out-of-sequence and out-of-boundary development proposals.

Growth consequences

- Numerous strategies and plans in place to manage the outcomes of a growing city including Regional Policy Statement, Hamilton-Waikato Metro Spatial Plan, Hamilton Urban Growth Strategy, District Plan.
- Whole of Council Programme/spatial approach to planning for and delivering new growth areas.
- Growth Programmes team in place to weave people and projects together to deliver wellbeing outcomes for new and existing growth communities. Formal Programmes are in place for Peacocke, Northwest, Ruakura, Central City and Emerging Areas.

Residual Likelihood	Possible	Residual Consequence Driver Service Delivery	Serious	Overall Residual Risk Rating	Rating High
Action Owner			Risk Treatment		
Karen Saunders, Greg Carstens			Mitigate		
Improvement Plan	Previous updates			Update – June 2022	
<ul style="list-style-type: none"> Deliver revised Hamilton Urban Growth Strategy, by early 2023 	<ul style="list-style-type: none"> (Nov 21) Investigations have continued and staff are working to understand the impacts of the recent planning Medium Residential changes indicated by central govt. HUGS Reference Group on 5th November where staff sought direction from elected members for the strategy. (March 22) - Project timing extended to allow for alignment with other key growth projects including the District Plan Review, MSP Transport Programme Business Case and Future Proof Strategy. Technical analysis work has continued to understand priorities of growth areas. Awaiting infrastructure assessments and housing capacity assessments to further inform the strategy. Elected Members endorsed an approach for emerging areas at the 2 December 2021 Strategic Growth Committee. HUGS reference group 28 Feb to check in on direction and next steps. 			<ul style="list-style-type: none"> HUGS is being drafted following completion of technical analysis, stakeholder engagement and alignment with other key growth projects and strategy reviews under way. The draft strategy will be presented to the Strategic Growth Committee on 26 July 2022 for approval to go out for consultation. 	
<ul style="list-style-type: none"> Set up the Strategic Development Forum to improve and better understand developer needs for industrial and commercial developments, by December 2021 	<ul style="list-style-type: none"> (Nov 21) Draft Terms of Reference presented to Strategic Growth Committee on 19 October 2021. (March 22) - First meeting occurred in December 2021. Staff and the developers reps are working on a 12 month programme of actions. Meetings booked in roughly every 6 weeks from April – September 2022 			<ul style="list-style-type: none"> Second meeting was held in April. A 12 month programme has been agreed. At the next meeting in June developers will present their pipeline of significant projects to Elected Members. Staff are investigating key account manager resource and process to support major industrial/employment developments. 	

		<ul style="list-style-type: none"> This treatment plan is now considered closed
<ul style="list-style-type: none"> Actively participate and contribute to the Future Proof Priority Development Areas workstream to identify and progress opportunities to enable development at pace and scale in these areas, by Dec 2022 	<ul style="list-style-type: none"> (November 21) - Growth Programmes Manager now chairing the Future Proof Priority Development Areas workstream., from Oct 2021. Trackers/reports for each of the areas are in development. (March 22) - PDA Trackers have been drafted and presented to Future Proof SMSG and CEAG. Now working to make further improvements to the trackers including identifying shared issues, opportunities and actions before presenting to FPIC in April 2022. 	<ul style="list-style-type: none"> PDA Trackers were presented to FPIC in April 2022 and received positive feedback. There was recognition and understanding of the major barriers and issues and actions required to resolve them. The team are meeting in person for the first time in over 12 months and a site visit was planned with major developers at Rotokauri in May 2022.
<ul style="list-style-type: none"> Progress and notify District Plan Change Programme in response to Government Direction from NPS-UD and RMA Bill, by August 2022. 	<ul style="list-style-type: none"> (November 21) - District Plan Committee meeting to discuss programme and approach on 4 November 2021. (March 22) - Following the passing of the new Resource Management (Enabling Housing Supply and Other Matters) Amendment Bill in December the City Planning Unit has re-aligned their work programme to accommodate the requirements of this. District Plan Committee meeting to discuss programme and approach on 10th March and endorse Hamilton City Councils approach in light of the new Act. A workshop session will also be held on 7th March to brief Ems on upcoming district plan changes and their implications. The City Planning Unit are aiming to notify district plan changes in accordance with the legislation by 20th August 2022. 	<ul style="list-style-type: none"> Further to the March 2022 update, Council staff are progressing with draft district plan change provisions to give effect to the new Act. Endorsement of the planning approach, in response to the Act, has been received from elected members through the District Plan Committee on the 10th March 2022 and the 3rd May 2022. The reports to this Committee on 10th March and associated resolutions were also supported by full Council on the 17th March 2022. Staff have held a number of briefing sessions with elected members since early March. Staff are on track to notify Plan Change 12 by the 20th August 2022 in accordance with the Act. Plan Change 9 is on track to be notified a month prior to this.
<ul style="list-style-type: none"> Clearly articulate the Growth Story and associated challenges to provide context to support decision making for growth, by June 2022 	<ul style="list-style-type: none"> New IP 	<ul style="list-style-type: none"> Growth Story was presented to Elected Members in a closed briefing on 4 May 2022.

<ul style="list-style-type: none"> Map out the process for bringing new growth areas into the city boundaries by July 2022 	<ul style="list-style-type: none"> New IP 	<ul style="list-style-type: none"> Process workshops were held in May for staff from multiple different teams. The process will identify key decision points, risks, opportunities and high level timeframes and will help with resource planning. A draft is expected in late May, to be presented at the Strategic Growth Committee meeting on 26 July 2022.
<ul style="list-style-type: none"> Growth modelling environment improvements, by June 2023 	<ul style="list-style-type: none"> New IP 	<ul style="list-style-type: none"> Progressively updating and enhancements to growth modelling environment to service district plan evidence, infrastructure modelling and ultimately deliver the 2024 HBA.

Strategic Risk 6					
Political Changes or Decisions Impact Council’s Strategic Direction or Form and Function <i>Political stakeholders make decisions or take actions that significantly impact or contradict Council’s strategic direction.</i>					
Risk Owner (GM Level)	Blair Bowcott (GM – Growth)	Category	Political Service Delivery		
Risk Triggers					
<ul style="list-style-type: none">• Political changes including central government strategic direction and legislative changes creates 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• Relationships with neighbouring territorial authorities are ineffective or adversarial due to differences of opinion or priorities <p>Note* Political risk is essentially the probability that a political action/decision will significantly affect Council’s strategic direction —whether positively or negatively.</p>					
Inherent Likelihood	Possible	Inherent Consequence Driver Strategic Political Service Delivery	Major	Inherent Risk Rating	Rating Very High
Existing Controls					

<ul style="list-style-type: none"> 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 Participation in formal processes to influence direction of government policy Establishment of a reform programme within council to be a central point of information and action for all legislative change processes. 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 					
Residual Likelihood	Possible	Residual Consequence Driver Strategic Political Service Delivery	Major	Overall Residual Risk Rating	Rating Very High
Action Owner			Risk Treatment		
Senior Leadership Team			Mitigate		

Treatment Plan	Previous updates	Update – June 2022
<ul style="list-style-type: none"> Key Stakeholder Engagement Plan in place by 30 June 2021. 	<ul style="list-style-type: none"> (March 22) - Final Plan under development. Timeframes have been pushed out due to staffing capacity and changes to group and unit structure. Direction will be socialised with new CEO prior to plan being confirmed. ELT session scheduled for 11th April to discuss and agree updated plan aligned with new CE direction. 	<ul style="list-style-type: none"> Focus and content of Plan has been amended following internal staff workshops with Communications Team and GM Strategy. Amended content based on the outcomes of these workshops is being developed and will be taken to SLT for input and approval prior to 30 June
<ul style="list-style-type: none"> Establish an internal programme to address all legislative change/reform that will affect local government – including 3 waters, RMA and Future for Local Government 	<ul style="list-style-type: none"> (March 22) - Internal reform programme team established across council to investigate the impacts of the three large pieces of central government reform that will impact the form and function of local government. These include the 3 Waters reform, RMA reform and Future for Local Government Review. 	<ul style="list-style-type: none"> Internal cross-council reform programme team continues to meet to investigate the impacts of the three large pieces of central government reform that will impact the form and function of local government. These include the 3 Waters reform, RMA reform and Future for Local Government

	<p>Staff are participating in national, regional and sub-regional collaborative opportunities to influence the direction of reform programme. Cross-council team are working to determine potential impacts on HCC (and the local government sector as a whole). A number of groups are establishing similar work programmes – Waikato Plan, UNISA, LASS, Mayoral Forum and other councils – we are participating in these. Group actively making submissions and providing feedback on early policy direction.</p>	<p>Review. Staff are participating in national, regional and sub-regional collaborative opportunities to influence the direction of reform programme. Cross-council team are working to determine potential impacts on HCC (and the local government sector as a whole). A number of groups are establishing similar work programmes – Waikato Plan, UNISA, LASS, Mayoral Forum and other councils – we are participating in these. Group actively making submissions and providing feedback on early policy direction.</p>
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Strategic Risk 7					
Significant cost escalation and/or shortage of resources to deliver works programmes					
<i>The market is unable to deliver necessary resources to achieve our strategy; including but not limited to people and material for projects.</i>					
Risk Owner – (GM Level)	Chris Allen (GM – Development)	Category	Service Delivery People Financial		
Risk Triggers					
<ul style="list-style-type: none">Major construction sector skills/labour shortage - capacity and capabilityPolitical 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 nationallySupply chain company failuresSupply chain investment confidence - i.e. forward work confidence to invest in people, plant and technologyConstruction cost indices (cost fluctuations) exceeding LTP inflation assumptionsKey construction material shortages or delays - particularly pipes, bitumen, oil, steel, aggregate and concreteCOVID-19 Alert LevelsInternational supply chain breakdownAccelerated works programmes as a result of accelerated growth or additional funding (ie/ central government investment) taking place at a faster rate, or in a different way, than forecast					
Inherent Likelihood	Almost Certain	Inherent Consequence Driver Economic and Social	Major	Inherent Risk Rating	Rating Extreme
Existing Controls and Mitigations					
<ul style="list-style-type: none">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 AccordProcurement optimisation – including reviews undertaken to ensure contract conditions and commercial terms of our contracts are attractive to industryUtilising panel arrangement for procurement and engagement of professional services, ensuring greater speed in procuring key resources and increased forward workload confidence for suppliers.Adjustment of cost escalation provisions in the 2021/31 Long Term Plan					
Residual Likelihood	Likely	Residual Consequence Driver Economic and Social	Serious	Overall Residual Risk Rating	Rating Very High

Action Owner	Mitigation
Sarah Seel, Lance Haycock	Mitigate

Improvement Plan	Previous Updates	Update – June 2022
<ul style="list-style-type: none"> 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"> (November 2021) - Further detailed procurement planning is progressing regarding upcoming procurement for works commencing from the 2022/23 FY (March 22) - Following detailed investigation of opportunities regarding delivery of our programmes of transport improvement works and 3-waters reticulation activities, procurement plans have been finalised for construction with tenders going to market in March to secure new long-term contracts for works commencement in July 2022. Standard contract terms and conditions have been reviewed to ensure our contracts are attractive to suppliers. 	<ul style="list-style-type: none"> The Delivery review is looking to match procurement models to programmes of work that pose delivery challenges examples being transport improvements and any additional funding likely to be received by government through the Infrastructure Acceleration Fund
<ul style="list-style-type: none"> Ensure internal resourcing is recruited and in place to effectively deliver planned controls and mitigations by June 2021 	<ul style="list-style-type: none"> (November 2021) - Following confirmation of the LTP additional capital delivery resourcing is being sourced to align with the programme requirements, with mixed success but some key roles successfully filled. Moving toward performance based collaborative contract models will require additional commercial management capability. (March 22) - Internal resourcing for 2021/22 Financial Year largely in place with some vacancies still to be filled in a very tight and competitive labour market. Further review to be undertaken over the next 3 months to ensure capacity and capability are in place to deliver on the 2022/23 Annual Plan programme. 	<ul style="list-style-type: none"> A delivery review of the 2022/23 Annual Plan is underway which will consider project deferrals from 2021/22 together with year 2 of the 2021-31 Long Term Plan and any other projects all to be approved on 2 June 2022 as part of the Annual Plan. This review will identify a deliverable programme matched to internal (and where appropriate outsourced) resourcing taking into account the existing operating environment. It continues to be a very tight and competitive labour market with a number of unfilled positions in the 2021/31 year.

<ul style="list-style-type: none"> Initiate and review construction industry survey feedback for supply chain insights by July 2021. 	<ul style="list-style-type: none"> (September 21) - Local construction industry briefing held in late June which was well attended and included a constructive session of comments and discussion on the 'state of the industry'. Results of the 2021 CCNZ national construction industry annual survey have indicated a big boost in civil construction business confidence. (March 22) - Ongoing collaboration with CCNZ Waikato Branch 	<ul style="list-style-type: none"> Staff continue to engage with the construction industry through CCNZ Waikato Branch on the pipeline of work opportunities and through this receive insights from the supply chain about cost pressures and contract risk allocation. Omicron has made it difficult to engage properly over the last 6 months and a renewed effort is required
<ul style="list-style-type: none"> Complete a quantitative assessment of industry cost escalations to further inform key portfolio cost risks by November 2021. 	<ul style="list-style-type: none"> (November 2021) - BERL are completing their report in November to inform Annual Plan deliberations regarding adequacy of the current budget allocations to deliver the escalated capital works programme. (March 22) - Updated escalation assumptions are a key part of the 2022/23 Annual Plan process underway. BERL have presented to Council on their updated assumptions which as of 10 March 2022 revise the LTP capital escalation assumption from 3% to 7%. The still unfolding Omicron and Ukraine Conflict environment means that the situation is still volatile and dynamic and needs continual monitoring. 	<ul style="list-style-type: none"> Updated escalation assumptions have been a key part of the 2022/23 Annual Plan process underway. Revise LTP capital escalation assumption from 3% to 7% for nominated projects that have a higher risk will be considered by Council on 3 June 2022. The cost escalation increases do not cover potential market related issues relating mainly to the ongoing Omicron and Ukraine Conflict that could also result in budgets for projects being inadequate. We are starting to signs of contractors unwilling to put in tenders for work because of market conditions which can result in higher costs related to supply/demand rather than cost escalation. This risk is best managed on a project by project basis

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 (GM – People and Organisational Performance)		Category	Strategy Safety and Security
Risk Triggers					
<ul style="list-style-type: none">Large Scale Physical attack on people in public placesPhysical attack on city critical infrastructure – e.g. Waste Water Treatment Plant, Water Treatment Plant, reservoirs designed to compromise integrity of service.Civil unrest – redirection of resources to protect vulnerable people and assetsChemical or biochemical attack					
Inherent Likelihood	Possible	Inherent Consequence Driver Social, Cultural and Environment	Catastrophic	Inherent Risk Rating	Rating Very High
Existing Controls					
<ul style="list-style-type: none">Regional and National Emergency Service Relationship Management – made up of Elected Members and officials. Council has representatives on the Regional Joint Committee and the Waikato Coordinating Executive Group (CEG)Security risk assessments have been completed for key identified HCC facilities, with mitigating recommendations for implementation.Business continuity and Emergency Response plans have been completed for some business units.					
Residual Likelihood	Unlikely	Residual Consequence Driver Social, Cultural and Environment	Major	Overall Residual Risk Rating	Rating High
Action Owner			Risk Treatment		
Michelle Hawthorne, Julie Ambury			Mitigate		
Treatment Plan	Previous Updates			Update – June 2022	

Physical Security Adopt and Implement accepted recommendations for SRAs by December 2022.	<ul style="list-style-type: none"> • (November 21) - Due to Covid-19 restrictions the robbery response and conflict resolution was deferred to first quarter 2022. Organisational improvements have been deferred due to resourcing and Covid-19 restrictions. A more detailed update will be provided in first quarter 2022. • (March 22) - Public security and safety considerations have been shared with contracted parties involved with Gardens infrastructure projects to capture safety in design opportunities. Robbery training has been undertaken by parts of the business including Animal Control and Customer Services 	<ul style="list-style-type: none"> • Enterprise Risk Lead started in May. Will review SRA recommendations and status of organisational actions and provide an update in September.
Governance Review of Organisational Security Risk Assessment (OSRA)	<ul style="list-style-type: none"> • (November 21) - On hold until Senior Risk Advisor recruitment complete. • (March 22) - On hold until Enterprise Risk Lead recruitment complete 	<ul style="list-style-type: none"> • Enterprise Risk Lead started in May. They will pick this up again and move it forward.
Review the HCC Crisis Management Plan to extend an HCC-wide response approach to include crisis management capability by December 2021	<ul style="list-style-type: none"> • (November 21) - On hold until Senior Risk Advisor recruitment complete. • (March 22) - On hold until Enterprise Risk Lead recruitment complete 	<ul style="list-style-type: none"> • Enterprise Risk Lead started in May. They will pick this up again and move it forward.

Strategic Risk 9					
Climate Change <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>					
Risk Owner	Sean Hickey (GM Strategy and Communications)		Category	Strategic Preparation and Disaster Recovery Environment	
Risk Triggers					
Understanding climate change <ul style="list-style-type: none">• Council’s strategies and plans do not adequately consider appropriate climate change scenarios• Changes in political direction (including local, regional and national) on climate change• Economic, social and technological shocks resulting from the transition to a lower-carbon economy• 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 Decision making <ul style="list-style-type: none">• Misalignment between Council’s climate change strategies and operational activities• Failure to consider climate change appropriately in fit for purpose activity management• Failure to appropriately consider climate change in growth decisions.					
Inherent Likelihood	Likely	Inherent Consequence Drivers Safety & Wellbeing, Financial, Service Delivery, Compliance	Major	Inherent Risk Rating	Rating Very high
Existing Controls					
Governance, Strategies and Plans <ul style="list-style-type: none">• Environment Committee has responsibility for climate change response• Climate change steering group established and operational• 2021/2022 Climate Change Action Plan approved outlining the actions being taken to reduce emissions and build resilience to climate change• Hamilton City Council Emissions Reduction Roadmap outlines actions to reduce the Councils operational emissions• 2021-2031 Long Term Plan includes actions that deliver on climate change• 2021-2051 Infrastructure Strategy includes climate change adaptation and emissions reduction considerations.• Activity Management Plans incorporate climate change considerations.• Collaborating with stakeholders, Councils and businesses on the regional response• Citywide emissions profile for 2018/19 provides Council with an understanding of key emissions reduction opportunities					

Residual Likelihood	Likely	Residual Consequence Driver Social, Cultural and Environment	Major	Overall Residual Risk Rating	Rating Very high
Action Owner			Risk Treatment		
Julie Clausen, Cathy Kopeke			Mitigate		

Treatment Plan	Previous Updates	Update – June 2022
<ul style="list-style-type: none"> Develop a 3-year readiness action plan from the climate change readiness assessment for Hamilton City Council by 30 June 2021. 	<ul style="list-style-type: none"> (Nov 21) - Business Case, Project Plan and Council report templates to include sections on climate change. (March 22) - Climate Change steering group and working groups established and feeding in the development of the Climate Change Strategy and Climate Change Policy. New climate change sections for inclusion in decision making documents of Business Case and Council report templates in development. 	<ul style="list-style-type: none"> No update
<ul style="list-style-type: none"> 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 December 2021 	<ul style="list-style-type: none"> (Nov 21) - Draft Climate Change Policy underway. Workshop held with Climate Change Steering Group in October 2021. Further feedback being sought by internal stakeholders. (March 22) - No update – further feedback being sought by internal stakeholders 	<ul style="list-style-type: none"> No update
<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> (Nov 21) - The Ministry for the Environment released guidance on local government climate change risk assessments in September 2021, this will inform the first phase assessment as well as the full assessment in 2022. (March 22) - The Ministry for the Environment released guidance on local government climate change risk assessments in September 2021, this will inform the first phase assessment as well as the full assessment in 2022 after the adoption of the Climate Change Policy. 	<ul style="list-style-type: none"> No update

<ul style="list-style-type: none">• Development of a climate change strategy that outlines the Council's approach to mitigation and adaptation by June 2022.	<ul style="list-style-type: none">• (Nov 21) - WSP have been commissioned to deliver supporting evidence for the strategy. And a workshop is scheduled for 29 November 2021 with Elected Members.• (March 22) - WSP have been commissioned to deliver supporting evidence for the strategy. Workshop with elected members have been held on 29 November 2021 and 22 February with Elected Members. Workshops are being scheduled with key partners including iwi and the University of Waikato.	<ul style="list-style-type: none">• Feedback on the draft strategy has been collected via six online workshops with key stakeholders. The feedback, calling for stronger, more urgent action is being integrated into the strategy.
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Organisational Risk			
H&S – Workers (incl. contracted workers & volunteer workers) <i>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.</i>			1
Risk Owner	David Bryant (GM – People and Organisational Performance)	Category	Health & Safety
Risk Triggers <ul style="list-style-type: none"> 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	
	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

- 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 are reviewed regularly. We have in place control management plans based on the hierarchy of control and the residual risk score following the implementation of these controls are accessed by their effectiveness to mitigate the risk. Critical risks are reported on regularly.
- Prequalification and Safety Standards for Contractors performing physical works on Council's behalf are assessed and maintained through our SLA with SHE Software and Solutions.
- Our Safety Management System (SMS) is being updated to better achieve our safety objectives consistently and systemically across the whole of Council. Having in place our SMS helps us meet our legislative obligations and facilitate organisational learning to help foster a positive safety culture, attuned to our high-performance way of working.
- Council has 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 has in place a safety software system that provides reporting capability, data and intelligence, meets compliance standards, enables good safety governance and due diligence.
- Assurance activities are carried out regularly and include both internal and external assessments to ensure good practice, compliance and continuous improvement. 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 are available to ensure that Council has the right capabilities and the right number of resources sufficiently needed 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	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).

Action Owners	Risk Treatment
Dan Finn, Marie Snowball	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. Note: there is no change to the residual risk rating for this quarter, and remains high due to the re-emergence of COVID-19 in the community and the change in the Governments strategy from elimination to containment.	

Organisational Risk			
Safety and Wellbeing of the Community <i>Failure to create, provide and maintain a safe environment for the community leading to a serious injury incident or fatality.</i>			2
Risk Owner	Helen Paki (GM Community)	Category	Community Safety and Wellbeing
Risk Triggers			
<ul style="list-style-type: none"> 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	H	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

- 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
- Vaccine Mandates and Covid-19 protocols for community facilities

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).

Action Owner		Risk Treatment
3LT – (Rebecca Whitehead)		Mitigate
Treatment Plan	Previous updates	Update-June 2022
Design and implement an appropriate monitoring and reporting framework risks relevant to Organisational Risk 2	<ul style="list-style-type: none"> • (Nov 21) - Security Risk Audit (SRA) dashboard has been completed. Process for updating the dashboard for reporting to Community Leadership Team (CLT) being presented for discussion at 3 November CLT meeting. • (March 22) - Progress on implementing SIP recommendations has been impacted by the changing requirements of Covid response systems and the need for staff to focus on addressing immediate security risks and issues. Despite this, notable steps are: <ul style="list-style-type: none"> - Public security and safety considerations have been shared with contracted parties involved with Gardens infrastructure projects to capture safety in design opportunities - Robbery training (delayed due to last year's Covid restrictions) has been undertaken by most business units within Community Group 	<ul style="list-style-type: none"> • No update

	<ul style="list-style-type: none"> - Currently exploring the use of SHIELD for monitoring Security Improvement Plans' recommendations. • 	
Review Covid-19 Pandemic Response Plans by June 2022	<ul style="list-style-type: none"> • (March 22) - Pandemic Plans for community facilities have been updated to identify responses to the traffic light system. Frequent reviews of Business Continuity and Pandemic Response Plans will continue to be a focus this quarter. Hamilton City Council also implemented vaccine mandates for community facilities to reduce risk to the community and staff. 	<ul style="list-style-type: none"> • Pandemic Plans for community facilities have been updated to identify responses to the traffic light system and have been updated to reflect Council's decision to remove vaccine mandates from community facilities. • This treatment plan is now considered Complete.

Organisational Risk			
Failure of critical assets <i>Incorrect investment (timing and/or amounts) results in the unexpected failure of critical assets (loss of levels of service).</i>			3
Risk Owner	Eeva-Liisa Wright (GM City Infrastructure Operations)	Category	Financial, Service Delivery

Risk Triggers
<p>Asset Management</p> <ul style="list-style-type: none"> • Failure to identify all 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 procure/renew the asset with an appropriate replacement • Failure to install asset correctly (including poor procurement processes to begin with) • Assets being operated outside of design scope or change in demand or that the operation of the asset exceeds design assumptions. • Failure to carry out and prioritise planned maintenance and renewal of critical asset • Failure to deliver renewal of the asset within scheduled timeframe <p>Planning</p> <ul style="list-style-type: none"> • 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 • Failure to adequately consider climate change in critical asset investment • 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 <p>Procurement</p> <ul style="list-style-type: none"> • Critical manufacture service agents unavailable to resolve major failure of critical assets • Critical resources unavailable due to supply chain shortages <p>Operational</p> <ul style="list-style-type: none"> • Utility service and third-party critical impacts (stakeholder relationships) • 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					
<p>Asset Management</p> <ul style="list-style-type: none"> Regular monitoring and submission on industry change that impacts our activities 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 Asset Management Plan policy in place to set standards for maturity Asset Strategy Team is in place to drive organisational consistency of asset management overseen by the GM Development Resourcing for Activity Management Plan (AMP) renewals, maintenance plans and operational strategies are funded in the 2021-31 10-Year Plan Budget and critical assets are given a higher priority for renewal Modelling and master planning of strategic assets and strategic plans for sites in place 3 yearly independent asset management maturity assessments are undertaken 3 yearly Activity Management Plans are internally and externally reviewed to ensure robust planning processes and systems 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 <p>Planning</p> <ul style="list-style-type: none"> Project planning processes in place to ensure that staff have appropriate project management skills and experience and there is external engagement of experienced project managers Robust project management and procurement processes are in place and followed Annual review of building and Facilities capital programme with Facilities Unit to ensure forward planning of projects Solutions for redundancy (physical and process) in place for critical assets Anomaly detection and vulnerability scanning capability <p>Procurement</p> <ul style="list-style-type: none"> HCC procurement processes are followed to correctly identify/scope and procure appropriate asset Maintenance and service agreements in place with the supplier, where appropriate Speciality contracts are in place to maintain the condition of critical assets and minimise the risk of failure occurring Stakeholder engagement prior to procurement/replacement of asset to ensure appropriate replacement <p>Operational</p> <ul style="list-style-type: none"> Business Continuity and Essential Maintenance Plans in place. Quarterly Threat and Risk assessments Training and development plans in place for staff to identify competency and skill requirements Processes in place for the supervision, design and testing during build or vesting of assets 					

Residual Likelihood	Unlikely	Residual Consequence Drivers Safety & Wellbeing, Financial, Service Delivery, Compliance Social and Cultural	Major	Residual Risk Rating	Rating High
Action Owners					Risk Treatment
Paul Gower (Assets Strategy Manager), Emily Botje (City Waters Manager), Robyn Denton (Transportation Manager), Tania Hermann (Infrastructure Group Business Manager), Maria Barrie (Parks and Recreation Manager), Michelle Rivers (Cemeteries and Crematorium Manager), Anita Oliver (Facilities Manager), Ross Willets (Facilities Maintenance Team Leader), Baird Fleming (Zoo Director); Ben Slatter (H3 Group)					Mitigate
Treatment Plan	Previous updates		Update – June 2022		
<ul style="list-style-type: none"> Complete an initial assessment of critical network infrastructure assets to determine gaps in Business Continuity or Essential Maintenance Plans by July 2022. 	<ul style="list-style-type: none"> (Nov 21) – The review and update of BCP's and Essential Maintenance plans will follow the Waters Criticality work outlined below. (March 22) – Initial assessment and gap analysis completed December 2021 D-4053822 		<ul style="list-style-type: none"> The criticality assessment was completed, implementation has begun. This will be an ongoing improvement process. 		
<ul style="list-style-type: none"> Implement the Organisational Asset Management Improvement Plan 	<ul style="list-style-type: none"> (Nov 21) - SLT has approved the Plan. The plan contains 31 organisational improvements to be undertaken. It is based on feedback from Council's Auditor and an independent Asset Management Maturity Assessment from earlier in 2021. The improvements have been organised into 4 streams of work with one of the streams relating to Resilience and Criticality. This plan will improve Councils understanding, reporting and operational and risk management of its critical assets. (March 22) - The Organisational Asset Management Improvement was adopted by ELT in October 2021 and contains 31 organisational improvements to be undertaken. Three actions are completed, 12 are in progress. The Plan has a horizon out to June 2024. The improvements have been organised into 4 streams of work with one of the streams relating to Resilience and Criticality. Of the 5 tasks 		<ul style="list-style-type: none"> The Organisational Asset Management Improvement was adopted by ELT in October 2021 and contains 31 organisational improvements to be undertaken. Three actions are completed, 15 are in progress. The Plan has a horizon out to June 2024. The improvements have been organised into 4 streams of work with one of the streams relating to Resilience and Criticality. Of the 5 tasks relating to Resilience and Criticality, two are currently in progress. 		

	relating to Resilience and Criticality, two are currently in progress.	
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Item 8

Attachment 1

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	V	E	E
	Likely	M	H	V	V	E
	Possible	L	M	H	V	V
	Unlikely	L	M	M	H	V
	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	
E	Extreme Risk – 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.
VH	Very High Risk – 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.
H	High Risk – 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.
M	Medium Risk – Management responsibility specified. Managed by specific monitoring and procedures. The relevant Risk Owner, Unit Manager or action owner can accept this level of risk.
L	Low Risk – 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)
Extreme	Council	Quarterly	Strategic Risk & Assurance Quarterly
	Senior Leadership Team	Monthly	Monthly
Very High	Council	Quarterly	Strategic Risk & Assurance Quarterly
	Senior Leadership Team	Monthly	Monthly
High	Senior Leadership Team	Quarterly	Monthly
Medium	Wider Leadership Group*	Six-monthly	Bi-Monthly / as required
Low	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

Committee: Strategic Risk and Assurance Committee
Date: 09 June 2022
Author: Morva Kaye
Authoriser: David Bryant
Position: Internal Auditor
Position: General Manager People and Organisational Performance
Report Name: PwC and HCC - Internal Audit Update and Report

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

1. To inform the Strategic Risk and Assurance Committee on the 2021/22 internal audit progress and the 2022/23 internal audit plan.

Staff Recommendation - *Tuutohu-aa-kaimahi*

2. That the Strategic Risk and Assurance Committee:
 - a) receives the report; and
 - b) approves the final combined Internal Audit Plan for PwC and Hamilton City Council.

Executive Summary - *Whakaraapopototanga matua*

3. Council's internal audit function incorporates engagements delivered by PwC and internal Council staff.
4. Since the last report to the Strategic Risk and Assurance Committee, there are two updates to note relating to:
 - i. cyber security fieldwork phase one;
 - ii. Business Continuity Planning; and
 - iii. The 2022/23 Internal Audit Plan.
5. Staff consider the matters in this report have low significance and that the recommendations comply with Council's legal requirements.

Discussion - *Matapaki*

6. A final combined Internal Audit Plan is attached for approval by the Committee (**Attachment 1**).
7. Initial planning for the Business Continuity engagement has commenced. An initial meeting was held with management and the scope will be focussed on a maturity assessment and roadmap to address any identified gaps.

PwC Internal Audit Plan – progress summary

Item 9

Engagements in Progress – 2021/22	Status
Cyber Security – September 2022 (Phase 2) PwC have completed phase 1. The report is provided in the <i>PwC Internal Audit Update</i> report in the public excluded section of this meeting. Phase 2 fieldwork has commenced.	

Engagements in Progress – 2022/23	Status
Business Continuity Planning – due September 2022 An initial scoping meeting has been held and a scope is being developed.	
Strategic Property – due December 2022 This engagement is yet to commence.	
Legal & Compliance framework – due March 2023 This engagement is yet to commence.	
Vendor Analytics – due June 2023 This engagement is yet to commence.	
Resource Consents – due June 2023 This engagement is yet to commence.	
Three Waters – due June 2023 This engagement is yet to commence.	

KEY

	Completed or on track
	Currently behind, expect to get back on track
	Permanently delayed

Internal Audit Plan

8. A final combined internal audit plan is attached for approval by the Strategic Risk and Assurance Committee. The combined plan incorporates engagements for both Council's internal auditor and PwC internal audits. The plan is based on a 12-month rolling basis with a detailed plan for the next 12 months and an indicative three-year horizon of areas to be covered by future engagements.
9. It is noted that the final plan will have to be cognisant of any updates to the strategic risks from the risk workshop planned for 8 June 2022.

Financial Considerations - *Whaiwhakaaro Puutea*

10. The cost of PwC's annual internal audit programme is \$150,000 (GST exclusive) and is a regular operating activity funded through the Annual Plan.

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

11. Staff confirm that the matters in this report comply 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. There are no known social, economic, environmental or cultural considerations associated with this matter.

Risks - *Tuuraru*

15. No known risks have been identified relevant to the matters in this report.

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

Significance

16. Having considered the Significance and Engagement Policy, staff have assessed that the matters in this report have low significance.

Engagement

17. Given the low level of significance determined, the engagement level is low. No engagement is required.

Attachments - *Ngaa taapirihanga*

Attachment 1 - PwC and HCC Internal Audit Plans 2022-2025

Hamilton City Council

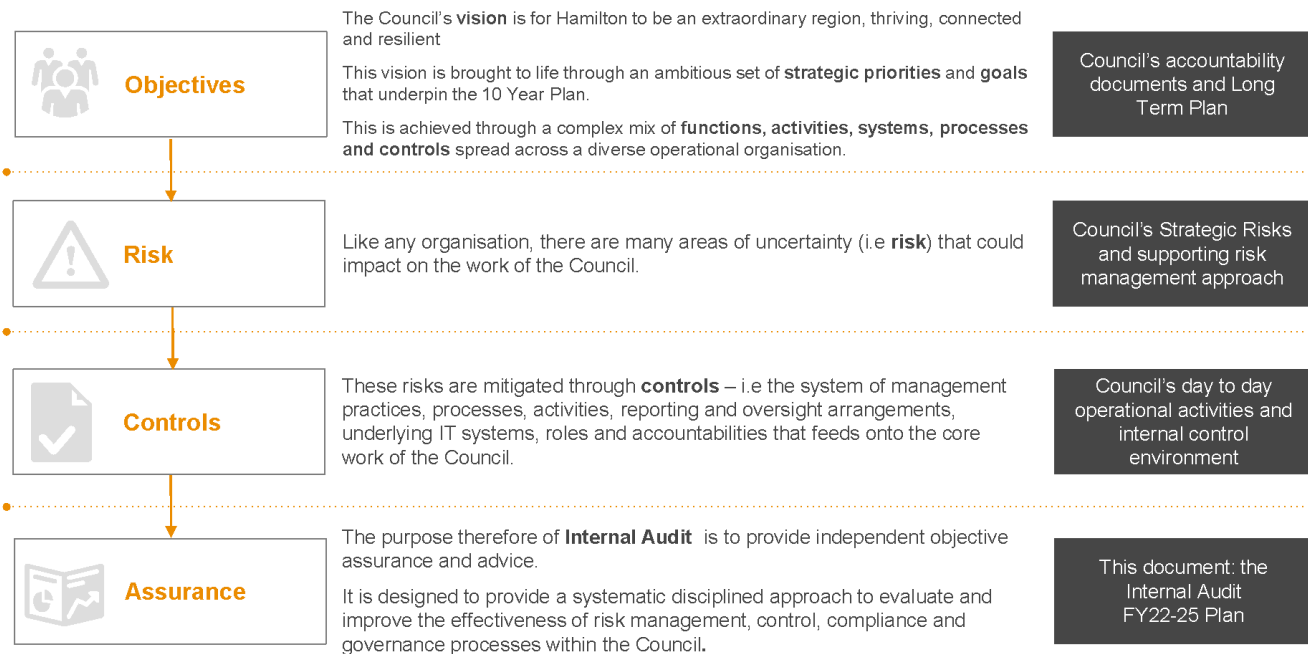
FINAL Overall Internal Audit Plan FY2022-2025

Strategic Risk and Assurance Committee
May 2022



Internal Audit Strategic and Risk Focus

As described within



Internal Audit: helping the Council effectively manage risk by building trust and confidence in the core controls relied on by management

Internal Audit Plan FY22- 25
PwC

May 2022
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Approach to FY22 - 25 Internal Audit Plan

Our approach to internal audit planning is a collaborative one, which focuses on what value means to the Executive Leadership Team (ELT) and the Strategic Risk and Assurance Committee (SRAC), and considers the key business risks to Council.

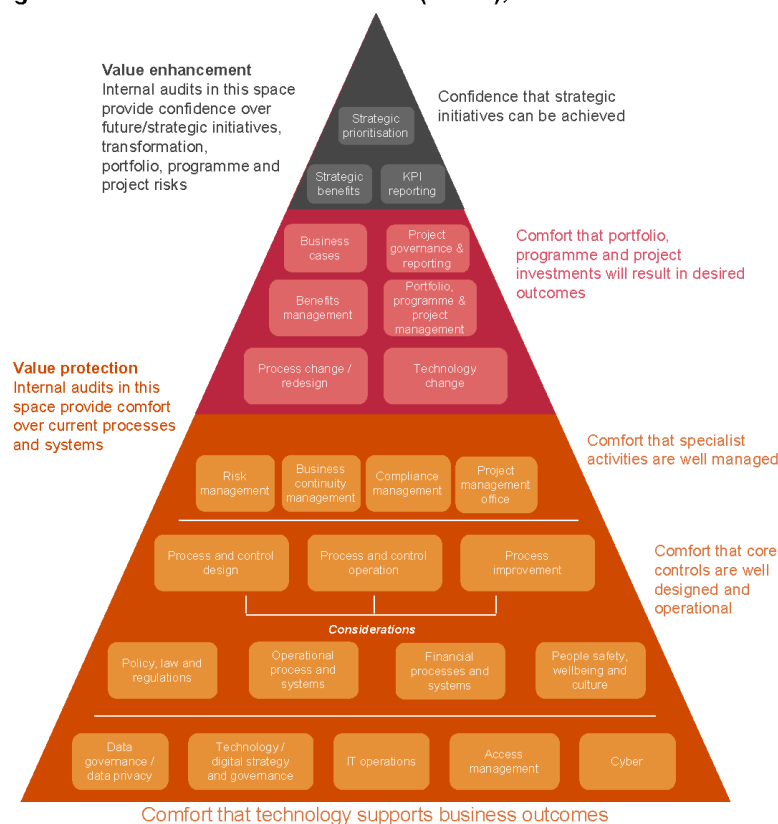
Internal Audit Strategy Determination

Referring to the diagram on the right, a contemporary internal audit can cover any or all of the aspects across the dimensions of **value protection** and **value enhancement**.

In particular, the focus of value protection addresses the question, "have we got the right controls in place and are they operating effectively?" The focus of value enhancement is more forward looking, where we work with the business real time to ensure the right controls are built into systems and change is properly managed and controlled.

The chosen internal audit strategy and hence the balance between 'value protection' and 'value enhancement' that is most appropriate will depend on a number of factors including:

- The expectations of the SRAC and the ELT
- Existing assurance gained from your internal resources and any other assurance providers
- The maturity of systems and processes, considering the extent of change, known issues and results of prior audit activities.



PwC

Internal Audit planning

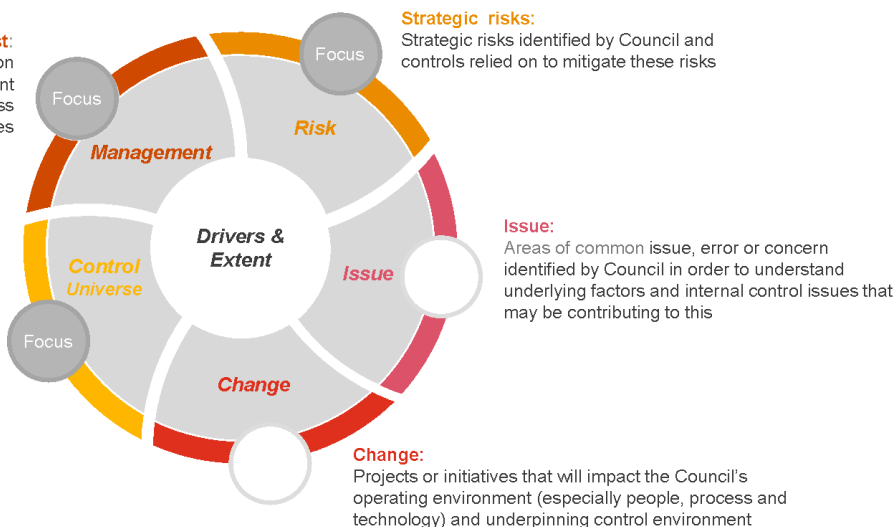
Vision: Helping the Council effectively manage risk by building trust and confidence in the core controls relied on by management

Considerations

Specific topic areas for review for Internal Audit may be driven by:

Council and Management request:
Specific areas for review on based on identified need. For example, to provide a point in time assessment to feed into future business improvement initiatives

Control Universe:
Periodic assessment of the core business processes and control, while not explicitly tied to a key strategic or operational risk, are still important to day to day operations



Strategy for FY22 - 25

The primary driver of the 22 - 25 plan is a combination of Council and management requests and looking at essential controls.

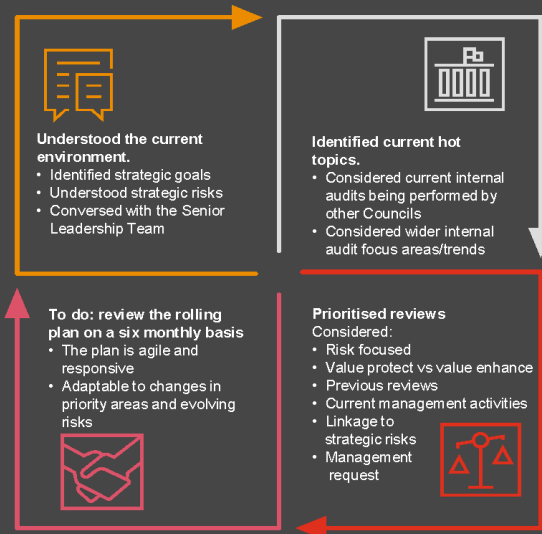
Internal Audit Plan for FY22 - 25
PwC

May 2022
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PwC Internal Audit FY22 - 25 plan development

Hamilton City Council Vision: improving the wellbeing of Hamiltonians.

How the plan was developed:



Consultation process

In developing the suggested focus for Internal Audit for the next three years, we:

1. Meet with the General Manager People and Organisational Performance and the Financial Controller
2. Reviewed the Council's **key accountability documents** including the strategic direction, 10 Year Plan
3. Considered the strategic and organisational risks of the Council and the overall approach to risk identification, management through controls and reporting
4. Considered the prior internal audits undertaken and the coverage and timing of these
5. Analysed the current internal hot topics and trends both within local government and broader business landscape
6. Presented the draft PwC Internal Audit Plan to **ELT and the SRAC**

PwC Internal Audits for the next 3 years

Upon confirmation of the plan, we will meet with the respective managers and develop a scope document to confirm the exact focus of each engagement.

Internal Audit Engagement	Strategic / Organisational Risk	Revenue / Expenditure Area	Indicative Approach
Major Contracts: Rubbish & Recycling	Failure of Critical assets	Operating expenditure	Strategic Procurement link to lessons learnt to add towards \$100m savings. Is Council receiving the benefits and value from this arrangement.
Business Continuity Planning	Disaster/High Level Threat Cyber	All areas	Advice on structuring and designing the BCPs so that they are organisationally focussed and linked. Advice on creating response plans to guide staff on what to focus on (prioritisation of resources and effort).
Growth Programme • Strategic Property • Central City • Rotokauri	Growth Significant shortages of key external resources	Capital Programme	Assessment of the governance arrangements, advice regarding managing the relationships and contractual risk with third-parties, programme management, budgeting.
Legal and Compliance framework	Increasing Compliance standards	All areas	Assessment of the processes in place to ensure that Council keeps up-to-date with changes in legal and compliance legislation, regulations and standards.
Building/Resource consents	Growth	Operating expenditure / Fees and charges	Management of risk throughout the process / efficiency and effectiveness / Public vs Private good.
3 Waters	Climate change Compliance standards	Capital and Operating expenditure	Assessment of how managing increasing compliance standards. How is 3 waters adapting to climate change risks.

Internal Plan for FY22 - 25
PwC

May 2022
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PwC Internal Audits for the next 3 years

Internal Audit Engagement	Strategic / Organisational Risk	Revenue / Expenditure Area	Indicative Approach
Asset Management Plan	Growth Failure of Critical Assets Climate change	Capital and Operating expenditure	How does Council recognise changes in demand in its long-term asset management planning.
Iwi/Treaty	Political changes	All areas	How is Council meeting its obligations under the Treaty of Waitangi.
Digital transformation	Cyber	Capital and Operating expenditure	Review of transformation projects from a controls and security perspective.
Development Contributions	Growth	Revenue	Assessment of development contributions policy development and calculations.

HCC Internal Audits for the next 12 months

Upon confirmation of the areas of focus, we will meet with the respective managers and develop a scope document to confirm the exact focus of each engagement.

Internal Audit Project	Strategic / Organisational Risk	Indicative Approach
Organisational Improvement Register Any outstanding matters from Audit NZ Follow-up PwC audit recommendations <ul style="list-style-type: none"> • IBIS Breeze • IBIS Property Management Process • Business Case and Benefits Realisation • Capital Projects – Cost Estimation 	Actions resulting from recommendations are not implemented in a timely manner.	Follow-up with business units to ensure recommendations for improvement are actioned and able to be re-audited. Review implementation of recommendations.
Contracts - Health and Safety Audits	Health and Safety audits are not identifying whether Council is meeting their obligation as the lead PCBU ¹ .	Review the process for how often Health & Safety audits are undertaken on site and whether the audits meet Council's obligation as the lead PCBU ¹ . Review the process for how Council and Contractors are monitored to ensure they meet their health and safety contractual responsibilities.
Payroll processes	Master data is incomplete or inaccurate which may affect employee pay or other processes that rely on the master data. Employees are not being paid according to the Holidays Act.	Review the design and controls around the processes that feed the master data into the payroll system. Select a sample of payments made to employees for BAPS ² , holiday pay and annual leave to confirm that the leave has been calculated according to the Holidays Act.

¹ PCBU - person conducting a business or undertaking

² BAPS leave: Bereavement Leave, Alternative Holiday, Public Holiday & Sick leave

HCC Internal Audits for the next 12 months

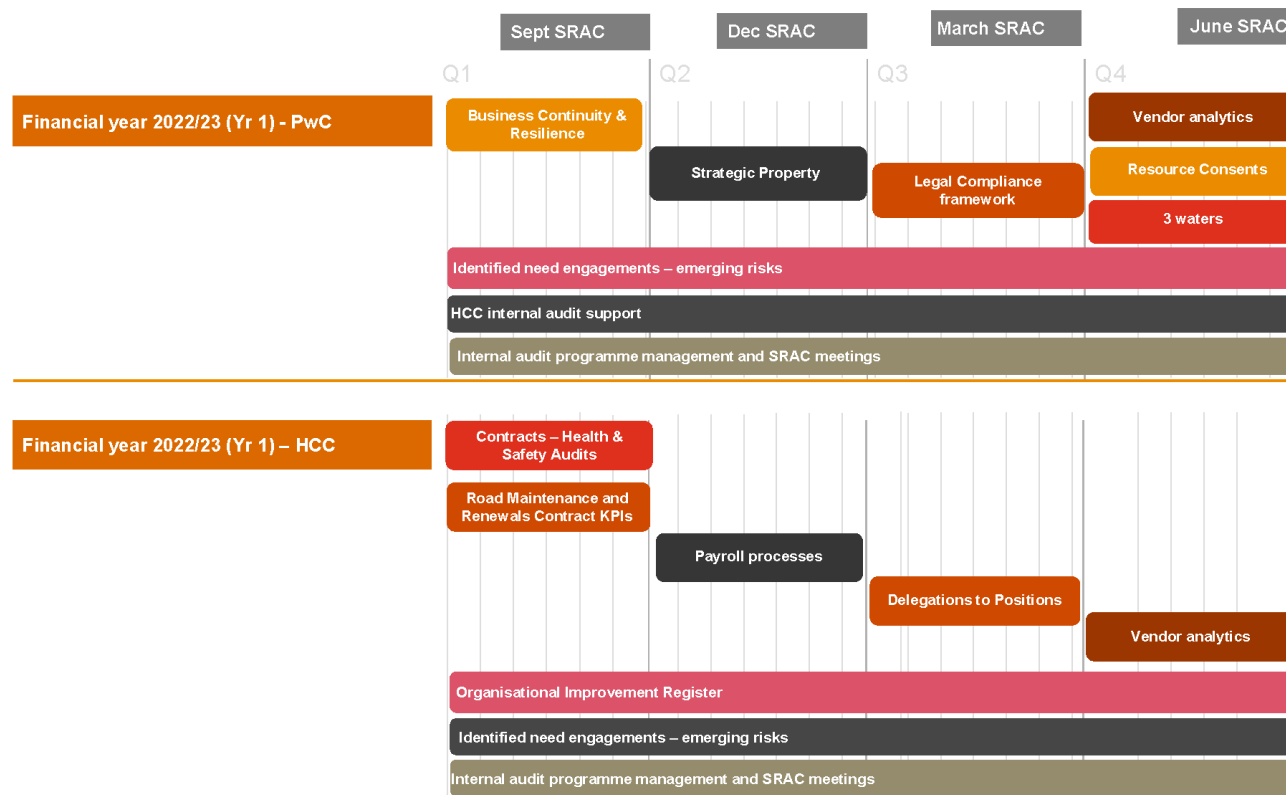
Internal Audit Project	Strategic / Organisational Risk	Indicative Approach
Delegations to Positions	The Delegations to Position Policy is not being followed.	Review the process for maintaining the Delegations Register and how delegations are assigned and to whom. Identify some key positions and review the process for how the position being delegated is in compliance with relevant legislation.
Roads Maintenance and Renewals Contract	KPIs are not being met.	Review selected KPIs at specified times throughout the contract.

Joint Internal Audits for the next 12 months

These internal audits will involve a joint team from PwC and HCC. Upon confirmation of the areas of focus, we will meet with the respective managers and develop a scope document to confirm the exact focus of each engagement.

Internal Audit Project	Strategic / Organisational Risk	Indicative Approach
Vendor analytics	Fraud and conflict of interest being present in vendor operating expenditure.	PwC to perform data analytics over vendor master data and operating expenditure to identify anomalies. Anomalies to be investigated internally in order to detect fraud and inefficiencies.

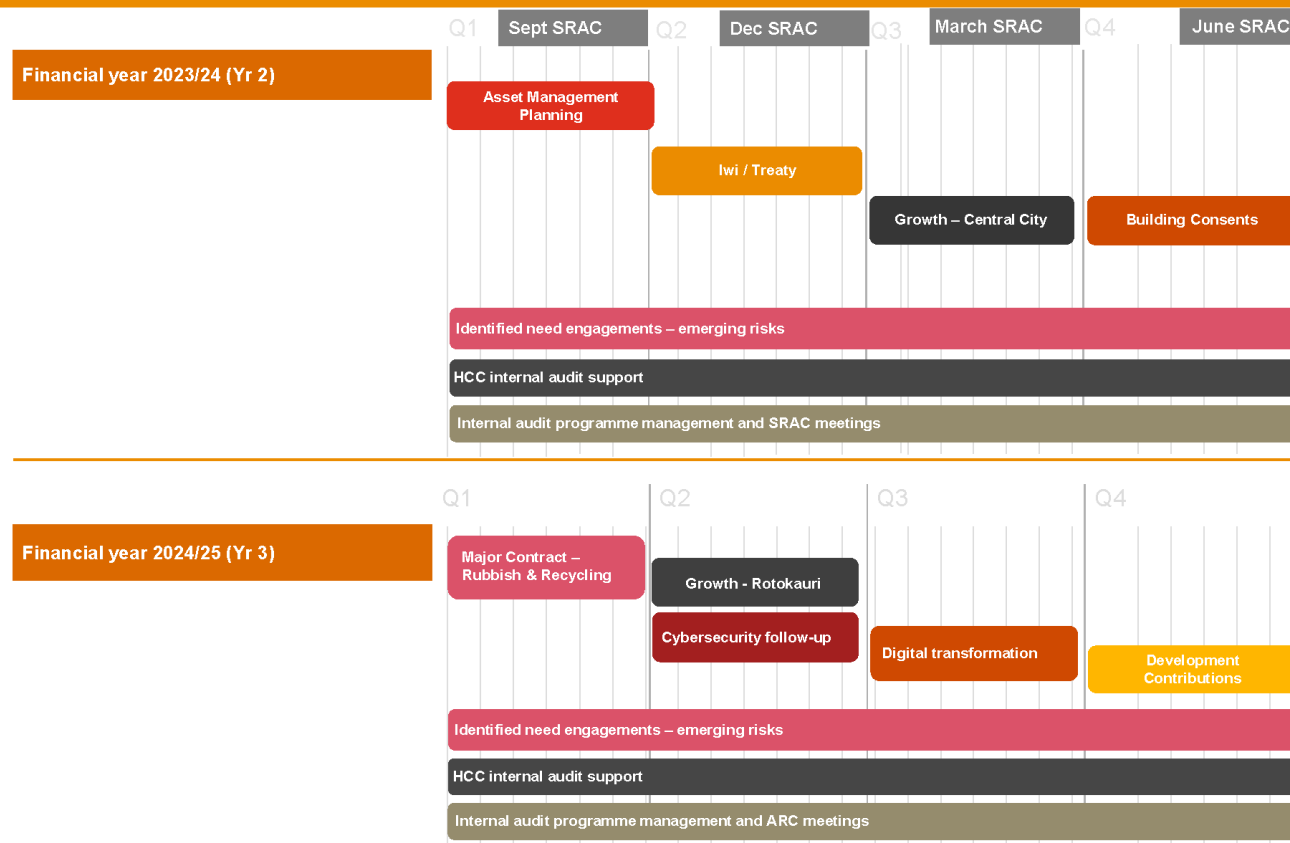
Internal Audits Timeline for the next 12 months



Internal Plan for FY22 - 25
PwC

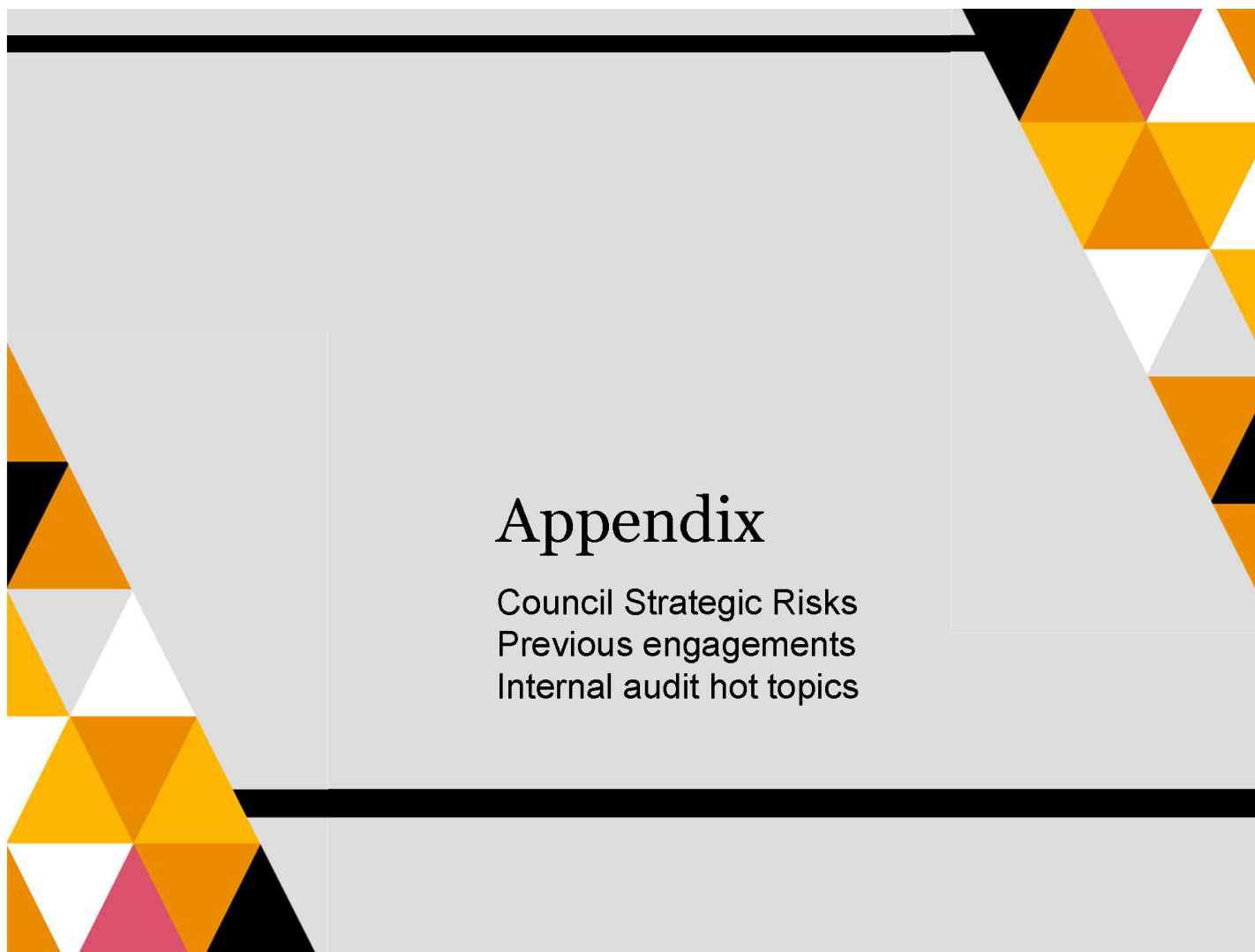
May 2022
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PwC Internal Audits Timeline for the next 2 years

















Internal Plan for FY22 - 25
PwC

May 2022
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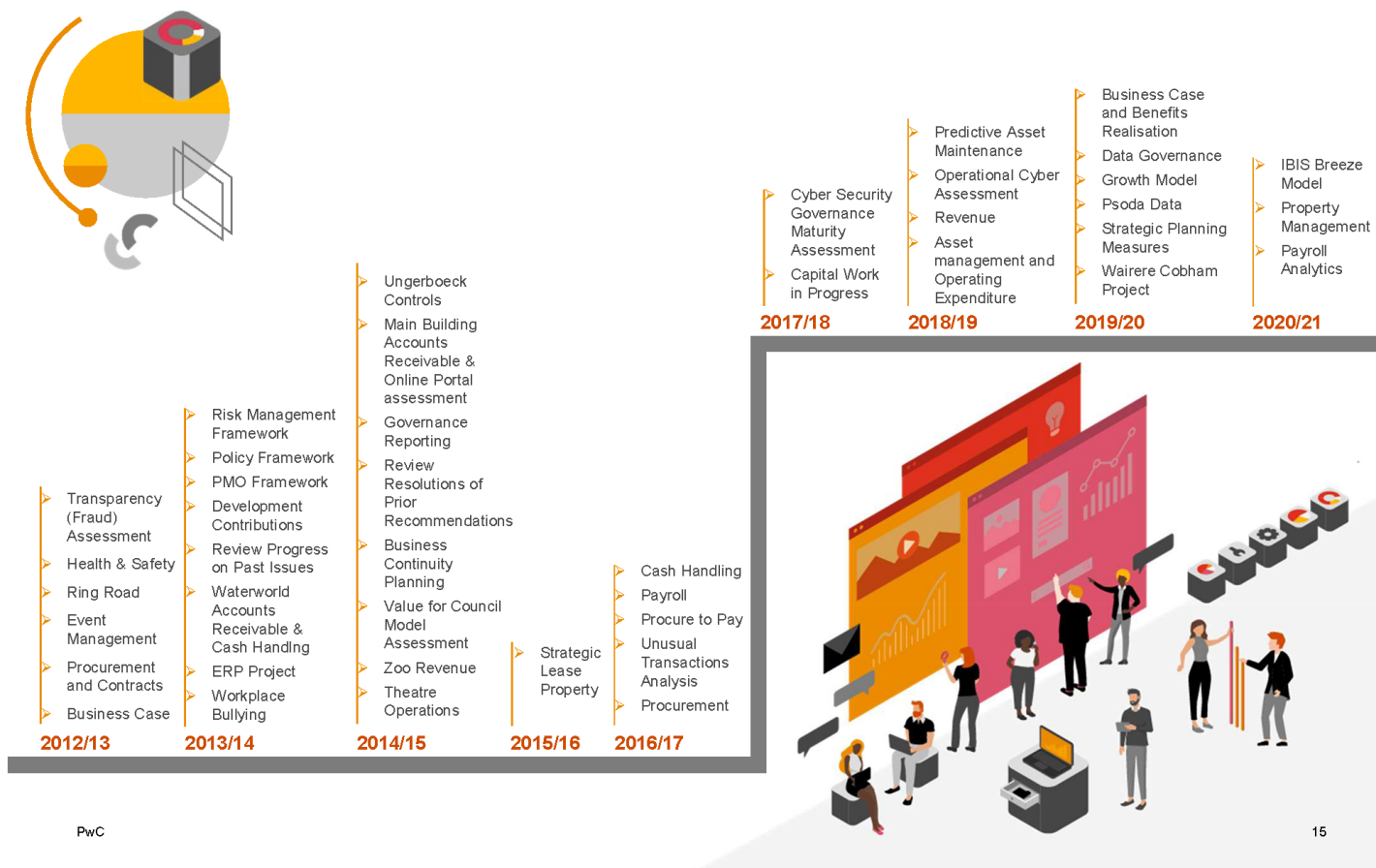
Council Strategic Risks

This is the current version of Council's strategic risks for your reference and these have been linked to our potential list of internal audit engagements

Risk #	Strategic Risk Description	Risk Owner	Residual Risk Rating	Risk #	Organisational Risk Description	Risk Owner	Residual Risk Rating
1	A Disaster Event A natural or human-induced disaster event (excluding act of terrorism)	Lance Vervoot	Very High 	1	H&S – Workers (incl. contracted workers & volunteer workers) 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.	David Bryant	High 
2	Major Economic or Financial Shock An external financial event impacts Council's financial strategy, fiscal and monetary position	David Bryant	Medium 				High 
3	Increasing Compliance Standards due to Stakeholder Expectations The risk of central government and regional council increasing compliance standards or changes in community expectations	David Bryant	High 	2	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.	Lance Vervoot	High 
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.	David Bryant	High 				Medium 
5	Growth Significant change to/in growth demand and/or the consequences growth does not deliver positive outcomes for the community.	Blair Bowcott	High 	3	Failure of critical assets Incorrect investment (timing and/or amounts) results in the unexpected failure of critical assets (loss of levels of service)	Eeva-Liisa Wright	High 
6	Political changes impact Council's strategic direction or form and function Political stakeholders make unpredictable decisions or take actions that significantly impact or contradict Council's strategic imperatives.	Blair Bowcott	Very High 				
7	Significant Shortages of Key External Resources to deliver works programmes The market is unable to deliver necessary resources to achieve our strategy; including but not limited to people and material for projects.	Chris Allen	Very High 				
8	High-Level security threat or major emergency A safety, security or environmental attack materialises and impacts Council's strategic direction.	David Bryant	High 				
9	Climate Change Failure to adopt to the changing environment as a result of climate change, including failure to mitigate the organisations contributions to greenhouse gas emissions.	Sean Hickey	Very High 				

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Previous Internal Audit engagements - HCC



Local Government Internal Audit Hot Topics

We have analysed the most recent internal audit plans across the local government area for the Councils below as an indication of what topics are being looked at across the sector.

Auckland	Waipa	Wellington	Christchurch
<ul style="list-style-type: none"> • Payroll • Legal compliance framework • SAP role profiles • Business continuity planning • Health & Safety • Physical security • Maori outcomes performance framework • Regulatory operational process • Sensitive expenditure • Climate change disclosures • Consenting 	<ul style="list-style-type: none"> • Health & Safety • Fraud Risk Management • Business resilience • Cyber security • Asset Management planning • Project & Programme Mgt 	<ul style="list-style-type: none"> • Health & Safety • Building consents • Procure to Pay processes • Sensitive expenditure • Vendor analytics • Business continuity 	<ul style="list-style-type: none"> • Procurement • Health & Safety • Cyber security • Fraud
Palmerston North City Council	Greater Wellington Regional Council	Tauranga	Whangarei
<ul style="list-style-type: none"> • BCP and DRP review • IT BCP review • Asset management plans • Delegation of Authority policy • Policy framework • Enterprise Risk Mgt framework • Financial processes analytics • Succession planning • Project Mgt Office implementation review 	<ul style="list-style-type: none"> • Cyber risk • Project Management • Contract Management • Health & Safety • Payroll • Procurement management • Asset management • NZTA funding allocation • Risk management • Core financial controls • Indirect taxes • Rating Model • Treasury management 	<ul style="list-style-type: none"> • Health & Safety • NZTA funding • Procurement Health check • Kerbside Waste & Recovery • Development Contributions • Fraud controls • Business continuity • Overload of Wastewater system • Asbestos register • Pool fence compliance • LGOIMA 	<ul style="list-style-type: none"> • Health & Safety • Whangarei District Airport • Grants • Rates process • Revenue • Procurement

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Private and confidential

This report is provided solely for Hamilton City Council (HCC) for the purpose for which the services are provided. Unless required by law you shall not provide this report to any third party, publish it on a website or refer to us or the services without our prior written consent. In no event, regardless of whether consent has been provided, shall we assume any responsibility to any third party to whom our report is disclosed or otherwise made available. No copy, extract or quote from our report may be made available to any other person without our prior written consent to the form and content of the disclosure.

Inherent limitations

Due to the inherent limitations of any internal control structure, it is possible that fraud, error, or non-compliance with laws and regulations may occur and not be detected. Further, HCC's overall, internal control structure within which the control procedures that we have reviewed operate, has not been audited and no opinion is expressed as to its effectiveness.

An internal audit engagement is not designed to detect all weaknesses in control procedures as it is not performed continuously throughout the period and the tests performed are on a sample basis. Also, an internal audit engagement does not provide all the evidence that would be required to form an audit opinion of the design or operating effectiveness of the controls subject to review.

Any projection of the evaluation of control procedures to future periods is subject to the risk that the procedures may become inadequate because of changes in conditions, or that the degree of compliance with them may deteriorate.

Council Report

Committee: Strategic Risk and Assurance Committee
Date: 09 June 2022
Author: Julia Kofoed
Authoriser: David Bryant
Position: Insurance Lead
Position: General Manager People and Organisational Performance
Report Name: Annual Pre-Renewal Insurance Report

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

1. To inform the Strategic Risk and Assurance Committee on the insurance activity across Council in preparation for the 2022/2023 annual insurance renewal.

Staff Recommendation - *Tuutahu-aa-kaimahi*

2. That the Strategic Risk and Assurance Committee:
 - a) receives the report; and
 - b) notes the progress on the 2022/2023 insurance renewal.

Executive Summary - *Whakaraapopototanga matua*

3. Council's insurance programme expires on 30 November 2022. Work is underway to prepare for the upcoming renewal of policies for the 2022/2023 renewal year.
4. The insurance programme is regarded as a risk management tool to mitigate financial loss associated with unforeseen and significant adverse events.
5. Council purchases its insurance programme under the collective agreement with CoLab (previously WLASS) with Aon as the appointed broker.
6. Staff are working with Aon to provide improved renewal data and disclosures to the insurance market and ensuring policy coverage and limits remain fit for purpose.
7. Staff consider the matters in this report have low significance and that the recommendations comply with Council's legal requirements.

Discussion - *Matapaki*

Insurance market commentary

8. Insurance market conditions are slowly moderating though a positive rate environment continues. For most lines of business, volatility has stabilised, and new capacity has entered the market. Insurers are focussed on profitable growth and risk differentiation along with high quality data is becoming more important.

9. There have been significant flood losses in Australia which will impact 2022 profitability and drive increased reinsurance costs in the market. Concerns also increased in the first quarter of 2022 around availability of builders and materials in an already stretched supply chain.
10. In some parts of New Zealand, property insurers are requiring more detailed risk disclosures around floods. This is driven by the increased frequency and severity of flood events in the last few years. Whilst flood events are driving the markets, Hamilton is not perceived as a major exposure location at present. Most risks are renewing at expiring levels however there is a growing trend for insurers to reduce maximum limits offered, leading to more layers and coinsurance placements. Deductible levels have stabilised however further adjustments are required where underwriting performance is strained.
11. The liability market remains challenging in some parts. Social inflation continued to have a significant effect on some portfolios and claims inflation has added complexities with managing portfolios and historical losses. Despite these issues, capacity remained strong for risks with a clean loss history, although price increases continue. In the Local Government space, the main issues continue in the building consents area, and insurers are more focused on the social issues such as resourcing constraints and pressures put on the building industry such as supply chain issues, (including counterfeit products) and inflationary pressures. Aon is engaging with additional offshore markets and visiting London earlier September 2022 to secure additional capacity.

2022/2023 renewal approach

12. Council purchases its insurance programme under the collective agreement with CoLab with Aon as the appointed broker. The purpose of this relationship is to leverage the region's collective insurance requirements and deliver economies of scale.
13. Council insures for a probable maximum loss reinstatement value for the material damage, business interruption and infrastructure policies. This is as opposed to insuring the full replacement value of all Council assets. This approach allows spend on premium to be balanced with associated risk and likelihood of a major event.
14. The infrastructure placement provides partial catastrophe cover following a natural disaster for underground water reticulation assets and key high value bridges that are deemed critical to the water network. Council will continue to purchase the same level of cover for with declared values adjusted in line with the most recent asset revaluation exercise completed in 2022.
15. Through CoLab, Aon has undertaken loss modelling on a collective region wide basis to gain a current sense of the group's earthquake exposure in relation to the \$300M loss limit for the infrastructure placement. The results of the modelling suggest that the current limit purchased is still sufficient for the group. The probable maximum loss was estimated to be \$231M, when factoring in an estimated 40% demand surge this gives a total figure of \$325M. This is however a conservative figure.
16. Material damage and business interruption cover is purchased for assets listed on Council's property schedule with cover extending beyond natural disasters to include other perils including but not limited to fire, theft and vandalism. The property schedule is mainly made up of buildings and above ground structures (for example destination playgrounds, feature gardens, reservoirs) and their associated contents, plant and equipment.
17. Council takes a default position of insuring assets for their full insurance replacement value. Exceptions are made where assets are intended to be demolished or have been impaired. These assets are insured for their demolition value only. Material damage values for the 2022 renewal will be informed by the most current asset revaluations or updated for inflation where valuations are not available.

18. Staff have requested Aon provide a proposal for a fire loss analysis to review the adequacy of the fire loss limit of \$120M for assets insured under the material damage policy. An update on this will be provided to this committee in the Annual Insurance Report.
19. Commercial motor and other fleet assets will continue to be covered on a declaration basis for their market value. 2021 insurance premium for motor was \$140K for just under 400 fleet assets. Deductible levels are currently set low, typically between \$500 and \$1,000 per event. For this year's renewal staff will consider increased deductible levels. While this approach may not deliver immediate relative savings it will provide financial benefit in the longer term and better suit the future state of fleet.
20. Council purchases an overall limit of \$160M of professional indemnity and public liability insurance and intends to renew cover at these levels. Staff continue to work with relevant departments to understand the risk of a negligence claim and are putting in place adequate support to meet policy disclosure requirements.
21. Staff are reviewing if environmental liability should be purchased to protect against exposures related to the management of closed landfill sites. This type of insurance provides cover for first and third-party pollution clean-up liability which would generally be excluded from a standard liability policy due to not being sudden and accidental.
22. Currently Council purchases statutory liability limits of \$1M for fines and reparation and an additional \$1M for defence costs. The market is seeing higher awards being made, and Aon are reviewing the sufficiency of these limits for the 2022 renewal. Terms for an increased amount will be provided if deemed necessary.
23. Council does not hold liability insurance for cyber related incidents and is not adding cyber insurance into this year's renewal submission. Staff are currently engaged in a number of projects to improve our security position. A targeted investment in this space provides immediate benefit and protection for Council. The cyber insurance market remains difficult with increased premiums, deductibles and reducing capacity. Insurers are intensifying their scrutiny of organisation's overall cyber security position and quality underwriting submissions are required. Staff will continue to review purchasing cyber insurance annually and the investment in security will support any future submissions.

Insurance activity strategic objectives

24. Aon provided four key strategic recommendations in 2021 following their facilitation of a risk profiling workshop. The progress of work on these recommendations is discussed below.
25. Recommendation 1 – quality asset data – improving the quality of data provided to insurers was identified as a very high priority. There has been a significant amount of work across Council over the last 12 months to ensure new assets are included on the property schedule and insurance valuations are current and complete. Aon noted a marked improvement in renewal data provided between the 2020 and 2021 insurance renewals. Staff are now working with Aon on the development of an insurance asset selection process to support and promote the provision and continuous improvement of data.
26. Recommendation 2 – regional event – it was identified that there was an opportunity to improve the understanding of regional exposures to network assets and business operations through loss modelling and loss analysis exercises. As discussed under points 15 and 18 above staff are working through the outcomes of collective loss modelling, how these results interact with current policy limits and if additional exercises are needed.

27. Recommendation 3 – insurance strategy – there is an opportunity to document an insurance strategy to provide a roadmap for making decisions around the management of insurable risks. This would ensure prudent, effective, and efficient risk financing over the long term by linking risk appetite with insurance decisions and guiding what risks to insure, appropriate deductibles and limits. Staff have begun work on the strategic objectives and key outcomes of a proposed strategy which will be reported back to this committee at the end of 2022.
28. Recommendation 4 - environmental damage – there is an opportunity for Council to better understand potential environmental liability exposures. This is being reviewed by Staff as referred to under point 21 above.

Financial Considerations - *Whaiwhakaaro Puutea*

29. This is a regular operating activity funded through existing budgets.
30. Policies and premiums for last year's renewal are shown below. Premiums are exclusive of levies and GST.

Policy	2021/2022 Premium
Physical damage policies:	
Material Damage	\$ 1,281,883
Business Interruption	\$ 66,690
Infrastructure Placement	\$ 780,088
Commercial Motor	\$ 139,220
Fine Arts	\$ 85,127
Annual Contract Works	\$ 11,550
Boiler Explosion	\$ 3,788
Liability policies:	
General Liability	\$ 73,316
Professional Indemnity	\$ 389,053
Liability Excess Layer	\$ 37,021
Employers Liability	\$ 1,164
Statutory Liability	\$ 7,580
Fidelity/Crime	\$ 29,382
Aviation Liability	\$ 1,386
Other policies:	
Personal Accident	\$ 1,221
Business Travel	\$ 125
Total	\$2,908,593

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

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

Wellbeing Considerations - *Whaiwhakaaro-aa-oranga tonutanga*

32. 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').
33. 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.
34. The recommendations set out in this report are consistent with that purpose.
35. There are no known social, economic, environmental or cultural considerations associated with the decisions in relation to this matter.

Risks - *Tuuraru*

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

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

Significance

37. Having considered the Significance and Engagement Policy, staff have assessed that the matters in this report have low significance.

Engagement

38. 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 11

Committee: Strategic Risk and Assurance Committee

Date: 09 June 2022

Author: Tracey Musty

Authoriser: David Bryant

Position: Finance Director

Position: General Manager People and Organisational Performance

Report Name: Audit NZ 2021-22 Audit Plan

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

1. To update the Strategic Risk and Assurance Committee on the audit plan and timetable for the 2022 Annual Report.

Staff Recommendation - *Tuutohu-aa-kaimahi*

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

Discussion - *Matapaki*

3. The Audit Plan from Audit New Zealand for the 2021/2022 year has not yet been received. It will be circulated to the Strategic Risk and Assurance Committee prior to the meeting.
4. The Audit Plan will include the areas of audit focus, the logistics of completing the audit and the communication objectives.
5. The Audit Plan sets out expectations of the role of Audit New Zealand and the Council to ensure there is an agreed approach to completing the audit in a timely manner.
6. The Annual Audit dates have not yet been confirmed by Audit New Zealand.
7. Staff consider the matter covered in the report is of low significance and that the recommendations comply with Council's legal requirements.

Financial Considerations - *Whaiwhakaaro Puutea*

8. The cost of this engagement is funded through the 2021 – 2031 10 Year plan.

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

9. Staff confirm that the matters in this report complies with 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.
12. The recommendations set out in this report are consistent with that purpose.
13. There are no known social, economic, environmental or cultural considerations associated with this matter.

Risks - *Tuuraru*

14. There are no known risks associated with the decisions of this report.

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

Significance

15. Having considered the Significance and Engagement Policy, staff have assessed that the matter in this report has low significance.

Engagement

16. Given the low level of significance determined, the engagement level is low. No engagement is required.

Attachments

There are no attachments for this report.

Council Report

Item 12

Committee: Strategic Risk and Assurance Committee

Date: 09 June 2022

Author: Tracey Musty

Authoriser: David Bryant

Position: Finance Director

Position: General Manager People and Organisational Performance

Report Name: 2022 Annual Report Accounting Treatment Review

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

1. To inform the Strategic Risk and Assurance Committee on the 2022 Annual Report Accounting Treatment Review.

Staff Recommendation - *Tuutohu-aa-kaimahi*

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

Executive Summary - *Whakaraapopototanga matua*

3. Council's Finance Unit has created a plan to work with other business areas within Council to deliver the Annual Report.
4. The **landfill provision** is currently at \$13.9 million based on the latest available discount rates. This will be updated on 30 June 2022.
5. The **Weathertightness provision** currently sits at \$0.75 million and is intended to cover our potential exposure. The **building defects provision** sits at \$0.5 million.
6. **Contingencies** totalled \$0.1 million for the 2021 financial year in relation to legal proceedings. A further \$1.9 million of uncalled capital from New Zealand Local Government Funding Agency Ltd (NZLGFA) was identified.
7. No **impairments** have been identified during the financial year but staff will review this again as at 30 June 2022.
8. **Revaluations** of land, buildings, stormwater, wastewater, wastewater treatment plant, water supply, water treatment stations and refuse have been completed in April and May 2022.
9. There is currently no significant changes in the following **accounting estimates and judgements**:
 - i. Estimates of the fair value of interest rates swaps;
 - ii. Estimates of the fair value of land, building and infrastructure assets;
 - iii. Estimating the fair value of investment property;
 - iv. Estimating the retirement gratuities obligations;
 - v. Estimating the landfill aftercare provision; and
 - vi. Estimating the provision for uncollectable receivables.

10. There has been a change in the interpretation of Software as a Service (SaaS) costs which will result in a change to our **accounting policies**. Council staff are currently working through the full implications of this change.
11. Key accounting standards and their implications for the preparation of the 2022 Annual Report have been identified.
12. Staff consider the matters in this report have low significance and that the recommendations comply with Council's legal requirements.

Discussion - *Matapaki*

13. Council's Finance Unit has created a plan to work with other business areas within Council to deliver the Annual Report. Key issues from the Accounting Treatment Review that staff would like to bring to the Committee's attention are provided below.

Landfill provision

14. The landfill provision based on the latest available discount rates (31 January 2022) is \$13.9 million. This represents a decrease of \$1.8 million from last year. Rates currently vary from 1.51% to 3.06%.
15. Staff have used Treasury's Risk-free discount rates when calculating the landfill provision. The Treasury discount rates are next updated in June 2022. Staff will use the rates available at this date to complete the final provision calculation.

Weathertightness and building defects provision

16. Provision has been created for the potential liability of 3 claims that are outstanding with the Weathertight Homes Resolution Service or lodged via the court system. They represent a mix of residential and commercial properties.
17. The value of the weathertightness provision is currently \$0.75 million and building defects provision is \$0.5 million. We are currently working with staff and advisors to assess, and if appropriate, update the provision by 30 June 2022.

Other provisions

18. There is a total of \$1.3 million in other provisions relating to legal proceedings.

Contingent liabilities

19. There was a total of \$0.1 million of contingencies identified last year in relation to legal proceedings. There was also \$1.9 million of uncalled capital from New Zealand Local Government Funding Agency Ltd (NZLGFA). Staff have not been made aware of any additional contingent liabilities.
20. As part of the year end process, legal confirmation letters are sent out to all lawyers that Council has received legal advice from. These letters will provide staff with the details of any further contingent liabilities as at 30 June 2022 that may need to be provided for.

Judicial reviews

21. We are not currently aware of any judicial reviews underway.

Impairments

22. No impairments have been identified during the financial year but staff will review this as at 30 June 2022.

Asset revaluations

23. The land, buildings, stormwater, wastewater, wastewater treatment plant, water supply, water treatment stations and refuse have been completed on 30 April 2022.
24. There has been a significant revaluation gains since the last revaluation. We have noted the following revaluation increases to date:
 - i. Land (Operational, Restricted, Infrastructural, Park and Gardens) \$163m
 - ii. Buildings \$18.5m
 - iii. Water \$37.4m
 - iv. Wastewater \$58.8m
 - v. Stormwater \$80m
 - vi. Refuse \$4.2m
25. The revaluations will be audited by Audit New Zealand as part of the annual audit.

Significant accounting estimates and judgements

26. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are:
 - i. **Estimating the fair value of interest rate swap:** Council's interest rates swaps are independently valued by ETOS. The valuations are compared to the bank confirmations to ensure the valuations are reasonable.
 - ii. **Estimating the fair value of land, buildings and infrastructure assets:** Land, building and most of the infrastructure assets were revalued this year. For those assets that were not revalued staff have completed fair value assessment of all assets that are subject to revaluations. This assessment shows that the fair value of the assets is not significantly different to the current carrying value, so does not trigger a need to complete a revaluation.
 - iii. **Estimating the fair value of investment property:** Council's investment properties are valued by independent valuers Telfer Young.
 - iv. **Estimating the retirement gratuities obligations:** Staff perform a calculation to estimate the value of gratuities that will need to be paid, if certain staff reach retirement.
 - v. **Estimating the landfill aftercare provision:** Staff use discount rates provided on the Treasury website in line with audit recommendations.
 - vi. **Estimating the provision for uncollectable receivables:** Staff will estimate doubtful debts on parking debtors and sundry debtors at 30 June 2022.

Changes in accounting policies

27. There will a change in accounting policies this year in relation to the treatment of certain costs associated with SaaS.

Software as a Service

28. The IFRS Interpretations Committee published an agenda decision on the Configuration or Customisation Costs in a Cloud Computing Arrangement.
29. We are now required to expense the customisation costs where we do not control the software.

30. If the customisation costs are internal costs they will need to be expensed as they occur. For customisation costs that are paid upfront to an external supplier, if the customisation costs services are minor customisation, then they are expensed as incurred. Otherwise, if they are significant customisation, they can be treated as a prepayment and expensed over the term of the SaaS arrangement.
31. Council staff are currently reviewing and assessing the financial impacts of this change which will need to be recognised in the 2022 Annual Report.

Changes in accounting standards

32. The key changes in accounting standards that are effective for the 30 June 2022 financial year and applicable to Council are:
 - **Statement of cashflows** - An amendment to PBE IPSAS 2 Statement of Cash Flows requires entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. The updated in the disclosures will be included in the Cash Flow Statement.
33. The other key change in accounting standards that are not yet effective and not early adopted but will be adopted in for the year ending 30 June 2023 financial year are:
 - **Financial Instruments** - PBE IPSAS 41 Financial Instruments replaces PBE IPSAS 29 Financial Instruments: Recognition and Measurement and PBE IFRS 9 Financial Instruments.
34. The main changes compared to PBE IPSAS 29 that are relevant to the Council are:
 - i. New financial asset classification requirements for determining whether an asset is measured at fair value or amortised cost.
 - ii. A new impairment model for financial assets based on expected losses, which might result in the earlier recognition of impairment losses.
35. We do not expect any significant changes as the requirements are similar to PBE IFRS 9 and PBE IPSAS 29.
 - **Service performance reporting** - PBE FRS 48 replaces the service performance reporting requirements of PBE IPSAS 1. We do not expect any significant changes.

Financial Considerations - *Whaiwhakaaro Puutea*

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

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

37. Staff confirm that the matters in this report complies with Council's legal and policy requirements.

Wellbeing Considerations - *Whaiwhakaaro-aa-oranga tonutanga*

38. 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').
39. The subject matter of this report has been evaluated in terms of the 4 wellbeings during the process of developing this report.
40. The recommendations set out in this report are consistent with that purpose.

41. There are no known social, economic, environmental or cultural considerations associated with this matter.

Risks - *Tuuraru*

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

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

Significance

43. Having considered the Significance and Engagement Policy, staff have assessed that the matter in this report has low significance.

Engagement

44. Given the low level of significance determined, the engagement level is low. No engagement is required.

Attachments - *Ngaa taapirihanga*

There are no attachments for this report.

Council Report

Committee: Strategic Risk and Assurance Committee

Date: 09 June 2022

Author: Morva Kaye

Authoriser: David Bryant

Position: Internal Auditor

Position: General Manager People and Organisational Performance

Report Name: Organisational Improvement Report

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

1. To inform the Strategic Risk and Assurance Committee on the status of Council's Organisational Improvement Register as at 31 May 2022.

Staff Recommendation - *Tuutohu-aa-kaimahi*

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

Executive Summary - *Whakaraapopototanga matua*

3. Council's risk management programme includes the completion of external audits by Audit New Zealand, Office of the Auditor General (OAG), Waka Kotahi (NZ Transport Agency) and others and internal audits by PricewaterhouseCoopers (PwC) and Council staff.
4. Audit New Zealand identified 14 recommendations for improvement in their 2021 Management Report. Eight of the recommendations are ready to be re-audited this year.
5. Staff consider the matters have low significance and that the recommendations comply with Council's legal requirements.

Discussion - *Matapaki*

Organisational Improvement Register

6. The Organisational Improvements Register attached shows the status of 14 outstanding Audit New Zealand recommendations.

Audit New Zealand outstanding recommendations for improvement	Year raised	Priority	Audit 30/6/21	Status
No Organisational Business Continuity Plan or IT Disaster Recovery Plan	2015	Necessary	1	*
Manual processing of weekly timesheets	2019	Necessary	1	**
Improve data for water and wastewater treatment plants	2019	Necessary	1	
Fujitsu monthly reporting and monitoring	2020	Necessary	1	
Management of access to City Council's onsite server and communications room	2021	Urgent	1	
Review of network login accounts needed	2021	Necessary	1	
Building valuation - Confidence rating grade - Appropriateness of valuation methods for some buildings - Cost adjustment factor for buildings	2021	Necessary	1	
Approval of work in progress to be capitalised	2021	Necessary	1	
Property, plant and equipment work in progress	2021	Necessary	1	
Transport revaluation recommendations from Beca	2021	Necessary	1	
Transport revaluation - use of indices to be reviewed	2021	Necessary	1	
Improvements to payroll systems	2021	Necessary	1	**
Capital commitments	2021	Necessary	1	
Bond and deposits register contains long outstanding bonds	2021	Beneficial	1	
Total			14	

KEY

	Recommendations for improvement implemented, ready for Audit NZ to audit.
*	*Dependent on timing of reviews being undertaken.
**	**Dependent on timing of implementation of the new HRIS Payroll system.
	Delayed due to timing of other commitments.

Waka Kotahi NZ Transport Agency Investment Audit Report

- One recommendation for improvement in the Waka Kotahi NZ Transport Agency Investment Audit Report is that all tenders that attract Waka Kotahi funding are advertised on Government Electronic Tendering Service (GETS).
- The Procurement Policy and Procedures Manual was updated in January 2022 and there is clear guidance to staff that all Waka Kotahi NZ Transport Agency funded projects, if tendered, must be advertised on both GETS and Tenderlink.

Financial Considerations - *Whaiwhakaaro Puutea*

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

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

- Staff confirm that matters in this report comply with the Council's legal and policy requirements.

Wellbeing Considerations - *Whaiwhakaaro-aa-oranga tonutanga*

- 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. There are no known social, economic, environmental, or cultural considerations associated with this matter.

Risks - *Tuuraru*

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

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

Significance

15. Having considered the Significance and Engagement Policy, staff have assessed that the matters in this report have low significance.

Engagement

16. 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: 09 June 2022

Author: Michelle Hawthorne

Authoriser: David Bryant

Position: Governance and Assurance Manager

Position: General Manager People and Organisational Performance

Report Name: Compliance Reporting Update

Report Status	Open
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Purpose - *Take*

1. To inform the Strategic Risk and Assurance Committee of any protected disclosures or instances of fraud or corruption since the last Strategic Risk and Assurance Committee meeting.
2. To inform the Strategic Risk and Assurance Committee of any matters of significant non-compliance with the Privacy Act 2020.
3. To update Strategic Risk and Assurance Committee on reviews of the Protected Disclosure Policy and Sensitive Expenditure Policy and provide an overview of policies across the organisation.

Staff Recommendation - *Tuutohu-aa-kaimahi*

4. That the Strategic Risk and Assurance Committee:
 - a) receives the report; and
 - b) notes any feedback and any recommendations on Council's Sensitive Expenditure Policy.

Executive Summary - *Whakaraapopototanga matua*

5. There are no protected disclosures or instances of fraud or corruption to report since the last Strategic Risk and Assurance Committee meeting.
6. There is no significant non-compliance with the Privacy Act 2020 to report since the last Strategic Risk and Assurance Committee meeting.
7. The Protected Disclosures (Protection of Whistleblowers) Bill received royal assent on 15 May 2022, due to the timing of this, a review of the Protected Disclosure Policy has been deferred to the September Committee meeting.
8. The Sensitive Expenditure Policy has been reviewed and is attached to this report as **Attachment 1 and 2**.
9. A list of current Council and Management Policies is attached to the report as **Attachment 3**.
10. Staff consider the matters in this report have a low level of significance and that the recommendations comply with Council's legal requirements.

Discussion - *Matapaki*

Protected Disclosures

11. Council has in place a Protected Disclosures Management Policy. The purpose of the Protected Disclosures Policy is to set out procedures enabling employees (defined broadly in the policy) to disclose allegations of serious wrongdoing to designated officers, without fear of reprisal. Council's designated officer is Mary Hill, Partner, Cooney Lees Morgan.
12. At each meeting of the Strategic Risk and Assurance Committee, the Committee is advised of any protected disclosures that have been made since the Committee last met.
13. The Strategic Risk and Assurance Committee is also advised of any reports on investigations into past disclosures that have been completed since the Committee last met. There are no protected disclosures to report to the Strategic Risk and Assurance Committee.
14. By way of update the Protected Disclosures (Protection of Whistleblowers) Bill received Royal Assent (brings the Bill in to law) on 15 May 2022. This bill replaces the Protected Disclosures Act 2000. This bill clarifies the definition of serious wrongdoing, enables people to report serious wrongdoing directly to an appropriate authority at any time, strengthens protections for disclosers, clarifies the internal procedure requirements for public sector organisations and the potential forms of adverse conduct disclosers may face. Due to the timing of this, a review of the Protected Disclosure Policy has been deferred to the September Committee meeting.

Fraud and Corruption

15. Council has in place a Fraud and Corruption Management Policy.
16. The purpose of the Fraud and Corruption Policy is to prevent fraud and/or corruption and ensure the overall integrity and performance of Council. It provides a consistent and transparent approach to reporting and responding to allegations of fraud and/or corruption.
17. In accordance with the policy, allegations are investigated to determine if there is an actual, perceived, or potential instance of fraud and/or corruption involving an employee, representative or external party to Council. All reported allegations are recorded in a Fraud Activity Register.
18. If an allegation of fraud or corruption is established, the policy requires the incident to be reported to the Chair of the Strategic Risk and Assurance Committee and for an appropriate response plan to be developed.
19. No incidents of fraud or corruption have been established since the Strategic Risk and Assurance Committee last met in June 2021.

Privacy Act 2020

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

Sensitive Expenditure Policy

21. The Management Policy on Sensitive Expenditure is due for review. The Policy was last reviewed in May 2018.
22. Since this time, the Office of the Auditor General (OAG) has issued guidance on [Sensitive Expenditure Controlling Sensitive Expenditure: Guide for public organisations – October 2020](#). Staff have considered the OAG guidance when undertaking this policy review. Focus has been put into the readability of the Policy to ensure it can be interpreted clearly and reflects the best practise when considering expenditure of a sensitive nature.
23. There are two copies of the policy; a clean copy and the copy with changes tracked as **Attachment 1 and 2**. The yellow highlighted paragraphs are where there has been a significant change in wording.

24. The main changes are summarised below:
- i. added definition of Sensitive Expenditure to the main body of the policy (Page 1), previously this was in the definitions at the rear of the policy
 - ii. updating the wording for Koha and Donations to ensure this reflects current practise, Section 9
 - iii. added section on Cash Advances, Section 8.7
 - iv. added wording to clarify P-Cards cannot be used to buy alcohol, Section 2
 - v. added wording to clarify that Council does not pay for travel costs between work and home, Section 5.3
 - vi. changes to staff titles and system names: for instance we no longer use the Flexipurchase system for PCard purchasing coding
 - vii. reorganised Section 5.3 Motor Vehicles, Taxis, Meals and Travel Expenses to enhance readability
 - viii. numerous formatting, document linking and spelling tidy

Council and Management Policy Schedule

25. The Strategic Risk and Assurance Committee chair has requested a list of current Council and Management Policies for review. These are attached to the report as **Attachment 3**. The details of the list can be discussed at the Committee meeting.

Financial Considerations - *Whaiwhakaaro Puutea*

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

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

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

Wellbeing Considerations - *Whaiwhakaaro-aa-oranga tonutanga*

28. 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').
29. The subject matter of this report has been evaluated in terms of the 4 wellbeings during the process of developing this report.
30. There are no known social, economic, environmental or cultural considerations associated with this matter.

Risks - *Tuuraru*

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

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

Significance

32. 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

33. Given the low level of significance determined, the engagement level is low. No engagement is required.

Attachments - *Ngaa taapirihanga*

Attachment 1 - Management Policy Sensitive Expenditure May 2022 Clean Copy

Attachment 2 - Management Policy Sensitive Expenditure May 2022 Tracked Changes

Attachment 3 - Council Policy Summary May 2022

Date Approved by BSLT:	TBC
Next review date:	(3 years after date approved by BSLT)
Document number:	TBC
Associated documents:	
Sponsor/Group:	General Manager POP
Policy Owner:	Procurement Manager

Management Policy - Sensitive Expenditure

Purpose

This Policy is to provide Council staff with clear guidelines relating to Sensitive Expenditure and ensure any Hamilton City Council expenditure is made appropriately and in line with good public-sector practice.

Definition

Sensitive Expenditure is defined as:

- a) any Council expenditure where there may be a perceived personal benefit to staff; or
- b) expenditure that could be considered unusual for a Council.

Sensitive Expenditure will have one or more of the following attributes:

- Results in a perceived or real private benefit to the individual or group of individuals;
- May be an unusual expenditure item for Council;
- Does not directly align with the core business of Council or has a poor link to the business purposes of Council;
- Is usually a discretionary expenditure item;
- Could be difficult to justify to the public;
- May involve a conflict of interest [legal or ethical]; or
- May be considered an extravagant or immoderate expenditure.

Principles of Policy

The guiding principles for this Policy are:

- a. Council spends public money and, as a consequence, all expenditure should be subject to a standard of probity and financial prudence expected of a Local Authority and be able to withstand public scrutiny.
- b. Sensitive Expenditure decisions should:
 - Have a justifiable business purpose;
 - Exercise prudence and professionalism;
 - Not derive personal financial gain to individuals or groups of individuals;
 - Preserve impartiality;
 - Ensure the expenditure is moderate and conservative in the context of the given situation;
 - Be made transparently; and

- Adhere to this and other relevant Council policies.
- c. In deciding what appropriate Sensitive Expenditure is, staff need to take account of both individual transactions and the total amount of Sensitive Expenditure.
- d. Even when Sensitive Expenditure decisions can be justified at the item level, the combined amount spent on a category of expenditure may be such that, when viewed in total, Council could be criticised for extravagance and waste.
- e. In the absence of a specific guideline for a given situation, staff are expected to exercise good judgement by taking the principles of this policy into account in the context of the given situation.
- f. All Sensitive Expenditure must be pre-approved, where practical and always supported by clear documentation. This documentation must identify the date, costs, benefits derived and/or reasons for the Sensitive Expenditure. Staff should note that Council often gets LGOIMA requests for spend on Sensitive Expenditure and staff must provide the before mentioned information for any transaction in the transaction description. The format should be such that it can be given out publicly at any time.
- g. Approval of Sensitive Expenditure must:
 - only be given where the person approving the expenditure is satisfied that a justified business purpose and other principles have been adequately met;
 - be given before the expenditure is incurred, wherever practical;
 - be made strictly within Delegated Authority; and
 - be given by a person senior to the person who will be benefiting or might be perceived to benefit from the expenditure, wherever practical.
- h. Managers can only override the policy in exceptional circumstances and only with prior written approval from the Chief Executive.

Scope

This Policy applies to all Sensitive Expenditure by Council staff.

Guidelines

1. Expense Claims

All Expense Claims must be submitted promptly after the expenditure is incurred. Except in exceptional circumstances this means within one month. Sensitive Expenditure will only be reimbursed if it is deemed to be reasonable, actual and has been incurred directly in relation to the Council business.

Valid, original GST compliant invoices/receipts and other supporting documentation must be maintained/submitted for all Sensitive Expenditure. Credit card statements and EFTPOS receipts do not constitute adequate documentation for reimbursement.

All Expense Claims must clearly state the business purpose of the expenditure where it is not clear from the supplier documentation supporting the claim.

Full details of the Expense Claim process are contained in the [Promapp process - Expense Claims](#).

Where a manager is considering payment to an employee that is outside of the payroll system, finance must be consulted as to whether such payments are subject to Fringe Benefit Tax.

2. P-Cards

Council P-Cards are a credit card issued by the BNZ in the name of an individual staff member (Cardholder). Then the ability to manage and view P-Card transactions is done through Authority.

P-Cards are issued to staff where there is benefit in transactional efficiency for Council in the staff member having a P-Card.

The credit and transaction limit for each P-Card will be set based on the minimum amount necessary to enable the Cardholder to undertake their Council duties.

The P-Card is not to be used for cash advances and is not available for private use. If any misuse of the P-Card is identified, the [Fraud and Corruption Policy](#) will apply and Council will pursue recovery of the debt wherever possible and practicable.

The P-Card is not to be used for the purchase of alcohol.

P-Card purchases are recorded as transactions on each Cardholder's current P-Card monthly statement available at Online Visa. Using Authority, cardholders are able to review, assign correct financial coding and verify each of their purchasing transactions. All P-card transactions must be supported by tax invoices to explain and corroborate transactions. The business reason and other parties (if any) must be recorded by the Cardholder in Authority along with the purpose of the meeting for all entertainment and travel transactions. Verified transactions are then made available to the Cardholders Manager to approve or decline.

The P-Card will be issued to the specific employee named on the P- Card. The Cardholder is the only person to use the card and/or card number allocated to them.

The P-Card must be retained in a safe place. If the card is lost or stolen the P-Card system administrator and the BNZ must both be notified immediately.

Further details around P-Card guidelines and usage are contained in the [Procurement Policy and Procedures Manual](#).

3. Petty Cash

Petty cash may be used for expenditure where the purchase is minor, locally available, less than \$50, and where the goods and services cannot be purchased through Unimarket e-Procurement system, P-card or efficiently through the Purchase order or Work order system.

All petty cash funds will be maintained on the Imprest Principle and be available for checking or inspection on demand.

The Revenue Team, as part of the Finance Unit oversee the administration of petty cash.

Each Unit within Council will have access to petty cash. Remote sites may be provided with a petty cash float where necessary. Then they are responsible to manage their own petty cash requirements.

Designation of the management and administration of individual petty cash floats will be assigned by the appropriate Unit and/or General Manager.

Access to petty cash must be restricted and adhere to Council's [Cash Handling Management Policy](#).

Request for any new petty cash floats must be made by the appropriate Unit Manager and requires approval of the Financial Support Services Manager. Float amounts will be determined based on the requirements of the activity.

Staff with the appropriate [Financial Delegated Authority](#) may approve the use of petty cash, authorise petty cash claims, reimbursement or advances. Staff are unable to approve their own petty cash request.

The Financial Support Services Manager reserves the right to review expenditure, and if deemed inappropriate, reimbursement will not be made.

Reimbursements may be refused where:

- There is no receipt and/or appropriate document of purchase provided, or
- There is any doubt regarding the claim, or
- The reimbursement exceeds \$50, or
- Where use of the Council's purchasing systems may be a more appropriate method of payment.

Where a petty cash advance is requested, staff must advise the reason for the purchase. Where an advance is made but the reimbursement is refused, the employee must refund the advance.

Petty cash float top ups are administered by the Revenue team.

Petty Cash cannot be used for alcohol, petrol, Koha and Donations, staff gifts or cards (Staff are encouraged to use the Bravo system).

Petty cash floats are required to be reconciled on a weekly basis by the designated petty cash administrator, or person with delegated authority.

Any discrepancies are to be investigated by the appropriate Unit Manager. The Financial Support Services Manager is also to be notified and the petty cash float must be reimbursed from within the Unit.

The Financial Support Services Manager must be notified of and approve any non-compliance with this policy.

The Revenue Team will carry out annual audits of all remote site petty cash floats. Floats must be available for inspection on demand.

Full details of the Petty Cash process are contained in the [Promapp process](#).

4. Travel and Accommodation

Staff should become familiar with this policy before travelling on Council business. When incurring expenses on behalf of Council, staff are expected to exercise the same care and common-sense judgement as they would when travelling at their own expense.

Video conferencing should be used in preference to business travel where this is considered sufficient to conduct business meetings.

Where travel is required, all travel must be documented and approved prior to departure by the appropriate approver:

- The CEO and the traveller's General Manager for all international travel, other than Australia.
- General Manager for travel to Australia.
- General Manager or Unit Manager for domestic travel.

Council Travel Coordinators will not process a booking without the appropriate approval having been obtained.

All bookings must be completed using [Council's online booking system available on Velocity](#). This will send the booking request through to the applicable unit's Travel Coordinator, who in turn will finalise booking through Council's preferred travel management company (TMC). This procedure applies for all travel arrangements, including air, accommodation, car rental, taxi, shuttle, bus, and train for both domestic and international travel.

Where travel costs are fully paid direct by an external party and booked through their preferred travel agent, the requirement to use Council's designated TMC will not apply. In such instances, all other policies and procedures in relation to travel will apply.

Staff who want to change or cancel flights/accommodation should contact their internal Travel Coordinator as soon as possible.

Every care is to be taken by the staff when making their initial request to the internal Travel Coordinator. It is the responsibility of the staff to check their confirmation upon receipt to ensure the booking covers all requirements. Once a ticket has been issued the airlines charge upgrade fees on most fares.

5. Travel

5.1. Air Travel

Council requires all staff to exercise prudence wherever practical and utilise the best available airfare at the time of booking, for the journey to be undertaken on safe, reliable airlines.

Employees should travel on the most direct route wherever possible utilising the Best Fare principle. Utilisation of the Best Fare available for the journey must override all personal airline preferences and/or the accrual of frequent flyer points.

All domestic air travel will be economy class. Travellers are reminded that where possible bookings should be made well in advance and travels times are outside peak time hours.

International air travel (other than to Australia) requires the approval of the appropriate General Manager and Chief Executive.

Travel to Australia may be authorised by the appropriate General Manager. Signed approval is to be provided to the Travel Coordinator.

All international air travel is to be economy class, unless specifically approved by the Chief Executive.

All stopovers paid for by Council must have a clear business purpose and be pre-approved.

5.2. Accommodation

Hotel charges must not be charged directly to Council.

Bookings for accommodation are to be made through the Travel Coordinator.

Corporate and Government rates have been negotiated with a number of hotels/motels throughout New Zealand and employees should stay in those establishments where possible.

The cost of bed and meal (breakfast, dinner) and hotel parking will be charged back through Council's TMC when possible. All other charges (mini-bar, room service, internet, phone calls or drinks) must be paid directly by the traveller to the hotel direct, prior to departure. These other charges can be claimed and may be approved by the appropriate manager on a case-by-case basis.

International accommodation in most cases cannot be charged back and may need to be paid direct to the hotel upon departure and an expense claim completed upon the travellers return. The traveller will be advised at the time of confirmation if the hotel can be prepaid, charged back or if it must be paid direct.

Council's TMC is familiar with Council's policy and will recommend hotels overseas that comply with Council guidelines of a reasonable standard (i.e.: clean & tidy) and reasonably priced - approximately three-star accommodation.

When the accommodation cost is not included in the conference/course registration, accommodation must be booked through the Travel Coordinator, as described above.

If the conference organisers have negotiated a discounted room rate with a particular hotel, the traveller can purchase the package directly on the Conference organiser's web site/booking form and it can be paid with the conference fee. However, the traveller must notify the TMC of the accommodation arrangement, so that charge back for meals can be arranged if possible. If not the traveller is to pay for all incidentals and raise an expense claim on their return. Also, Council, as an organisation, has a duty of care responsibility towards its employees and must be able to identify where its travelling employees are at any time.

5.3. Motor Vehicles, Rental Cars and Taxis

'Pool' vehicles should be utilised whenever practical. Pool vehicle and fuel card usage are subject to the [Fleet Management Policy](#). It is generally expected that pool vehicles from the Council fleet will be used for travel to regional areas when the driving time is less than three hours one-way.

When a Council vehicle is unavailable staff may use their private vehicle for work related purposes. In these circumstances staff will need to obtain written approval from the Cost Centre Manager who is incurring the cost. Confirmation that the vehicle is properly insured and registered will be required.

Council does not pay for travel between work and home unless travel is due to work commitments requiring work beyond a reasonable hour, for safety concerns, or similar justification.

Mileage is to be reimbursed based on the shortest distance between the employee's work site and the business location being attended. Claims for mileage reimbursement are processed through Payroll. The standard IRD mileage allowance will be paid as a non-taxable allowance, irrespective of the type of vehicle.

When using a private vehicle, Council has the same responsibility under the Health & Safety Work Act 2015 for the employee using their own vehicle as if Council owned the vehicle. Staff using their own vehicle are responsible for arranging appropriate insurance coverage as Council accepts no liability for claim arising from any accident involving the vehicle.

Rental cars are to be used where the cost is estimated to be less than using taxis or flights to regional areas and must be booked through the internal Travel Coordinator. Car types are to be restricted to the following regulations: 1600cc engine for groups of 1-2 persons, up to 2000 cc for three or more persons, or if the length of travel by car will exceed three hours one-way.

Under no circumstances whatsoever may a rental vehicle be driven by anyone other than the hirer or an alternative driver recorded on the vehicle rental contract. Please note the driver will be asked to produce their driver's license. The onus of inspection of the driver's licence is with the rental car company.

Council accepts no responsibility for misdemeanours or traffic offences committed by staff while driving rental vehicles at Council expense. In New Zealand, insurance available through rental car suppliers is not required as Council has its own cover. If renting overseas, insurance will be required from the rental company.

Council will meet the cost of taxifares and other local transport costs (such as Uber) when used for Council purposes and attending functions. Employees are expected to share taxis wherever possible.

5.4. Meals and Travel Expenses

Staff are requested to exercise sound judgement and restraint to avoid unnecessary expenditure on meals. Meals will be reimbursed for each full day of business travel, that includes overnight accommodation, at a rate of up to \$50 per meal. GST invoices/dockets must accompany all claims for reimbursement of meals.

Council will not pay for the purchase of any alcoholic beverages. The cost of alcohol must be separated out from any charge back or expense reimbursement claim.

Council will reimburse incidental expenses incurred while travelling on Council business. Examples are airport taxes, taxis and Uber, parking and telephone. Council will not reimburse items of a personal nature such as excess baggage, toiletries and personal reading material.

Telephone, broadband and facsimile expenses incurred on behalf of Council are reimbursable. A reasonable amount for personal calls while the employee is on business travel is reimbursable. If you have a Council mobile phone this should be used in preference to the hotel phone, as hotel phone charges are expensive, especially overseas.

Costs of laundering clothes are deemed a personal expense which will not normally be reimbursed by Council. Where the travel period and/or the particular conditions necessitate the use of laundry services, the reimbursement of costs will be considered on a case-by-case basis.

Council recognises situations when employees are required to travel and elect to make private accommodation arrangements. A private accommodation allowance is provided to recognise costs incurred when a staff member proposes to stay in private accommodation and includes meal expenses, gifts for the host, drinks etc. It is not designed to provide employees with a source of additional income when travelling.

For each night a staff member is away on Council business and elects to stay in private accommodation a reimbursing payment of up to \$50.00 can be made. It should be noted that if a staff member chooses to claim this payment no other expenses can be claimed.

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5.5. Other Travel and Accommodation Issues

Staff travelling overseas for business purposes are covered by a corporate travel insurance policy. Council employees travelling domestically, greater than 100km from Hamilton for business purposes are also covered by a corporate travel insurance policy. Prior to departure employees must obtain the relevant policy details from the Travel Coordinator. These details provide the employee with an emergency number to call providing access to the scheme.

Frequent flyer points accrued as a result of business travel on behalf of Council may be utilised to upgrade to a class higher than that to which the traveller is authorised to travel on, or for personal and family travel. However, participation in these programmes must not result in an incremental cost to Council beyond the best fare available.

Council will not meet the cost of any airline membership, either international or domestic unless it is explicitly stated to be part of the employee's contract. Staff may join airline lounges of their choice at their own expense.

Council will not meet the cost of any tipping. Staff may meet the cost of tipping at their own expense.

Staff wishing to take annual leave during, or at the conclusion of, business travel should obtain the appropriate permission from the appropriate manager before making arrangements. If permission is granted, any additional expenses incurred are at the traveller's own cost.

Council does not normally meet the cost of family accompanying employees travelling on Council business. Where accommodation charges are higher because of two people staying in the room the staff member must pay the additional charges to the hotel. Council will not pay meal costs and other expenses associated with the travelling partner/family. Any charges incurred by hotels/airlines for children or other travelling family are personal expenses and will not be reimbursed by Council.

6. Entertainment and Hospitality

Entertainment and hospitality can cover a range of items from tea, coffee and biscuits, to meals and alcohol. It also includes non-catering related items, such as Council funded entry to sporting or cultural events.

There are five business purposes for Council providing entertainment and hospitality:

- Building relationships;
- Representing the organisation;
- Reciprocating hospitality where there is a clear business purpose and is within normal bounds - acceptance of hospitality is expected to be consistent with the principles and guidance for provision of hospitality;
- Recognising significant business achievement; and
- Building revenue.

Supporting the Council's internal organisational development may in some circumstances also be a legitimate business purpose for moderate expenditure.

All expenditure on entertainment and hospitality should be appropriate and reasonable for the circumstances.

Expenditure on Alcohol will only be approved in special circumstances at the direction of the Chief Executive.

7. Goods and Services Expenditure

7.1. Municipal Building Parking

Staff from remote sites visiting the Municipal Building for business purposes such as meetings or training may either: (i) Request entry ticket validation, (ii) claim the cost of parking or, (iii) pay for parking with a P-card.

Invited visitors or guests of Council attending the Municipal Building on official business only may have their underground car park entry ticket validated. All associated parking charges will be debited to that Group or Unit cost centre.

Council will not pay for, or reimburse, any private use of carparks or parking spaces. The only exception to this will be where a free or subsidised car park or parking space is provided by inclusion in the staff member's employment contract.

Entry ticket validation is only available at Ground Floor Customer Service Centre.

Entry ticket validation will only be provided on presentation of a valid Council staff ID and the requestor must provide an adequate record of staff (or visitor) identity, business reason and cost centre.

Entry ticket validation is not to be provided to contractors, consultants or similar service providers where their goods and/or services are paid for by Council.

7.2. Disposal of Surplus Assets

This section covers obtaining, disposing or using goods and services that are not covered by the terms and conditions of employment.

All disposals are to be handled in a manner that ensures that personal judgment or integrity is not compromised.

Where disposal to elected members or staff is approved by the Chief Executive, the following principles shall apply:

- Staff involved in disposing of the asset shall not benefit from the disposal
- All assets identified for disposal to staff shall be valued and subject to a tender or other process that is appropriate to the value of the asset
- Assets shall not be disposed of at a discounted rate to staff if a greater value could be realised by an alternative method of sale

7.3. Private Use of Council Assets

Any physical item owned, leased or borrowed by Council is considered an asset for the purpose of this policy. This includes photocopiers, telephones, cell phones, cameras, means of accessing the internet, vehicles, equipment and stationery.

Private use for personal purposes will only be permitted in limited circumstances and prior approval must be obtained from the staff members manager or supervisor.

The costs to Council of private use will be recovered, unless it is impractical or uneconomic to separately identify those costs.

The use of Council assets in any private business that any elected member or staff member may operate is strictly prohibited.

7.4. Council Use of Private Assets

Council may decide that reimbursing staff for use of private assets is appropriate for reasons such as cost, convenience or availability. Council may also decide to do this in circumstances where it would not fully use an asset of the same type if it acquired it directly. Examples include private motor vehicles, private cell phones and private computers.

The main issue associated with Council's use of private assets is the risk of the Council paying or reimbursing amounts that inappropriately benefit elected member or staff member.

Pre-approval by the Group or Unit Manager is required. In assessing the request the Group or Unit Manager will pay particular attention to the principles of a justified business purpose and preserving impartiality and integrity.

Staff members must not approve or administer payments to themselves for the Council's use of their private assets.

8. Staff Support and Welfare Expenditure

8.1. Uniform

Council official uniforms and PPE will be supplied by Council to staff when there is a requirement for a specific position.

The cost of a new or replacement uniform will be met by the relevant cost centre budget.

Uniforms shall be replaced as required. Uniform items that are damaged as a result of the staff member's role will be replaced at a cost to the relevant cost centre budget.

Uniform items that are lost or damaged by the staff member, other than in the course of work, are to be replaced at the staff member's expense. All uniform items must be clearly branded with either the Hamilton City Council logo and/or the business unit.

Staff shall not wear a Council supplied uniform or clothing for non-work-related purposes. Uniforms can be worn to and from work or at functions or events where it would reasonably be considered that staff are working for or representing Council.

Uniforms must not be worn with non-Council wardrobe clothing at any time, other than with a coat or jacket when outside.

It is the responsibility of the staff member to keep their uniform in a clean and tidy condition, including laundering/cleaning.

At the completion of an employment contract, the uniforms can either be retained by the unit or provided to the former employee. A condition for the retention of a uniform is that the departing employee shall remove the Hamilton City Council logo from any garments.

8.2. Long Service and Retirement

In general, where a staff member resigns or retires, it is expected that the team of the departing staff member organise and fund an appropriate leaving function, such as a morning tea. Farewell gifts would normally be funded by private donation.

For long serving staff Council will contribute to the cost of a leaving celebration. The extent of current continuous service with Council influences the amount Council will contribute:

- More than 10 years' service - up to \$200 will be contributed by Council
- More than 20 years' service - up to \$500 will be contributed by Council
- More than 30 years' service - up to \$1000 will be contributed by Council

This funding from Council may only be used towards an in-house function and may not be used towards any cost of alcohol or received in cash.

8.3. Professional Memberships

Payment of professional memberships should comply with the *Professional Membership Management Policy*.

8.4. Staff Reward and Recognition

All staff reward and recognition should be done through the BRAVO programme. Details are available on the Intranet at [http://intranet.hcc.govt.nz/working-here/people-safety-and-wellness/working-with-us/Pages/Reward-and-Recognition-\(BRAVO!\).aspx](http://intranet.hcc.govt.nz/working-here/people-safety-and-wellness/working-with-us/Pages/Reward-and-Recognition-(BRAVO!).aspx).

8.5. Sponsorship

Employees who (either as a team or individually) participate in a community, sporting or cultural event may be eligible for a 50% contribution to event fees.

Individuals may claim 50% of the cost of the competition or entry fees in major regional, national or international events, where those costs are not being covered by any club, association, sporting or cultural body.

Team entries may also be considered, but at least 75% of the team must consist of current Council employees. The organisation may contribute 50% of the entry fee.

Applications are to be made through the social club for sponsorship at <http://intranet.hcc.govt.nz/working-here/social-club/staffsponsorship/Pages/default.aspx>.

8.6. Staff Purchasing Privileges

Council, in limited circumstance, enables staff to obtain goods or services from a supplier on the same or similar basis to Council, and staff are thus able to obtain the goods or services at a discounted price not otherwise available to them through the Staff Purchasing Benefits administered by People Safety & Wellness.

The selection of suppliers must be in Council's interest and not affected by the availability or possibility of purchasing privileges for staff.

Staff may make moderate use of any preferential access to goods or services through Council's suppliers

It is standard practise that orders are transacted on a cash sale basis and the staff member must pay in full for the goods and services directly to the supplier at time of supply.

Staff may not use Council purchasing privileges on behalf of any third party. This includes family members or friends.

8.7. Cash Advances

Staff may request a cash advance of Council funds in certain circumstances. For instance, ahead of overseas travel or in an emergency situation. Staff are requested to exercise sound judgement and take precautionary measures to ensure safety when handling and carrying cash. Any cash advances and emergency cash advances must follow the Cash Advance Procedure D-2935518. Staff are reminded that when making transactions in cash they must retain all original receipts and ensure a reconciliation of the transactions is completed. The Cash Advance Reconciliation template is located at D-2935520

9. Koha and Donations

Koha is a gift, token, or contribution given on appropriate occasions including:

- tangihanga;
- attendance at an event/meeting;
- for use on or for a marae; and
- kaumaatua support for poowhiri, mihi whakatau meetings, or other events.

A donation is a payment made voluntarily and without expecting reciprocation.

Koha or Donations are not to be used for a payment or goods or services.

Guidance on when it is appropriate to pay Koha, and the appropriate level of Koha payment, may be sought from Council's Amorangi Maaori. A good test for Koha is whether the payment relates to activity on marae or off marae. If it is off marae, it is almost certainly not Koha as the recipient has left the marae to do something for Council. If it is on marae, it is more likely to be Koha within this policy.

A payment of a donation must be appropriately documented and shown to the General Manager for consideration and approval.

9.1. Koha and Donations Principles

A Donation to a third party, including the gifting of Koha, is appropriate in circumstances where:

- The Koha or Donation is linked to Council's business activity and demonstrates a clearly

identified relationship between the Council and the recipient of these payment.

- In the case of Koha, complies with the definition of Koha and is justified in cultural terms, or
- In the case of a donation, complies with the definition of a donation and is justified in terms of its alignment with Council's business activity and strategic objectives.
- Personal relationships and obligations of Council members and staff as private individuals do not of themselves establish relationships or obligations on behalf of the Council
- All Koha and Donations must conform with [regulations issued by the Inland Revenue Department](#).

9.2. Requests for Koha and Donations

All requests for Koha or Donations must be made in advance of any payment being given. Payments will be made via direct credit bank transfer.

Requests for Koha or Donation must be submitted to the Accounts Payable team. The form [D-4191406](#) outlines all information required, including an approval process, in order to complete a Koha or donation payment.

Receipts are not obligatory but should be obtained from the recipient whenever possible and appropriate.

10. Receiving of Gifts and Hospitality

The receiving of gift or hospitality is not strictly an issue of Sensitive Expenditure however it nevertheless is a sensitive issue. Staff should be aware of the [Gifts and Hospitality Policy](#).

Definitions

Definition	Detail
Best Fare	The lowest available fare for the journey that offers the traveller the convenience and flexibility he/she requires to complete the business purpose effectively and in a safe manner.
Donation	An unconditional gift. Council applies the Inland Revenue Department (IRD) guidance which states: 'An unconditional gift is defined as a donation made to a non-profit body, where the giver (or any relative) does not receive goods or services in return for the donation. This carries with it no obligation to account for tax.
Imprest Principle	The imprest principle is a form of financial accounting system. The most common imprest principle is the petty cash system. The base characteristic of an imprest principle is that a fixed amount is reserved, which after a certain period of time or when circumstances require, because money was spent, it will be replenished.
Koha	An unconditional gift and arises in the context of tangi (funerals), hui (meetings/events) and other Maaori cultural events and obligations. Council may give Koha to Maaori as an unconditional gift to another individual, party or group where the recipient is not obliged to provide goods or services in exchange. Any payment that incurs tax should not be called 'koha'. It is important to note that merely calling a payment 'koha' does not, of itself, alleviate the recipient from any tax obligations
LGOIMA	Local Government Official Information and Meetings Act 1987

References

1. [Auditor General's Good Practice Guide: Controlling Sensitive Expenditure: Guidelines for Public Entities](#)
2. [Inland Revenue Department's income tax and GST treatment of koha](#)
3. [Cash Handling Policy](#)
4. [Financial Delegations to Officers Policy](#)
5. [Fleet Management Policy](#)
6. [Fraud and Corruption Policy](#)
7. [Gifts and Hospitality Policy](#)
8. [Procurement Policy](#)
9. [Procurement Policy and Procedures Manual](#)

Date Approved by BSLT:	18 May 2018
Next review date:	(3 years after date approved by BSLT)
Document number:	D-2673667
Associated documents:	
Sponsor/Group:	General Manager POP
Policy Owner:	Procurement Manager

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 a)b) expenditure that could be considered unusual for a Council, ~~is deemed to be Sensitive Expenditure.~~

Sensitive Expenditure will have one or more of the following attributes:

- Results in a perceived or real private benefit to the individual or group of individuals;
- May be an unusual expenditure item for Council;
- Does not directly align with the core business of Council or has a poor link to the business purposes of Council;
- ~~Is usually~~ usually a discretionary expenditure item;
- Could be difficult to justify to the public;
- May involve a conflict of interest [legal or ethical]; or
- May be considered an extravagant or immoderate expenditure.

Principles of Policy

The guiding principles for this Policy are:

- Council spends public money and, as a consequence, all expenditure should be subject to a standard of probity and financial prudence expected of a Local Authority and be able to withstand public scrutiny.
- Sensitive Expenditure decisions should:
 - Have a justifiable business purpose;
 - Exercise prudence and professionalism;
 - Not derive personal financial gain to individuals or groups of individuals;
 - Preserve ~~impartiality~~ impartiality;
 - Ensure the expenditure is moderate and conservative in the context of the given situation;
 - Be made transparently; and

- Adhere to this and other relevant Council policies.
- c. In deciding what appropriate Sensitive Expenditure is, staff need to take account of both individual transactions and the total amount of Sensitive Expenditure.
- d. Even when Sensitive Expenditure decisions can be justified at the item level, the combined amount spent on a category of expenditure may be such that, when viewed in total, Council could be criticised for extravagance and waste.
- e. In the absence of a specific guideline for a given situation, staff are expected to exercise good judgement by taking the principles of this policy into account in the context of the given situation.
- f. All Sensitive Expenditure must be pre-approved, where practical and always supported by clear documentation. This documentation must identify the date, costs, benefits derived and/or reasons for the Sensitive Expenditure. Staff should note that Council often gets LGOIMA requests for spend on Sensitive Expenditure and staff must provide the before mentioned information for any transaction in the transaction description. The format should be such that it can be given out publicly at any time.

g. Approval of Sensitive Expenditure must:

~~Approval of Sensitive Expenditure must:~~

- only be given where the person approving the expenditure is satisfied that a justified business purpose and other principles have been adequately met;
- be given before the expenditure is incurred, wherever practical;
- be made strictly within Delegated Authority; ~~and~~
- be given by a person senior to the person who will be benefiting or might be perceived to benefit from the expenditure, wherever practical.

~~f.h. Managers can only override the policy in exceptional circumstances and only with prior written approval from the Chief Executive.~~

- ~~• any Managers discretion to override the policy can only be made in exceptional circumstances and strictly only with prior written approval from the Chief Executive.~~

Scope

This Policy applies to all Sensitive Expenditure by Council staff.

Guidelines

1. Expense Claims

All Expense Claims must be submitted promptly after the expenditure is incurred. Except in exceptional circumstances this means within one month. Sensitive Expenditure will only be reimbursed if it is deemed to be reasonable, actual and has been incurred directly in relation to the Council business.

Valid, original GST compliant invoices/receipts and other supporting documentation must be maintained/submitted for all Sensitive Expenditure. Credit card statements and EFTPOS receipts do not constitute adequate documentation for reimbursement.

All Expense Claims must clearly state the business purpose of the expenditure where it is not clear from the supplier documentation supporting the claim.

Full details of the Expense Claim process are contained in the [Promapp process - Expense Claims](#).

Where a manager is considering payment to an employee that is outside of the payroll system, finance must be consulted as to whether such payments are subject to Fringe Benefit Income Tax.

2. P-Cards

Council ~~The P-Cards are system consists of a :~~

~~A credit card issued by the BNZ in the name of an individual staff member (Cardholder). ; and Then the ability to manage and view P-Card transactions is done through Authority.~~

~~An internet based Transaction Management System (Flexipurchase) which Authority provides the facility to manage and view P-Card transactions.~~

P-Cards are issued to staff where there is benefit in transactional efficiency for Council in the staff member having a P-Card.

The credit and transaction limit for each P-Card will be set based on the minimum amount necessary to enable the Cardholder to undertake their Council duties.

The P-Card is not to be used for cash advances and is not available for private use. If any misuse of the P-Card is identified, the Fraud and Corruption Policy will apply and Council will pursue recovery of the debt wherever possible and practicable.

The P-Card is also expressly not to be used for the purchase of gifts or alcohol.

P-Card purchases are recorded as transactions on each Cardholder's current P-Card monthly statement available at FlexipurchaseOnline Visa. Using FlexipurchaseOnline Visa Authority, cardholders are able to review, assign correct financial coding and verify each of their purchasing transactions. All P-card transactions must be supported by tax invoices to explain and corroborate transactions. The business reason and other parties (if any) must be recorded by the Cardholder in Flexipurchase Online Visa Authority along with the purpose of the meeting for all entertainment and travel transactions. Verified transactions are then made available to the Cardholders Manager to approve or decline.

The P-Card will be issued to the specific employee named on the P- Card. The Cardholder is the only person to use the card and/or card number allocated to them.

The P-Card must be retained in a safe place. If the card is lost or stolen the P-Card system administrator and the BNZ must both be notified immediately.

Further details around P-Card guidelines and usage are contained in the Procurement Policy and Procedures Manual ~~and the process is contained.~~

3. Petty Cash

Petty cash may be used for expenditure where the purchase is minor, locally available, less than \$50, and where the goods and services cannot be purchased through Unimarket e-Procurement system, P-card or efficiently through the Purchase order or Work order system.

All petty cash funds will be maintained on the Imprest Principle and be available for checking or inspection on demand.

The Revenue Team, as part of the Finance Unit oversee the administration of petty cash.

Each Unit within Council will have access to petty cash. Remote sites may be provided with a petty cash float where necessary. Then they are responsible to manage their own petty cash requirements.

Designation of the management and administration of individual petty cash floats will be assigned by the appropriate Unit and/or General Manager.

Access to petty cash must be restricted and adhere to Council's [Cash Handling Management Policy](#).

Request for any new petty cash floats must be made by the appropriate Unit Manager and requires approval of the ~~Rates and Revenue Manager~~ [Financial Support Services Manager](#). Float amounts will be determined based on the requirements of the activity.

Staff with the appropriate [Financial Delegated Authority](#) may approve the use of petty cash, authorise petty cash claims, reimbursement or advances. Staff are unable to approve their own petty cash request.

The ~~Rates and Revenue Manager~~ [Financial Support Services Manager](#) reserves the right to review expenditure, and if deemed inappropriate, reimbursement will not be made.

Reimbursements may be refused where:

- There is no receipt and/or appropriate document of purchase provided, or
- There is any doubt regarding the claim, or
- The reimbursement exceeds \$50, or
- Where use of the Council's purchasing systems may be a more appropriate method of payment.

Where a petty cash advance is requested, staff must advise the reason for the purchase. Where an advance is made but the reimbursement is refused, the employee must refund the advance.

Petty cash float top ups are administered by the Revenue team.

Petty Cash cannot be used for alcohol, petrol, Koha and Donations, staff gifts or cards (Staff are encouraged to use the Bravo system).

Petty cash floats are required to be reconciled on a weekly basis by the designated petty cash administrator, or person with delegated authority.

Any discrepancies are to be investigated by the appropriate Unit Manager. The ~~Rates and Revenue Manager~~ [Financial Support Services Manager](#) is also to be notified and the petty cash float must be reimbursed from within the Unit.

The ~~Rates and Revenue Manager~~ [Financial Support Services Manager](#) must be notified of and approve any non-compliance with this policy.

The Revenue Team will carry out annual audits of all remote site petty cash floats. Floats must be available for inspection on demand.

Full details of the Petty Cash process are contained in the [Promapp process](#).

4. Travel and Accommodation

Staff should become familiar with this policy before travelling on Council business. When incurring expenses on behalf of Council, staff are expected to exercise the same care and common-sense judgement as they would when travelling at their own expense.

~~V~~Teleconferencing and/or video conferencing should be used in preference to business travel where this is if considered sufficiently ~~efficient to for the~~ conducting of business meetings.

Where travel is required, all travel must be documented and approved prior to departure by the appropriate approver:

- The CEO and the traveller's General Manager for all international travel, other than Australia.
- General Manager for travel to Australia.
- General Managers or Unit Manager for domestic travel.

Council Travel Coordinators will not process a booking without the appropriate approval having been obtained.

All bookings must be completed using Council's online booking system available on Velocity. This will send the booking request through to the applicable unit's Travel Coordinator, who in turn will finalise booking through Council's preferred ~~TMC~~ travel management company (TMC). This procedure applies for all travel arrangements, including: air, accommodation, car rental, taxi, shuttle, bus, and train for both domestic and international travel.

Where travel costs are fully paid direct by an external party and booked through their preferred travel agent, the requirement to use Council's designated ~~TMC~~ TMC will not apply. In such instances, ~~however~~, all other policies and procedures in relation to travel will apply.

Staff who want to change or cancel flights/accommodation should contact their internal Travel Coordinator as soon as possible.

Every care is to be taken by the staff when making their initial request to the internal Travel Coordinator. It is the responsibility of the staff to check their confirmation upon receipt to ensure the booking covers all requirements. Once a ticket has been issued the airlines charge upgrade fees on most fares.

5. Travel

5.1. Air Travel

Council requires all staff to ~~contain cost~~ exercise prudence wherever practical and utilise the best available airfare, at the time of booking, for the journey to be undertaken on safe, reliable airlines.

Employees should travel on the most direct route wherever possible utilising the Best Fare principle. Utilisation of the Best Fare available for the journey must override all personal airline preferences and/or the accrual of frequent flyer points.

All domestic air travel will be economy class. Travellers are reminded that where possible bookings should be made well in advance and travels times are out ~~booking as far as possible in advance and travelling outside pside peak time hours where possible, can be more cost effective.~~

International air travel (other than to Australia) requires the approval of the appropriate General Manager and Chief Executive.

Travel to Australia may be authorised by the appropriate General Manager. Signed approval is to be provided to the Travel Coordinator.

All international air travel is to be economy class, unless specifically approved by the Chief Executive.

All stopovers paid for by Council must have a clear business purpose and be ~~pre-approved~~ pre-approved.

5.2. Accommodation

Hotel charges must not be charged directly to Council.

Bookings for accommodation are to be made through the Travel Coordinator.

Corporate and Government rates have been negotiated with a number of hotels/motels throughout New Zealand and employees should stay in those establishments where possible.

The cost of bed and meal (breakfast, dinner) and hotel parking will be charged back through Council's TMC when possible. All other charges (mini-bar, room service, internet, phone calls or drinks) must be paid directly by the traveller to the hotel direct, prior to departure. These other charges can be claimed and may be approved by the appropriate manager on a case by case basis.

International accommodation in most cases cannot be charged back and may need to be paid direct to the hotel upon departure and an expense claim completed upon the travellers~~your~~ return. The traveller~~You~~ will be advised at the time of confirmation if the hotel can be prepaid, charged back or if it must be paid direct.

Council's TMC is familiar with Council's policy and will recommend hotels overseas that comply with Council guidelines of a reasonable standard (i.e.: clean & tidy) and reasonably priced - approximately three-star accommodation.

When the accommodation cost is not included in the conference/course registration, accommodation must be booked through the Travel Coordinator, as described above.

If the conference organisers have negotiated a discounted room rate with a particular hotel, the traveller can purchase the package directly on the Conference organiser's web site/booking form and it can be paid with the conference fee. However, the traveller must notify the TMC of the accommodation arrangement, so that charge back for meals can be arranged if possible. If not the traveller is will need to pay for all incidentals and raise an expense claim on their return. Also, Council, as an organisation, has a duty of care responsibility towards its employees and must be able to identify where its travelling employees are at any time.

5.3. Motor Vehicles, Rental Cars and Taxis

'Pool' vehicles should be utilised whenever practical. Pool vehicle and fuel card usage are subject to the Fleet Management Policy. It is generally expected that pool vehicles from the Council fleet will be used for travel to regional areas when the driving time is less than three hours one-way.

When a Council vehicle is unavailable staff may use their private vehicle for work related purposes. In these circumstances staff will need to obtain written approval from the Cost Centre Manager who is incurring the cost. Confirmation that the vehicle is properly insured and registered will be required.

Council does not pay for travel between work and home unless travel is due to work commitments requiring work beyond a reasonable hour, for safety concerns, or similar justification.

Mileage is to be reimbursed based on the shortest distance between the employee's work site and the business location being attended. Claims for mileage reimbursement are processed through Payroll. The standard IRD mileage allowance will be paid as a non-taxable allowance, irrespective of the type of vehicle.

When using a private vehicle, Council has the same responsibility under the Health & Safety Work Act 2015 for the employee using their own vehicle as if Council owned the vehicle. Staff using their own vehicle are responsible for arranging appropriate insurance coverage as Council accepts no liability for claim arising from any accident involving the vehicle.

Rental cars are to be used where the cost is estimated to be less than using taxis or flights to regional areas and must be booked through the internal Travel Coordinator. Car types are to be restricted to the following regulations: 1600cc engine for groups of 1-2 persons, up to 2000 cc for three or more persons, or if the length of travel by car will exceed three hours one-way.

Under no circumstances whatsoever may a rental vehicle be driven by anyone other than the hirer or an alternative driver recorded on the vehicle rental contract. Please note the driver will be asked to produce their driver's license. The onus of inspection of the driver's licence is with the rental car company.

Council accepts no responsibility for misdemeanours or traffic offences committed by staff while driving rental vehicles at Council expense. In New Zealand, insurance available through rental car suppliers is not required as Council has its own cover. If renting overseas, insurance will be required from the rental company.

Council will meet the cost of taxifares and other local transport costs (such as Uber) when used for Council purposes and attending functions. Employees are expected to share taxis wherever possible.
Taxis

5.3.5.4. Meals and Travel Expenses

Staff are requested to exercise sound judgement and restraint to avoid unnecessary expenditure on meals. Meals will be reimbursed for each full day of business travel, that includes overnight accommodation, **at a rate of up to \$50 per meal**. GST invoices/dockets must accompany all claims for reimbursement of meals.

Council will not pay for the purchase of any alcoholic beverages. The cost of alcohol must be separated out from any charge back or expense reimbursement claim.

~~'Pool' vehicles should be utilised whenever practical. Pool vehicle and fuel card usage are subject to the Fleet Management Policy.~~

~~Rental cars are to be used where the cost is estimated to be less than using taxis or flights to regional areas and must be booked through the internal Travel Coordinator.~~

~~Car types are to be restricted to the following regulations: 1600cc engine for groups of 1-2 persons, up to 2000 cc for three or more persons, or if the length of travel by car will exceed three hours one-way.~~

~~Private vehicles being used for work purposes should not be utilised without the express written permission of the approving Cost Centre Manager who is incurring the cost. Confirmation that the vehicle is properly insured and registered will be required.~~

~~When using a private vehicle, Council has the same responsibility under the Health & Safety Work Act 2015 for the employee using their own vehicle as if Council owned the vehicle.~~

~~Council does not pay for travel between work and home unless travel is due to work commitments requiring work beyond a reasonable hour, for safety concerns, or similar justification.~~

~~Mileage is to be reimbursed based on the shortest distance between the employee's work site and the business location being attended.~~

~~Under no circumstances whatsoever may a rental vehicle be driven by anyone other than the hirer or an alternative driver recorded on the vehicle rental contract. Please note the driver will be asked to produce their driver's license. The onus of inspection of the driver's licence is with the rental car company.~~

~~Council accepts no responsibility for misdemeanours or traffic offences committed by staff while driving rental vehicles at Council expense.~~

~~In New Zealand, insurance available through rental car suppliers is not required as Council has its own cover. If renting overseas, insurance will be required from the rental company.~~

~~It is generally expected that pool vehicles from the Council fleet would be used for travel to regional areas when driving time is less than three hours one-way.~~

~~When a Council vehicle is unavailable and with the approval of the Unit Manager, staff may use their private vehicle for work related purposes. The standard IRD mileage allowance will be paid as a non-taxable allowance, irrespective of the type of vehicle.~~

~~Staff using their own vehicle are responsible for arranging appropriate insurance coverage as Council accepts no liability for claim arising from any accident involving the vehicle.~~

~~Claims for mileage reimbursement are processed through Payroll.~~

~~Council will meet the cost of taxifares and other local transport costs when used for Council purposes and attending functions. Employees are expected to share taxis wherever possible.~~

Council will reimburse incidental expenses incurred while travelling on Council business. Examples are airport taxes, taxis **and Uber**, parking and telephone. Council will not reimburse items of a personal nature such as excess baggage, toiletries and personal reading material.

Telephone, broadband and facsimile expenses incurred on behalf of Council are reimbursable. A reasonable amount for personal calls while the employee is on business travel is reimbursable. If you have a Council mobile phone this should be used in preference to the hotel phone, as hotel phone charges are expensive, especially overseas.

Costs of laundering clothes are deemed a personal expense which will not normally be reimbursed by Council. Where the travel period and/or the particular conditions necessitate the use of laundry services, the reimbursement of costs will be considered on a case-by-case basis.

Council recognises situations when employees are required to travel and elect to make private accommodation arrangements. A private accommodation allowance is provided to recognise costs incurred when a staff member proposes to stay in private accommodation and includes meal expenses, gifts for the host, drinks etc. It is not designed to provide employees with a source of additional income when travelling.

For each night a staff member is away on Council business and elects to stay in private accommodation a reimbursing payment of up to \$50.00 can be made. It should be noted that if a staff member chooses to claim this payment no other expenses can be claimed.

5.4.5.5. Other Travel and Accommodation Issues

Staff travelling overseas for business purposes are covered by a corporate travel insurance policy. Council employees travelling domestically, greater than 100km from Hamilton for business purposes are also covered by a corporate travel insurance policy. Prior to departure employees must obtain the relevant policy details from the Travel Coordinator. These details provide the employee with an emergency number to call providing access to the scheme.

Frequent flyer points accrued as a result of business travel on behalf of Council may be utilised to upgrade to a class higher than that to which the traveller is authorised to travel on, or for personal and family travel. However, participation in these programmes must not result in an incremental cost to Council beyond the best fare available.

Council will not meet the cost of any airline membership, either international or domestic unless it is explicitly stated to be part of the employee's contract. Staff may join airline lounges of their choice at their own expense.

Council will not meet the cost of any tipping. Staff may meet the cost of tipping at their own expense.

Staff wishing to take annual leave during, or at the conclusion of, business travel should obtain the appropriate permission from the appropriate manager before making arrangements. If permission is granted, any additional expenses incurred are at the traveller's own cost.

Council does not normally meet the cost of family accompanying employees travelling on Council business. Where accommodation charges are higher because of two people staying in the room the staff member must pay the additional charges to the hotel. Council will not pay meal costs and other expenses associated with the travelling partner/family. Any charges incurred by hotels/airlines for children or other travelling family are personal expenses and will not be reimbursed by Council.

6. Entertainment and Hospitality

Entertainment and hospitality can cover a range of items from tea, coffee and biscuits, to meals and alcohol. It also includes non-catering related items, such as Council funded entry to sporting or cultural events.

There are five business purposes for Council providing entertainment and hospitality:

- Building relationships;
- Representing the organisation;
- Reciprocating hospitality where there is a clear business purpose and is within normal bounds - acceptance of hospitality is expected to be consistent with the principles and guidance for provision of hospitality;
- Recognising significant business achievement; and
- Building revenue.

Supporting the Council's internal organisational development may in some circumstances also be a legitimate business purpose for moderate expenditure.

All expenditure on entertainment and hospitality should be appropriate and reasonable for the circumstances.

Expenditure on Alcohol will only be approved in special circumstances at the direction of the Chief Executive. ~~for example Hullabaloo.~~

7. Goods and Services Expenditure

7.1. Municipal Building Parking

Staff from remote sites visiting the Municipal Building for business purposes such as meetings or training may either: (i) Request entry ticket validation, (ii) claim the cost of parking or, (iii) pay for parking with a P-card.

Invited visitors or guests of Council attending the Municipal Building on official business only may have their underground car park entry ticket validated. All associated parking charges will be debited to that Group or Unit cost centre.

Council will not pay for, or reimburse, any private use of car parks or parking spaces. The only exception to this will be where a free or subsidised car park or parking space is provided by inclusion in the staff member's employment contract.

Entry ticket validation is only available at Ground Floor Customer Service Centre.

Entry ticket validation will only be provided on presentation of a valid Council staff ID and the requestor must provide an adequate record of staff (or visitor) identity, business reason and cost centre.

Entry ticket validation is not to be provided to contractors, consultants or similar service providers where their goods and/or services are paid for by Council.

7.2. Disposal of Surplus Assets

This section covers obtaining, disposing or using goods and services that are not covered by the terms and conditions of employment.

All disposals are to be handled in a manner that ensures that personal judgment or integrity is not compromised.

Where disposal to elected members or staff is approved by the Chief Executive, the following principles shall apply:

- Staff involved in disposing of the asset shall not benefit from the disposal
- All assets identified for disposal to staff shall be valued and subject to a tender or other process that is appropriate to the value of the asset

- Assets shall not be disposed of at a discounted rate to staff if a greater value could be realised by an alternative method of sale

7.3. Private Use of Council Assets

Any physical item owned, leased or borrowed by Council is considered an asset for the purpose of this policy. This includes photocopiers, telephones, cell phones, cameras, means of accessing the internet, vehicles, equipment and stationery.

Private use for personal purposes will only be permitted in limited circumstances and prior approval must be obtained from the staff members manager or supervisor.

The costs to Council of private use will be recovered, unless it is impractical or uneconomic to separately identify those costs.

The use of Council assets in any private business that any elected member or staff member may operate is strictly prohibited.

7.4. Council Use of Private Assets

Council may decide that reimbursing staff for use of private assets is appropriate for reasons such as cost, convenience or availability. Council may also decide to do this in circumstances where it would not fully use an asset of the same type if it acquired it directly. Examples include private motor vehicles, private cell phones and private computers.

The main issue associated with Council's use of private assets is the risk of the Council paying or reimbursing amounts that inappropriately benefit elected member or staff member.

Pre-approval by the Group or Unit Manager is required. In assessing the request the Group or Unit Manager will pay particular attention to the principles of a justified business purpose and preserving impartiality and integrity.

Staff members must not approve or administer payments to themselves for the Council's use of their private assets.

8. Staff Support and Welfare Expenditure

8.1. Uniform

Council official uniforms and PPE will be supplied by Council to staff when there is a requirement for a specific position.

The cost of a new or replacement uniform will be met by the relevant cost centre budget.

Uniforms shall be replaced as required. Uniform items that are damaged as a result of the staff member's role will be replaced at a cost to the relevant cost centre budget.

Uniform items that are lost or damaged by the staff member, other than in the course of work, are to be replaced at the staff member's expense.

~~Any alterations required to be made to uniforms after supply will be at the expense of the staff member concerned.~~

All uniform items must be clearly branded with either the Hamilton City Council logo and/or the business unit.

Staff shall not wear a Council supplied uniform or clothing for non-work related purposes. Uniforms can be worn to and from work or at functions or events where it would reasonably be considered that staff are working for or representing Council.

Uniforms must not be worn with non-Council wardrobe clothing at any time, other than with a coat or jacket when outside.

It is the responsibility of the staff member to keep their uniform in a clean and tidy condition, including laundering/cleaning.

At the completion of an employment contract, the uniforms can either be retained by the unit or provided to the former employee. A condition for the retention of a uniform is that the departing employee shall remove the Hamilton City Council logo from any garments.

8.2. Long Service and Retirement

In general, where a staff member resigns or retires, it is expected that the team of the departing staff member organise and fund an appropriate leaving function, such as a morning tea. Farewell gifts would normally be funded by private donation.

For long serving staff Council will contribute to the cost of a leaving ~~function~~celebration. The extent of current continuous service with Council influences the amount Council will contribute ~~as follows~~:

- More than 10 years service - up to \$200 will be contributed by Council
- More than 20 years service - up to \$500 will be contributed by Council
- More than 30 years service - up to \$1000 will be contributed by Council

This funding from Council may only be used towards an in-house function and may not be used towards any cost of alcohol or received in cash.

~~Farewell and other gifts may only be purchased through a collection from staff.~~

8.3. Professional Memberships

Payment of professional memberships should comply with the *Professional Membership Management Policy*.

8.4. Staff Reward and Recognition

All staff reward and recognition should be done through the BRAVO programme. Details are available on the Intranet at [http://intranet.hcc.govt.nz/working-here/people-safety-and-wellness/working-with-us/Pages/Reward-and-Recognition-\(BRAVO!\).aspx](http://intranet.hcc.govt.nz/working-here/people-safety-and-wellness/working-with-us/Pages/Reward-and-Recognition-(BRAVO!).aspx).

8.5. Sponsorship

Employees who (either as a team or individually) participate in a community, sporting or cultural event may be eligible for a 50% contribution to event fees.

Individuals may claim 50% of the cost of the competition or entry fees in major regional, national or international events, where those costs are not being covered by any club, association, sporting or cultural body.

Team entries may also be considered, but at least 75% of the team must consist of current Council employees. The organisation may contribute 50% of the entry fee.

Applications are to be made through the social club for sponsorship at <http://intranet.hcc.govt.nz/working-here/social-club/staffsponsorship/Pages/default.aspx>.

8.6. Staff Purchasing Privileges

~~8.6.~~

Council, in limited circumstance, enables staff to obtain goods or services from a supplier on the same or similar basis to Council, and staff are thus able to obtain the goods or services at a discounted price not otherwise available to them through the Staff Purchasing Benefits administered by People Safety & Wellness.

The selection of suppliers must be in Council's interest and not affected by the availability or possibility of purchasing privileges for staff.

Staff may make moderate use of any preferential access to goods or services through Council's suppliers

~~All orders are to be used on a cash sale basis only~~ it is standard practise that orders are transacted on a cash sale basis only and the staff member must pay in full for the goods and services directly to the supplier at time of supply.

Staff may not use Council purchasing privileges on behalf of any third party. This includes family members or friends.

8.7. Cash Advances

Staff may request a cash advance of Council funds in certain circumstances. For instance, ahead of overseas travel or in an emergency situation. Staff are requested to exercise sound judgement and take precautionary measures to ensure safety when handling and carrying cash. Any cash advances and emergency cash advances must follow the Cash Advance Procedure D-2935518. Staff are reminded that when making transactions in cash they must retain all original receipts and ensure a reconciliation of the transactions is completed. The Cash Advance Reconciliation template is located at D-2935520

9. Koha and Donations

Koha is a gift, token, or contribution given on appropriate occasions including:

- tangihanga;
- attendance at an event/meeting;
- for use on or for a marae; and
- kaumātua support for pōwhiri, mihi whakatau meetings, or other events.

A donation is a payment made voluntarily and without expecting reciprocation.

Koha and Donations are subject to the same internal control and accountability processes as any other financial transaction. In particular Council must ensure that no payment is made as 'Koha' (i.e. tax free) when the actual circumstances surrounding the payment carry an obligation to pay tax.

~~Koha or Donations are not to be used for a payment or goods or services.~~ is sometimes used to describe a payment for goods or services. This is not a gift and this policy does not apply to payments for goods or services. It should be noted that such payments for goods or services attract tax obligations and are subject to the normal Council purchasing processes and the Procurement Policy.

Guidance on when it is appropriate to pay Koha, and the appropriate level of Koha payment, may be sought from Council's Amorangi Maaori. A good test for Koha is whether the payment relates to activity on marae or off marae. If it is off marae, it is almost certainly not Koha as the recipient has left the marae to do something for Council. If it is on marae, it is more likely to be Koha within this policy.

A payment of a donation must be appropriately documented and shown to the General Manager for consideration and approval.

9.1. Koha and Donations Principles

A Donation to a third party, including the gifting of Koha, is appropriate in circumstances where:

- The Koha or Donation is linked to Council's business activity and demonstrates a clearly identified relationship between the Council and the recipient of these payment;
- ~~obligations of this policy, and either;~~
- In the case of Koha, complies with the definition of Koha and is justified in cultural terms, or
- In the case of a ~~d~~Donation, complies with the definition of a donation and is justified in terms of its alignment with Council's business activity and s-vision, and strategic objectivesgoals.

- Personal relationships and obligations of Council members and staff as private individuals do not of themselves establish relationships or obligations on behalf of the Council ~~in the terms stipulated above.~~
- All Koha and Donations must conform with [regulations issued by the Inland Revenue Department.](#)

~~Council does not give Koha or Donations in cash under any circumstances.~~

9.2. Requests for Koha and Donations

All requests for Koha or Donations must be made in advance of any payment being given. ~~Payments will be made via direct credit bank transfer. Claims for reimbursement will not be approved.~~

Requests for Koha or Donation ~~ns~~ must be submitted to the Accounts Payable ~~team~~. ~~The form D-4191406 outlines all information required, including an approval process, in order to complete a Koha or donation payment.~~

~~section of Finance on the Declaration for Receipt of Koha or Donation Payment Form (D-1768251). Details required are:~~

- ~~• The rationale for the payment of Koha or Donation~~
- ~~• The rationale for determining the size of any Koha or Donation payment~~
- ~~• The general ledger account to be charged~~
- ~~• The staff member recommending the Koha or Donation payment~~
- ~~• Authorised by the relevant budget holder (Unit Manager for Koha or Donation payments under \$400 and General Managers for payments over \$400)~~

~~Koha and Donations are issued in the form of a cheque. Receipts are not obligatory, but should be obtained from the recipient of the Koha or Donation wherever whenever possible and appropriate.~~

~~Presenting Koha to a marae in cheque form is perfectly acceptable and it is not inappropriate to ask for a receipt.~~

10. Receiving of Gifts and Hospitality

The receiving of gift or hospitality is not strictly an issue of Sensitive Expenditure however it nevertheless is a sensitive issue. Staff should be aware of the [Gifts and Hospitality Policy](#).

Definitions

Definition	Detail
Best Fare	The lowest available fare for the journey that offers the traveller the convenience and flexibility he/she requires to complete the business purpose effectively and in a safe manner.
Donation	An unconditional gift. Council applies the Inland Revenue Department (IRD) guidance which states: 'An unconditional gift is defined as a donation made to a non-profit body, where the giver (or any relative) does not receive goods or services in return for the donation. This carries with it no obligation to account for tax.
Imprest Principle	The imprest principle is a form of financial accounting system. The most common imprest principle is the petty cash system. The base characteristic of an imprest principle is that a fixed amount is reserved, which after a certain period of time or when circumstances require, because money was spent, it will be replenished.

Koha	A an unconditional gift and arises in the context of tangi (funerals), hui (meetings/events) and other Maori cultural events and obligations. Council may give koha to Maori as an unconditional gift to another individual, party or group where the recipient is not obliged to provide goods or services in exchange. Any payment that incurs tax should not be called 'koha'. It is important to note that merely calling a payment 'koha' does not, of itself, alleviate the recipient from any tax obligations
LGOIMA	Local Government Official Information and Meetings Act 1987

References

1. [Auditor General's Good Practice Guide: Controlling Sensitive Expenditure: Guidelines for Public Entities](#)
2. [Inland Revenue Department's income tax and GST treatment of koha](#)
3. [Cash Handling Policy](#)
4. [Financial Delegations to Officers Policy](#)
5. [Fleet Management Policy](#)
6. [Fraud and Corruption Policy](#)
7. [Gifts and Hospitality Policy](#)
8. [Procurement Policy](#)
9. [Procurement Policy and Procedures Manual](#)

Strategic Risk and Assurance Committee – Policies Update 9 June 2022

Item 14

Attachment 3

KEY
In progress
Paused/awaiting prioritisation or resourcing
Current

COUNCIL POLICIES						
Committee	Policy	Sponsor/ Group	Last reviewed date	Next review date	Status	Related Legislation
Council	Corporate Hospitality and Entertainment Policy	GM People and Organisational Performance (Corporate)	Jul-15	Jul-18	Review paused	n/a
Strategic Growth	Hamilton Gateways Policy	GM Infrastructure Operations	Dec-15	Oct-18	Review scheduled for 22/23 financial year	n/a
Infrastructure Operations	Streetscape Beautification and Verge Maintenance Policy	GM Community & GM Infrastructure Ops	Nov-12	Nov-18	Review scheduled for 22/23 financial year	n/a
Community	Citizens Initiated Referenda Policy	GM People and Organisational Performance (Corporate)	Jul-16	Jul-19	Review paused	Local Electoral Act 2001
Community Infrastructure Operations	Naming of Roads, Open Spaces and Council Facilities Policy	GM Infrastructure Ops and GM Growth	Sep-16	Sep-19	Under review	n/a
Community	Seismic Performance of Buildings Policy	GM People and Organisational Performance (Corporate)	Apr-17	Apr-20	Under review	n/a
Community	Community Occupancy Policy	GM Community	Nov-18	Apr-21	Review deferred to June 2022	n/a
Community	Open Space Provision Policy	GM Community	Jun-18	Jun-21	Under review	n/a
Community	TAB Board Venue Policy	GM Growth	Dec-18	Dec-21	Review scheduled for November 2022	Racing Industry Act 2020
Community	Disability Policy	GM Community	May-19	Jun-22	Under review	n/a
Economic Development	Business Improvement District (BID) Policy 2019	GM Growth	Jun-19	Jun-22	Under review	n/a
Finance	Rates Remissions and Postponements Policy	GM People and Organisational Performance (Corporate)	Jun-21	Jun-22	Under review - amendment only	Local Government Act 2002
Strategic Growth	Sale and Disposal of Council Land Policy	GM Growth	Sep-19	Jul-22	Current	n/a
Community	Class 4 Gambling Venue Policy	GM Growth	Sep-19	Sep-22	Review scheduled for Nov 2022	Gambling Act 2003
Council	Delegations to Positions Policy	GM People and Organisational Performance (Corporate)	Jun-21	Oct-22	Current	n/a
Council	Elected Members Support Policy	GM People and Organisational Performance (Corporate)	Mar-21	Nov-22	Current	Local Government Act 2002
Economic Development	Appointment and Remuneration of Board Members of COs, CCOs and CCTOs Policy	GM People and Organisational Performance (Corporate)	Jun-21	Nov-22	Current	Local Government Act 2002
Infrastructure Operations	Dangerous and Insanitary Buildings Policy	GM Growth	May-18	May-23	Current	Building Act 2004
Strategic Growth	Growth Funding Policy	GM People and Organisational Performance (Corporate)	Jun-21	Jun-23	Current	n/a
Strategic Risk & Assurance	Risk Management Policy	GM People and Organisational Performance (Corporate)	Aug-20	Jun-23	Current	n/a
Council	Significance and Engagement Policy	GM Strategy & Communications	Aug-20	Aug-23	Current	Local Government Act 2002
Community	Smokefree and Vapefree Outdoor Areas Policy	GM Community	Sep-20	Sep-23	Current	n/a
Economic Development	Municipal Endowment Fund Policy	GM Growth	Sep-20	Sep-23	Current	n/a
Infrastructure Operations	Three Waters Connections Policy	GM Infrastructure Operations	Sep-20	Sep-23	Under review	n/a
Community	Community Assistance Policy	GM Community	Oct-20	Oct-23	Current	n/a
Community	City Honours Policy	GM Strategy and Communications	Oct-20	Oct-23	Current	n/a
Community	Psychoactive Substances (Local Approved Products) Policy	GM Community	Oct-18	Oct-23	Current	Psychoactive Substances Act 2013
Community	Domain Endowment Fund Policy	GM Growth	Nov-20	Nov-23	Current	n/a
Community	Trading in Public Places Policy	GM Community	Dec-20	Dec-23	Current	n/a
Community	International Relations Policy	GM People and Organisational Performance (Corporate)	Mar-21	Mar-24	Current	n/a
Finance	Rating Policy	GM People and Organisational Performance (Corporate)	Jun-21	Jun-24	Current	Local Government Act 2002; Local Government Rating Act 2002
Finance	Funding Needs Analysis Policy	GM People and Organisational Performance (Corporate)	Jun-21	Jun-24	Current	Local Government Act 2002
Finance	Revenue and Financing Policy	GM People and Organisational Performance (Corporate)	Jun-21	Jun-24	Current	Local Government Act 2002
Finance	Investment and Liability Management Policy	GM People and Organisational Performance (Corporate)	Jun-21	Jun-24	Current	Local Government Act 2002
Strategic Growth	Development Contributions Policy	GM Growth	Jun-21	Jun-24	Current - amendment underway 2022	Local Government Act 2002
Community	External Funding Applications Policy	GM Community	Jun-21	Jun-24	Current	n/a
Economic Development	Freeholding of Council Endowment Land Policy	GM Growth	Aug-21	Aug-24	Current	Hamilton Domain Endowment Act 1979

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Council	Delegations to officers specific to the Resource Management Act 1991	GM Growth	Oct-21	Oct-24	Current	Resource Management Act 1991
Community	Monuments and Memorials Policy	GM Community	Nov-21	Nov-24	Current	n/a
Community	Permanent Public Art Policy	GM Community	Nov-21	Nov-24	Current	n/a
Economic Development	Event Sponsorship Policy	H3 & Events	Mar-22	Mar-25	Current	n/a
Community	Dog Control Policy	GM Community	May-15	Feb-23	Current	Dog Control Act 1996
Environment Infrastructure Operations	PROPOSED Climate Change and Environment Policy	TBC	new	new	Under development	n/a
	PROPOSED Hamilton Parking Management Policy	GM Infrastructure Operations	new	new	Under development	n/a
TBC - Community	PROPOSED Bi-lingual Policy	Amorangi Maaori	proposed	proposed	Under consideration	n/a
Community	Provisional Local Alcohol Policy (LAP)	GM Community	under consideration	under consideration	Under consideration	Sale and Supply of Alcohol Act 2012

OTHER GOVERNANCE DOCUMENTS						
Council Committee	Document	Sponsor/ Group	Last review date	Next review date	Status	Related legal provisions
Council	Committee Terms of Reference and Governance Structure	People and Organisational Performance	Nov-19	Nov-22	Current	Local Government Act 2002
Council	Elected Member Code of Conduct	People and Organisational Performance	May-22	May-25	Current	Local Government Act 2002

MANAGEMENT POLICIES						
Management Policy Title	Purpose	Last reviewed and approved	Next Review Date	Status	Sponsor	Policy Owner Name
Advertising	To ensure Hamilton City Council receives best value from its advertising expenditure by providing advice and guidance in the buying and placement of advertisements.	Feb-10	Oct-12	Being replaced	Communications	Nicole Nooyen
Copyright Print Media	To outline the licensing provision which allows Council staff the right to use print media copyright material.	Oct-09	Oct-12	Being replaced	Communications	Nicole Nooyen
Social Media	To ensure that the flow of information between staff and the social media community is accurate, timely and promotes Council's credibility and reputation in the wider community.	Sep-13	Sep-16	Being replaced	Communication	Nicole Nooyen
Media	To ensure staff understand the process that needs to be followed when dealing with media enquiries. To ensure representatives of the media are dealt with consistently, fairly and professionally at all times.	Mar-14	Mar-17	Being replaced	Communication	Nicole Nooyen
Records Management	Defines the role and functions of Records Management and establishes the principles and responsibilities of Hamilton City Council and its officers to ensure appropriate management of records..	Dec-14	Dec-17	Under review	Information Systems	TBC
Herbicide Use	To provide high level guidelines around the use of herbicides in the management of unwanted vegetation.	Mar-15	Mar-18	Under review	City Parks	Maria Barrie
Smoke Free Workplace	To provide a healthy work environment for workers and visitors to our facilities and open spaces. It is an additional requirement that sets our minimum standard above current legislation to prevent the detrimental effects of smoking on the health of people who do not smoke, or who do not wish to smoke.	Oct-16	Mar-20	Under review	People, Safety & Wellness	Karin Barclay
Cash Handling	To ensure that there is consistent cash management practices which minimise risk and hazards, and enable cash handling processing to be carried out in a safe and secure manner.	Apr-17	Apr-20	Under review	Finance	Tracey Musty
Gifts and Hospitality	To explain the principles and procedures for Council Staff to follow when considering whether to accept or decline offers of Gifts or Hospitality.	Mar-17	Jul-20	Under review	Finance	Igor Magud
Lighting on Parks	To provide clear guidelines to inform decision making around which Hamilton City parks will be lit to enable their safe night-time use and to specify the manner in which lighting will be provided.	Aug-17	Aug-20	Due for review	Parks & Open Spaces	Luke Archbold
Study Assistance Policy	To support staff who wish to continue to develop their personal and/or professional skills through further study, in support of their career development whilst working at Council. The purpose of this Policy is to outline relevant information in support of staff pursuing further study through approval, which is relevant and beneficial to both the staff member and Council.	Mar-18	Mar-21	Under review	People, Safety & Wellness	Dan Finn

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Harassment, Bullying and Discrimination	To provide a safe and supportive working environment for all its employees and customers. To promote awareness of the issues and define workplace harassment, bullying, discrimination and conflict.	May-18	May-21	Under review	People, Safety & Wellness	Dan Finn
Asset Management	To outline the organisation's approach to asset management to ensure the City's physical infrastructure is managed in a way that delivers the desired level of service in a sustainable, well planned and cost effective manner.	Jun-18	Jun-21	Under review	Programme Manager, Assets Strategy	Paul Gower
Revaluation	To outline the organisations approach to revaluations to ensure that the value and depreciation held for the City assets is accurate.	Jul-18	Jun-21	Under review	Finance	Tracey Musty
Treasury	To outline approved policies and procedures in respect of all treasury activity to be undertaken by Hamilton City Council ("HCC"). The formalisation of such policies and procedures will enable treasury risks within HCC to be prudently managed.	Jun-18	Jun-21	Under review	Finance	Tracey Musty
Museum Collection	To guide the growth, development and management of the Museum's collection.	Jun-18	Jun-21	Under review	Museum	Anita Robinson
Customer Complaints Policy	To set out Council's commitment to providing a robust, transparent mechanism for members of the public to make a complaint regarding the conduct, standard of service, actions or lack of action by Council, services or staff.	Sep-19	Sep-21	Due for review	Customer Services	Michelle Kerbers
Unreasonable Customer Conduct Policy	To set out Council's commitment to fair, transparent and appropriate dealings with customers and the principles that guide this commitment and provide a management framework for dealing with unreasonable customer conduct	Sep-19	Sep-21	Due for review	Customer Services	Michelle Kerbers
Surveillance Camera	To outline the guidelines for Councils collection, storage and use of images collected.	Oct-18	Oct-21	Due for review	City Safe	Kelvin Powell
Execution of Documents	To provide procedure for execution and signing of documents having legal significance.	Nov-19	Nov-21	Due for review	Governance and Assurance	Paul Blewman
Acceptable Use	To ensure that all computer systems and networks owned or managed by HCC are operated in an effective, safe, ethical and lawful manner and it is the responsibility of every computer user to know these requirements and to comply with them.	Jan-18	Nov-21	Under review	Information Systems	Michelle Hawthorne
Code of Conduct	To set out the rules and expectations of staff while they are employees at Hamilton City Council.	Dec-18	Dec-21	Due for review	People, Safety & Wellness	Susan Souren
Intellectual Property and Ownership Rights	To ensure Council retains ownership and rights of use of its assets, information, and intellectual property.	Dec-18	Dec-21	Due for review	People, Safety & Wellness	Dan Finn
Performance Management and Disciplinary	To ensure that HCC has a performance management and disciplinary process that is fair, transparent and applied consistently.	Dec-18	Dec-21	Due for review	People, Safety & Wellness	Dan Finn
Fencing	To provide guidance for how Council will apply their obligations under the Fencing Act 1978 in regard to contributions towards fences that share a boundary	Feb-19	Feb-22	Due for review	City Infrastructure	Robyn Denton
Drug and Alcohol	To: show our responsibility and commitment to ensure a safe and healthy workplace for our staff; ensure that our staff can work in an environment free of alcohol and drug use or abuse; outline Council's expectations and requirements for creating and maintaining an alcohol and drug-free work environment and for dealing with substance abuse in the workplace; and provide an opportunity to staff members with a substance use problem to get well.	Mar-19	Mar-22	Under review	People, Safety & Wellness	Dan Finn
Capitalisation	To provide guidance to council officers around the recognition and treatment of capital costs, revaluation, depreciation, impairment, disposal and accounting for assets.	Mar-19	Mar-22	Due for review	Finance	Tracey Musty
Compliance	To provide the principles and set the expectations for how the Council will manage and achieve compliance in all areas of its operations.	Apr-19	Apr-22	Due for review	Governance and Assurance	Michelle Hawthorne
H3 Venue Conditions of Entry	To provide guidelines and support for the implementation of Conditions of Entry at Hamilton City Council event venues managed by H3.	Aug-19	Jun-22	Current	H3	Claire Toko Chad Hooker
COVID-19 Vaccination Policy	To outline Council's position and requirements in relation to COVID-19 vaccinations to reduce the risk of contracting or transmitting COVID-19 for all Employees, Contractors and Volunteers.	Dec-21	Jun-22	Current	People, Safety & Wellness	Dan Finn
Sensitive Development	To guide staff in identifying sensitive developments that could be of interest to Elected Members and SLT and sets out a mechanism to inform elected members of such sensitive developments.	Aug-19	Aug-22	Current	Growth	Blair Bowcott
Encroachment Policy	To enable Council to reasonably control encroachments into Road Reserves and Reserves	Aug-19	Aug-22	Current	City Transportation	Eeva-Liisa Wright

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Business Continuity	This policy provides the principles and sets the expectations for how Hamilton City Council will provide business continuity management with respect to its critical functions. It should be read alongside the Business Continuity Management Standards and Guidelines, which provide guidance for staff on how to meet those expectations in practice.	Aug-19	Aug-22	Current	Governance and Assurance	Julie Ambury
Domestic Violence Leave	To set out Council's commitment in protecting the wellbeing of all staff who may be subject to or perpetrators of Domestic Violence.	Sep-19	Sep-22	Current	People, Safety & Wellness	Dan Finn
Visitor Control	To control visitors exposure to work place hazards and to control visitor access for all council buildings.	Oct-14	Oct-22	Current	Customer Service Key Accounts	Michelle Kerbers
Energy and Carbon Management	To minimise energy consumption and greenhouse gas emissions across the organisation in accordance with our sustainability principles.	Nov-19	Nov-22	Current	Facilities	Anita Oliver
Remuneration	Our remuneration supports our strategy to attract and retain talented people to achieve key community outcomes that help to improve the wellbeing of Hamiltonians.	Jun-20	Jun-23	Current	People, Safety & Wellness	Dan Finn
Flexible Working Arrangements	To support the achievement of organisational goals and objectives by supporting staff to balance their work and personal lives. In turn, this is expected to enhance the attraction, retention and productivity of our people.	Oct-20	Oct-23	Current	People, Safety & Wellness	Dan Finn
Leave	To provide guidance on how HCC manages Leave. This policy should be read in conjunction with the relevant employment agreement.	Oct-20	Oct-23	Current	People, Safety & Wellness	Dan Finn
Hamilton City Libraries Collection	To provide a framework for the development and management of Hamilton City Libraries' collections.	Nov-20	Nov-23	Current	Hamilton Libraries	Stephen Pennruscoe Rebecca Whitehead
Workplace Diversity and Inclusion Policy- - includes Rainbow Policy	To ensure all Council employees work in an environment where diversity and inclusion (D&I) is encouraged, respected and embraced in day-to-day operations; individuals are supported. Recognised as valuable. Treated with respect, positively included and feel safe; and Council's commitment to D&I in the workplace helps us to be inclusive in our engagement with the community and delivery of services. Note this includes the Rainbow Policy and, in future, Religion Policy, ethnicity Policy etc.	Oct-21	Oct-24	Current	People, Safety & Wellness	Dan Finn
Procurement Policy and Procedures Manual	This Policy is to provide Council staff with clear guidelines relating to procurement and ensure any Hamilton City Council procurement is made appropriately and in line with good public sector practice.	Dec-21	Dec-24	Current	Procurement	Igor Magud
Fleet	To ensure that Council fleet is operated and managed in a manner that is fit for purpose, cost efficient, safe, lawful, and reduces carbon emissions.	Jan-22	Jan-25	Current	Facilities	Anita Oliver
Child Protection	To take all practicable measures to protect young people under the age of 18 years by providing a safe environment for children attending council-owned and operated facilities. Hamilton City Council will work in partnership with government and social development agencies to ensure the safety and wellbeing of children whilst meeting the requirements of the Vulnerable Children's Act (2014).	Jan-22	Jan-25	Current	People, Safety & Wellness	Dan Finn
Health and Safety	To contribute to all aspects of Hamilton City Council's organisational health and safety performance as part of a demonstratable commitment to continuous improvement in health and safety.	Jan-22	Jan-25	Current	People, Safety & Wellness	Dan Finn
Recruitment and Selection	To ensure that the recruitment and selection of HCC staff is undertaken in a fair, consistent, transparent and cost effective way.	Jan-22	Jan-25	Current	People, Safety & Wellness	Dan Finn
Litter Enforcement	To provide guidance to Council officers on issuing infringement notices under the Litter Act 1979.	Jan-22	Jan-25	Current	City Safe	Kelvin Powell
Civil Defence and Emergency Management	To ensure that Hamilton City Council (HCC) meets the requirements of the Civil Defence Act 2002 and is able to effectively and efficiently respond to and recover from an emergency event.	Mar-22	Mar-25	Current	Risk & Emergency Management	Kelvin Powell
Staff Election Protocols	To help employees understand and balance their role in a politically neutral public organisation, with their right to participate in the local democratic process and local elections.	Mar-22	Mar-25	Current	Governance and Assurance	Michelle Hawthorne

Update as at 19 May 2022

MANAGEMENT POLICY WITH STRATEGIC RISK AND ASSURANCE COMMITTEE OVERSIGHT						
Management Policy Title	Purpose	Last reviewed and approved	Next Review Date	Status	Sponsor	Policy Owner Name
Conflicts of Interest	To ensure staff are aware of and declare actual and potential conflicts of interest between their employment and their activities outside of work.	Mar-18	Mar-21	Under review	People, Safety & Wellness	Dan Finn
Sensitive Expenditure	To provide Council staff with clear guidelines relating to Sensitive Expenditure and ensure any HCC expenditure is made appropriately and in line with good public sector practice.	May-18	May-21	Under review	Finance	Tracey Musty/Igor Magud
Protected Disclosure	If an employee discovers information which they believe shows serious wrong doing within the organisation, there should be established procedures which enable the employee to disclose such information without fear of reprisal	Sep-19	Sep-21	Under review	Governance and Assurance	Michelle Hawthorne
Fraud and Corruption	To prevent fraud and/or corruption and ensure the overall integrity and performance of Council. This policy provides a consistent and transparent approach to all allegations of fraud and/or corruption.	Sep-19	Sep-22	Current	Governance and Assurance	Michelle Hawthorne

DELEGATIONS MANAGEMENT POLICIES						
Delegations Management Policy Title	Purpose	Last reviewed and approved	Next Review Date	Status	Sponsor	Policy Owner Name
Delegations to Officers under the Public Works Act 1981	To set out the delegations from the Chief Executive to Council Officers under the Public Works Act 1981.	Apr-14	Apr-17	Review paused	Growth	Mark Davey
Financial Delegations to Officers	To ensure consistency in carrying out activities and to ensure that the authority to commit (or bind) Council to arrangements with third parties (suppliers, vendors, contractors, tenants, event promoters, sales agencies, CCO's, government departments and statutory organisations, etc.) is properly delegated and correctly monitored.	Mar-17	Oct-20	Under review	Finance	Tracey Musty
Delegations to Officers under the Trespass Act 1980	To set out the delegations from the Chief Executive to Council Officers under the Trespass Act 1980.	Dec-20	Dec-23	Current	Community	Kelvin Powell
Delegations to Growth Officers and City Safe Unit Officers (excluding delegations under the RMA)	To set out the delegations from the Chief Executive to Council officers in Growth and the City Safe Unit.	Jul-21	Jul-24	Current	Growth	Blair Bowcott
Delegations to City Infrastructure Officers	To set out the delegations from the Chief Executive to Council Officers in City Infrastructure.	new	new	Draft	Infrastructure Operations	Eeva-Liisa Wright

Update as at 19 May 2022

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 - 30 March 2022) Good reason to withhold) information exists under) Section 7 Local Government) Official Information and) Meetings Act 1987)	Section 48(1)(a)
C2. PwC Internal Audit Update		
C3. Legal Risks - Committee Update		
C4. Cyber Risks		

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