

Notice of Meeting:

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

Date: Wednesday 30 March 2022
Time: 9.30am
Meeting Room: Audio-Visual Link

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 Rob Pascoe
Cr Dave Macpherson
Cr Angela O’Leary
Cr Mark Bunting
Cr M van Oosten
Maangai Jaydene Kana

Quorum: Four members (including one external appointee)

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

Amy Viggers
Mana Whakahaere
Governance

23 March 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: 30 March 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 - 18 November 2021

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

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

Attachments - *Ngaa taapirihanga*

Attachment 1 - Strategic Risk and Assurance Committee Open Unconfirmed Minutes - 18 November 2021

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 Thursday 18 November 2021 at 9.32am.

PRESENT

Chairperson	Ms Keiran Horne
<i>Heamana</i>	
Deputy Chairperson	Mr Bruce Robertson
<i>Heamana Tuurua</i>	
Members	Mayor P Southgate
	Cr R Pascoe
	Cr M van Oosten
	Cr Macpherson
	Maangai J Kana

In Attendance	Cr Mark Donovan
	Lance Vervoort – Chief Executive
	David Bryant – General Manager People and Organisational Performance
	Blair Bowcott – General Manager Growth
	Eeva-Liisa Wright – General Manager Infrastructure Operations
	Tracey Musty – Financial Controller
	Michelle Hawthorne – Legal Services Manager
	Murray Heke – Chief Transformation Officer
	Chris Barton – Capital Projects Manager
	Dan Finn – People, Safety and Wellness Manager
	Morva Kaye – Internal Auditor
	Cory Lang – Building Control Manager
	Marie Snowball – Safety and Wellness Lead
	Frances Cox-Wright – Policy and Bylaw Lead
	Julia Kofoed – Insurance Lead
	Aaron Steele – PricewaterhouseCoopers
	Matthew Wilson – Aon Insurance

Governance Staff	Narelle Waite – Governance Advisor
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1. Apologies - *Tono aroha*

Resolved: (Ms Horne/Maangai Kana)

That the apologies for absence from Cr O'Leary (Council Business), Bunting and Macpherson are accepted.

Mayor Southgate joined the meeting (9.34am) during discussion of the above item. She was present when the matter was voted on.

2. Confirmation of Agenda - *Whakatau raarangi take*

Resolved: (Ms Horne/Mr Robertson)

That the agenda is confirmed.

Mayor Southgate left the meeting (9.36am) during discussion of the above item. She was not present when the matter was voted on.

3. Declarations of Interest - *Tauaakii whaipanga*

Cr van Oosten noted she has an interest in Item C2 (Legal Risks), she noted she was conflicted and would not participate in discussion nor vote on the matter.

4. Public Forum - *AAtea koorero*

No members of the public wished to speak.

5. Confirmation of the Strategic Risk and Assurance Committee Open Minutes - 14 September 2021

Resolved: (Ms Horne/Cr Pascoe)

That the Strategic Risk and Assurance Committee confirm the Open Minutes of the Strategic Risk and Assurance Committee Meeting held on 14 September 2021 as a true and correct record.

6. Confirmation of the Strategic Risk and Assurance Committee Open Minutes - 29 September 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 29 September 2021 as a true and correct record.

7. Chief Executive Report - Verbal Update

The Chief Executive provided a verbal report noting the Covid-19 response, the labour market and staff retention, staff wellbeing, staff vaccination policy and Council's support for the health response in the community, and central government legislative reforms. He responded to questions from Members concerning Council's Covid response in Level 2 to support the health of staff and the community, and staff wellbeing.

Resolved: (Ms Horne/Mayor Southgate)

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

Mayor Southgate re-joined the meeting (9.42am) during discussion of the above item. She was present when the matter was voted on.

8. Safety and Wellness Report - 1 August 2021 to 31 October 2021

The People, Safety and Wellness Manager took the report as read noting the safety management system update and safety reset activities. Staff responded to questions from Members concerning staff uptake of wellbeing resources including webinars and EAP, the Work Well Programme and the Safety Management System framework, wellbeing resources for the current political climate, near miss reporting, response processes for notifiable events, high performance targets, Council's staff engagement survey, and health and wellbeing reporting to Council.

Resolved: (Ms Horne/Cr van Oosten)

That the Strategic Risk and Assurance Committee receives the report.

9. Risk Management Report

The Legal Services Manager took the report as read noting key risks – recruitment, Covid-19, and supply chain in the capital works programme. Staff responded to questions from Members concerning the Critical Asset Failure risk when responding to the new Covid protection framework, supply chain, long-term contractor relationships, and the Cyber Attack risk profile.

Resolved: (Ms Horne/Mayor Southgate)

That the Strategic Risk and Assurance Committee receives the report.

10. PwC – Internal Audit Update and Report

Aaron Steele (PricewaterhouseCooper) took the report as read noting progress against the audit plan.

Resolved: (Ms Horne/Maangai Kana)

That the Strategic Risk and Assurance Committee receive the report.

11. HCC – Internal Audit Update and Report

The Internal Auditor took the report as read noting the progress on the capitalisation of assets and contracts register internal audits. She responded to questions from Members concerning the Contracts Register, and the timeline for the Committee to receive the Waka Kotahi report.

Resolved: (Ms Horne/Maangai Kana)

That the Strategic Risk and Assurance Committee receives the report.

12. Organisational Improvement Report

The Internal Auditor took the report as read noting outstanding recommendations from Audit NZ and the Office of the Auditor General and the timeline for the Committee to receive the Waka Kotahi report. Staff responded to questions from Members concerning outstanding recommendations and timeframes for implementation, and the Waka Kotahi report.

Resolved: (Ms Horne/Cr van Oosten)

That the Strategic Risk and Assurance Committee receive the report.

13. Annual Insurance Report

The Insurance Lead introduced Matthew Wilson (Aon). They took the report as read noting the renewal of Council's insurance policies, Council's insurance risk appetite and an upcoming workshop on the matter. They responded to questions from Members concerning professional indemnity insurance, and Council's decision against cyber insurance.

Resolved: (Ms Horne/Cr Pascoe)

That the Strategic Risk and Assurance Committee receives the report.

Cr Macpherson joined the meeting (11.05pm) during discussion of the above item. He was present when the matter was voted on.

14. Annual Credit Rating Report - S&P Global Ratings

The Financial Controller took the report as read noting Council's new credit rating and the effect of receiving a high rating. Staff responded to questions from Members concerning the risk of a rating downgrade considering debt-to-revenue and the Covid's effect on revenue, assessment of budgeting performance, potential impact of central government reforms.

Resolved: (Ms Horne/Cr Pascoe)

That the Strategic Risk and Assurance Committee receives the report.

15. Compliance Reporting Update

The Legal Services Manager took the report as read noting delays in Conflict of Interest Policy review and the provided policy review schedule. Staff responded to questions from Members concerning the Procurement Policy review, and monitoring processes for the policy review schedule.

Staff Action: *Staff undertook to review the appropriate level of policy ownership for the Health and Safety management policy.*

Resolved: (Ms Horne/Mr Robertson)

That the Strategic Risk and Assurance Committee receives the report.

16. Strategic Risk and Assurance Committee – Annual Self Review

The Chair introduced the report noting the purpose of the report to outline the work of the Committee and improvements in the reporting on Health, Safety and Wellness. Members provided feedback on the Committee's achievements this year.

Resolved: (Mr Robertson/Mayor Southgate)

That the Strategic Risk and Assurance Committee receives the report.

17. Draft Work Programme – 2022

The Legal Services Manager spoke to the report noting that next year is an election year, the key reports planned, and the allowance for flexibility in the work programme. She responded to questions from Members concerning reporting on the Policy Review schedule.

Staff Action: *Staff undertook to consider the appropriate future reporting for the Policy Review Schedule.*

Resolved: (Ms Horne/Cr van Oosten)

That the Strategic Risk and Assurance Committee:

- a) adopts the draft the draft work programme for the Strategic Risk and Assurance 2022; and
- b) notes that a wider Schedule of Reports for the Strategic Risk and Assurance Committee, Council and other committees for 2022 will be updated and provided to the Strategic Risk and Assurance Committee in 2022.

18. Resolution to Exclude the Public

Resolved: (Ms Horne/Mr Robertson)

Section 48, Local Government Official Information and Meetings Act 1987

The following motion is submitted for consideration:

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

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

General subject of each matter to be considered	Reasons for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
C1. Confirmation of the Strategic Risk and Assurance Committee Public Excluded Minutes - 14 September 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 went into Public Excluded session at 11.36am.

The meeting was declared closed at 12.20pm.

Council Report

Item 6

Committee: Strategic Risk and Assurance Committee

Date: 30 March 2022

Author: Lance Vervoort

Authoriser: Lance Vervoort

Position: Chief Executive

Position: Chief Executive

Report Name: Chief Executive Report

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

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

Staff Recommendation - *Tuutohu-aa-kaimahi*

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

Executive Summary - *Whakaraapopototanga matua*

3. 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 discussed at this meeting are health and safety, Covid-19, resourcing, council's 2021-22 Annual Report audit 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.
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. The impact Covid-19 is having on staff and operating activities heightens the risk of injury as workers navigate uncertainty and operational disruptions. Challenges such as increased workloads caused by staff shortages, capability shortages due to skilled staff isolating, and personal wellbeing difficulties can impact performance.
10. People Leaders are focusing on connecting with their staff regularly to check in on their wellbeing, help them prioritise their workload to manageable levels, and provide support where they can.

Covid-19

11. The latest outbreak of the Omicron variant and the Government response to mandate isolation for covid positive and household contacts is impacting Council operations. Some community facing facilities are either having to close or operate at limited capacity due to staff shortages.
12. Business Continuity Plans have been implemented to guide the business through this period and minimise disruptions impacting our community.

Staff vacancies

13. Council has a number of vacancies causing either increased workload on existing staff or the delay of some work priorities. Compounding this problem is the difficulty in recruiting appropriately skilled talent in New Zealand's tight labour market.
14. There is strong competition for candidates which puts pressure on Council to match remuneration levels being offered by other organisations.
15. Staff continue to focus on activities that promote Council as an attractive place to work. Additional focus is on retaining our current staff. Examples include implementing positive actions to increase staff engagement (informed by a recent staff engagement survey), focusing on staff wellbeing and supporting their flexible working arrangements, and by recommending to Council through the 2022-23 Annual Plan to introduce a medical insurance benefit to staff.

Inflation

16. Council is facing significant inflationary pressures resulting in large cost increases across various capital projects and operational expenditure.
17. Staff are working with Elected Members to quantify, as best as possible, the inflationary cost impact and include appropriate mitigations in the 2022-23 Annual Plan.

Timeliness of Council's 2021-22 Annual Report audit

18. Audit NZ have advised Council they are having resourcing challenges that will impact the timeliness of finalising Council's 2021-22 Annual Report audit.
19. This presents an issue whereby the final Annual Report will not be approved by full Council before Elected Members break for the Local Body Elections in October 2022. Instead Elected Members will approve a draft Annual Report prior to elections with the final being approved by the new Council.
20. Audit NZ will provide more information on this later in this meeting.

Financial Considerations - *Whaiwhakaaro Puutea*

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

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

22. 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*

23. 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').
24. The subject matter of this report has been evaluated in terms of the 4 wellbeings during the process of developing this report.

- 25. The recommendations set out in this report are consistent with that purpose.
- 26. No known social, economic, environmental or cultural considerations were identified in the development of this report.

Risks - *Tuuraru*

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

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

- 28. 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: 30 March 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 November 2021 to 31 January 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 November 2021 to 31 January 2022.

Staff Recommendation - *Tuutohu-aa-kaimahi*

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

Executive Summary - *Whakaraapopototanga matua*

3. This report is intended to provide the Strategic Risk and Assurance Committee continued visibility on progress of key strategic activities that are aligned to risks, relationships and resources. To provide Members with a more comprehensive overview on our progress we have also included further updates on wider activities, assurance, and successes.
4. The Safety Management System (SMS) has been reviewed and updated by the Safety & Wellbeing Team. It has been aligned with the ISO45001 international standard with a final draft submitted to the Executive Leadership Team (ELT) for endorsement. It is also intended that the final draft is tabled at the next Safety Governance Committee scheduled for 24 March 2022. Once approved a communication plan will be put in place to inform all business units. A simplified one pager outlining the fundamentals of the SMS is attached (**Attachment 1**).
5. Project Ora has been a priority and building the Safety Events, Hazard & Risk and Inspection Checklist Modules is well underway to complete Phase 1. Good progress is being made with limitations only as we balance 'business as usual' activities with increasing workloads on key individuals and teams who are being affected by multiple change processes, including the ongoing impact and uncertainty that Covid-19 is having on business continuity.
6. Recommendations and corrective actions identified through our 'State of Safety' programme have been assigned to each business unit. The Safety & Wellbeing Business Partners continue to work collaboratively to support and guide business units to achieve key actions assigned. Covid-19 continues to restrict some work and major projects have been given priority.

7. Progress is being made with the Contractor Management workstream, including a Contractor Management Induction Booklet created and currently out for consultation with key stakeholders. Monitoring forms have been finalised and now form part of Phase 1 of the Ora build which contains the inspection templates for audit purposes. Several key activities within this complex body of work are still being completed.
8. 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*

9. 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 wellness strategy and will continue to formulate part of this report until full completion.

Workstream	Status	Next milestone	Comment
SafePlus review recommendations	40%	Consolidate actions & recommendations	Several recommendations will be completed via Ora/SMS streams
SMS development and implementation	100%	SMS finalised and submitted to ELT for endorsement	Communicate out to the business once approved
Technology and communication (Ora)	60%	Safety Events / Hazard & Risk and Inspection Templates comprise 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	30%	Organisational critical risks have been confirmed. Risk owners to be identified.	Review bowties that have been completed. Engaging Coachio Group to complete bowtie risk assessment training on remainder critical risks.
Contractor management	80%	Confirmed workstream team. Consultation with several parties (Procurement, Facilities/ Decentralised Team)	Contractor Induction Booklet finalised and out for consultation. Inspection templates created and being put into Ora.
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*

10. Incidents profiled for the quarter are summarised in figure 1 below.

11. There was a total of 13 injuries this quarter, compared to 4 in the previous period. Of those injured, 3 resulted in lost time and 10 required medical treatment. Near hit reporting has slightly increased from the previous period with 30 near hits recorded.

Figure 1



12. There was one notifiable event to the regulator during this quarter. This event was a serious burn as the result of a Council worker who was mowing lawns and noticed that the mower was overheating. The worker stopped to investigate and opened the hood of the mower and attempted to open the radiator cap. The cap burst off and steam was released, burning the worker on the hand and forearm. The worker sustained serious burns and they were admitted to hospital for 1 night and were put off work from 17 January to 27 February 2022 (a total of 42 days).
13. There was 1 serious harm incident recorded (not WorkSafe notifiable) on 11 January 2022 when a drunk male was present at the Hamilton Gardens and was asked to leave. As he was leaving the Gardens, he splashed a liquid substance at the City Safe and Hamilton Gardens Team members. It was confirmed that this substance was a bodily fluid, and one of our workers had received splashes to their face and corner of their mouth. All team members involved sought immediate medical assessments to rule out any risk of infection, were offered EAP and well supported by their managers. The subsequent medical test results were negative.

Contractor WorkSafe Notifiable Events

14. On 10 January 2022 a WEL RMU527 unit failed with an internal fault. A hole was blown through the case with smoke, sparks and a release of electrical energy occurring. There was no fire. One of our Council workers was walking close by. They were not injured. On 17 January 2022 Waipa Civil had potholed to locate services, then as the drill head went underneath the gas pipe, it disturbed the existing ground material at the bottom of the pothole. This caused the material at the top of the pothole to dislodge and fall in the hole. It hit the gas lateral on the way down, causing it to break off at the main.
15. Further details on the notifiable events above can be found in **Attachment 2**.

Relationships - Whanaungatanga

16. A simplified one-page version of the Safety & Wellness Strategy continues to be communicated throughout the organisation to help support and embed continuous safety improvement in the way we do things at Council. This is being achieved by a collaborative partnering approach adopted by Safety & Wellbeing Business Partners.

17. Covid-19 continues to impact business continuity and there is much work continuing through the Incident Management Team (IMT) to provide the organisation with guidance and clarity based on the information available to us.
18. After much work was put into risk assessments to determine those roles that would be required to be fully vaccinated, it was determined that all roles had an element of risk that was deemed unacceptable. After a thorough consultation process Council implemented a Covid-19 Vaccination Policy (**Attachment 3**), which included the mandating of all employees to be fully vaccinated to carry out their duties at all Council sites and facilities.
19. The landscape continues to change each week and with Government direction we have now moved into Phase 3 of the red setting under the Covid-19 Protection Framework (Traffic Light System). We continue to support our essential and critical workers who are household contacts and who need daily RATs (with a negative result) to be able to work, as well as turning our focus to utilising RATs for monitoring and surveillance purposes at critical sites across the organisation.
20. The annual WorkWell Survey has been scheduled and will open on the 7th of March 2022 for two weeks. The survey is targeted at the wellbeing of our people and once survey results are shared with us, we will ensure that action plans, programmes and key initiatives are designed to address and improve areas highlighted where possible.
21. A survey was sent to Elected Members to better understand the confidence and experience held by them in the health and safety area, and the results of the survey indicated that there are varying levels of expertise. What Elected Members can expect is:
 - i. visits to business units to see the risk associates with tasks and duties done (covid permitting;
 - ii. an adapted mentoring/coaching approach to leverage experience across Elected Members;
 - iii. Online 'Due Diligence' training with Coachio Group which Elected Members can complete in their own time and at their own pace; and
 - iv. Continued support from the Safety & Wellbeing Team.

Given it is an election year it is suggested that face-to-face workshops be organised with new and re-elected members after this time.

22. The Safety & Wellbeing Team have started providing ELT with a monthly Safety & Wellbeing Report to give them greater oversight of what's happening across the whole of Council in this area. A copy of the first report submitted to ELT is provided as **Attachment 4**.
23. The Safety Governance Committee (SGC) met on 1 November 2021, via audio-visual link due to Covid-19 alert level restrictions. The next meeting is scheduled for 24 March 2022. An excerpt from the minutes is below, and the full minutes are provided as **Attachment 5**.

'The SGC undertook a critical risk deep dive on Hazardous Substances, with representation and insights provided by the Community Group in relation to the pool incident at Waterworld. It was agreed that more time was needed to look at the 'What Matters Most' survey. Health & Safety training for Elected Members was to be explored and a focus was needed to be placed on the proposed Plant, Structures and Working at Heights Review which commences in early 2022.'

Resources - Rauemi

24. The Safety & Wellness Team are establishing momentum and building an excellent collaborative working relationship with business units to be able to support and advise them.

25. The team are one Business Partner down since early November 2021 as the result of a serious non-work-related injury. At this stage we are not sure when they will be able to return-to-work due to the seriousness of her injury.

Assurance - *Kii Taurangi*

26. The Safety & Wellbeing Team continue to complete their due diligence across the business units to establish what current processes are in place, how effective they are and strive to establish consistency across the organisation.
27. The completion of some of the big projects of work being worked on by the Safety & Wellbeing Team link directly into the assurance pillar of the SMS.

Success and Recognition - *Angituutanga me ngaa Mihi*

28. In the wake of recent Cyclone Dovie we wanted to recognise the great work done by the City Delivery Teams in responding to the damage done across Hamilton City. There were teams who were out all day and night attending to water main breaks, multiple pump station failures, and arborists cleaning up and clearing damage from fallen trees across roads, which had also damaged many power lines during the event. Teams are still finding damaged and unsafe trees around the city while continuing the clean-up process. The damage caused by the cyclone is expected to take around 8-10 weeks to clean up at this stage.

Financial Considerations - *Whaiwhakaaro Puutea*

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

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

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

Wellbeing Considerations - *Whaiwhakaaro-aa-oranga tonutanga*

31. 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').
32. The subject matter of this report has been evaluated in terms of the 4 well-being's during the process of developing this report.
33. 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*

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

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

Significance

35. 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

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

Attachments - *Ngaa taapirihanga*

Attachment 1 - SMS One Pager

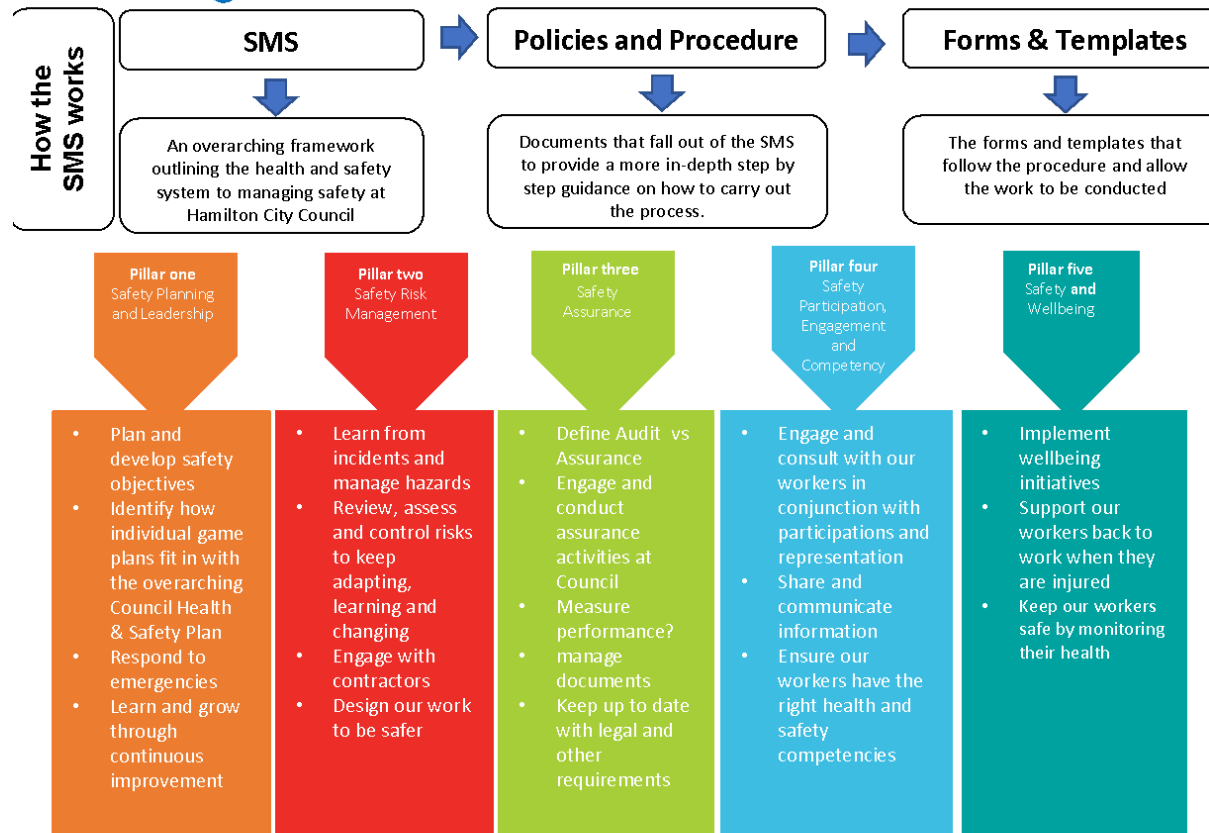
Attachment 2 - Notifiable and Serious Harm Events

Attachment 3 - Covid Vaccination Policy 031221

Attachment 4 - SW Monthly Report

Attachment 5 - Safety Governance Committee Minutes Nov 21

Safety Management System at a glance

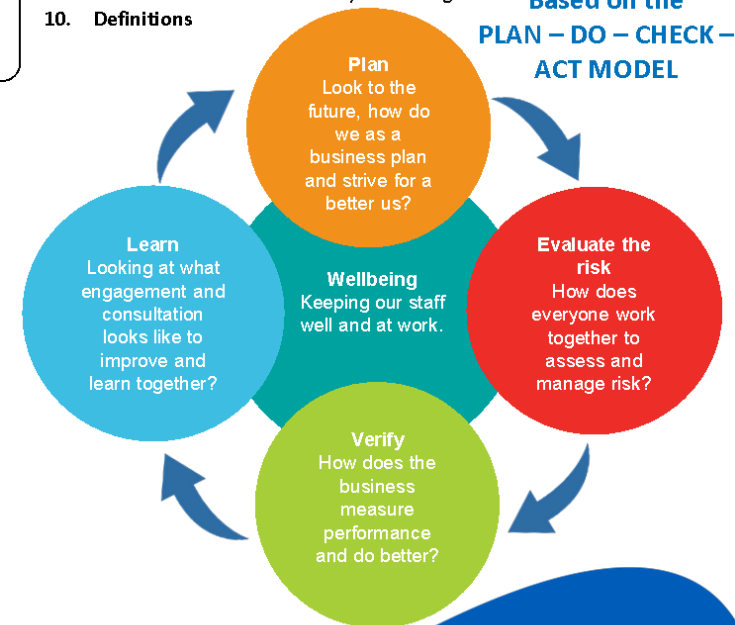


We all play a part in safety, and each have a role in ensuring the success of the SMS

SMS FRAMEWORK DOCUMENT STRUCTURE

1. **Introduction** – How to use the document
2. **Health & Safety Policy** – Leadership Commitment
3. **Roles & Responsibilities** – How each role plays a part
4. **Overarching Framework** – The 5 Pillars
5. **Pillar one** – Health and Safety Leadership and Policy
6. **Pillar two** – Health and Safety Risk Management
7. **Pillar three** – Health and Safety Assurance
8. **Pillar four** – Health and Safety Participation, Engagement and Competency
9. **Pillar five** – Health and Safety Wellbeing
10. **Definitions**

Based on the
**PLAN – DO – CHECK –
ACT MODEL**



Attachment 2 – Notifiable Events

During this reporting period (1 November 2021 to 31 January 2022) there was one notifiable event involving a Council employee and one for a contractor, with two other serious harm events occurring. A brief summary is below:

Date	Incident summary	Status
17 January 2022	<p>WorkSafe Notifiable - Serious Injury</p> <p>While a worker was mowing it was noticed that the mower was overheating. The worker stopped and hopped off to investigate. They opened the hood of the mower and attempted to open the radiator cap. The cap burst off and steam was released burning the worker on the hand and forearm.</p>	<ol style="list-style-type: none"> 1. A regular maintenance programme to clean screens with an air gun and air compressor to maintain good airflow has been introduced which helps prevent mowers from overheating. 2. The team all now operate out of Duke Street to enable management oversight before start of day. 3. Workers reassured that they do not take caps of radiators when hot.
11 January 2022	<p>Serious Harm Incident</p> <p>The City Safe Team responded to a situation when a drunk male was present at the Hamilton Gardens. They asked the man to leave the gardens, and as he was leaving he splashed a liquid substance at the City Safe and Hamilton Gardens Team members.</p> <p>On the 12 January the City Safe Team received information confirming that the liquid was a bodily fluid, and one of our workers had received splashes to their face and corner of their mouth. The City Safe Team received information that the male offender was positive for infectious viruses that could have been transmitted in the event.</p>	<ol style="list-style-type: none"> 1. All team members involved were seeking immediate medical assessments, had been offered EAP and well supported by their managers. 2. The incident was reported to the Police and a Trespass Notice was issued to the Offender to enter the Hamilton Gardens. 3. Team members stood down from work until blood test results were available. 4. Blood tests were negative.

10 January 2022	<p>Potential Serious Harm Event – Contractor</p> <p>At the Pukete Waste Water Treatment Plant a WEL RMU527 unit failed with an internal fault. A hole was blown through the case with smoke, sparks and a release of electrical energy occurring. There was no fire. One of our Council workers was walking close by. They were not injured, however this was serious potential that they could have been.</p>	<ol style="list-style-type: none"> 1. HCC team responded immediately with WEL arriving in 7 mins from my call with FENZ in tow. The Area was cordoned off immediately. 2. The fault was due to an electrical flashover from the high voltage termination of the switchgear to the metal enclosure. The flashover is believed to be due to a breakdown of the high voltage insulation material (Raychem insulation material) allowing moisture ingress and electrical tracking. 3. WEL are replacing the RM527 unit.
17 January 2022	<p>WorkSafe Notifiable – Contractor</p> <p>Waipa Civil Limited had potholed to locate services, then as the drill head went underneath the gas pipe, it disturbed the existing ground material at the bottom of the pothole. This caused the material at the top of the pothole to dislodge and fall in the hole. It hit the gas lateral on the way down, causing it to break off at the main.</p>	<ol style="list-style-type: none"> 1. First Gas were called out and isolated the gas 2. Waipa Civil Limited have notified WorkSafe and Hamilton City Council

ATTACHMENT 3

Date Approved by ELT:	3 December 2021
Next review date:	3 June 2022
Document number:	D-4013352
Associated documents:	N/A
Sponsor/Group:	People and Organisational Performance
Policy Owner:	People, Safety and Wellness

Management Policy – COVID-19 Vaccination Policy

Te Puutake - Purpose

1. The purpose of this Policy is to outline Hamilton City Council's ('Council') 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.
2. In consultation with employees, Council has conducted a risk assessment examining exposure and transmission risks across most roles within the organisation. We also looked at the range of other controls available and how those may be applied across the organisation.
3. Council has an obligation to provide a safe and healthy working environment for all our workers under the [Health and Safety at Work Act 2015](#), which extends to others that we engage, including our customers, visitors and wider communities and iwi. This commitment is reinforced through our organisational purpose, to 'Improve the wellbeing of Hamiltonians' and places front and centre our non-negotiable ethos: Safety first in all we do.
4. Under the Health and Safety at Work Act 2015 we have a duty to take all reasonably practicable steps to eliminate, or otherwise minimise, any risks to our people. Council continually assesses risks within our workplaces, including the risk that is introduced by having COVID-19 in the community.
5. Vaccinations play a key role in managing the risk of COVID-19 in the workplace as they provide an effective way to mitigate the risk to business continuity arising from workplace infection and support the continuing provision of our services and job security for our people. More importantly, they are crucial in reducing the likelihood of our people and the community accessing our workplaces and becoming infected with COVID-19 in the course of the work that we do and reducing the severity of the illness if anybody is infected despite best efforts being made to avoid that happening.

Overview

6. Council recognises that vaccination against COVID-19 represents an important risk mitigation to assist in bringing the spread and impact of the disease under control.

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Vaccines help protect people by reducing their likelihood of becoming infected and by

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either preventing or reducing symptoms of COVID- 19 which is helpful in reducing the risk of COVID-19 spreading in the workplace.

Ngaa Tikanga Whakahaere - Principles of Policy

7. The guiding principles for this policy are:

- To effectively manage the health and safety of all people in the workplace through our risk management process
- Support the Governments vaccination programme and the ethos behind the COVID-19 Protection Framework
- Adhere to all Public Health Orders issued by Government to manage COVID-19, which takes precedence over this Policy and any other Council issued instructions

Te Whaanuitanga – Scope

8. This Policy applies to all Employees, Contractors and Volunteers of the Council, regardless of whether they work full time, part time or on a casual basis and irrespective of location.
9. This policy also extends to any contractors and temporary staff performing work for Council or who are present in the workplace or engaging with our employees through the course of their work.
10. All Council Business Units are required to comply with this Policy in its entirety.
11. COVID-19 vaccination requirements applicable to independent contractors and suppliers will be set out in the Supplier Requirements.
12. This Policy has been drafted based on the advice and information provided by government departments at the time. However, given the changing nature of matters relating to COVID-19, this Policy will be reviewed in 6 months' time, or earlier if required, and changes made where necessary. Staff will be advised of any further updates to this Policy.

Aahurutanga – Guidelines

Accessing our workplaces

13. While vaccination greatly reduces a person's chance of infection with COVID-19 as well as likelihood of severe illness resulting from infection, transmission can still occur. For this reason, it is important that staff remain vigilant and take appropriate alternative precautions and protections.

Symptoms of COVID-19 include:

- Fever
- Cough
- Fatigue/tiredness
- Loss of taste and/or smell
- Sore throat
- Headache

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- Aches and pain

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14. If you experience any of the above symptoms, or any other cold or flu-like symptoms, you should not come to work. You should notify your People Leader as per the usual process for sick leave. Symptomatic staff should be tested for COVID-19 as soon as possible in accordance with the Ministry of Health's guidelines. Council may require evidence of a negative COVID-19 test returning to work.
15. More information about COVID-19 symptoms and what to do if symptoms develop can be found here [COVID-19-like symptoms](#)
16. All Council employees shall be given reasonable, paid, time off work to enable a COVID-19 test to be taken and to isolate until the result is known if they are displaying COVID-19 symptoms, or if they have returned a positive test result.
17. If a Council employee contracts COVID-19, they must follow all Ministry of Health instructions, notify their People Leader, and may not return to a Council workplace until they return a negative COVID-19 test and are asymptomatic.
18. Council will provide paid special leave to accommodate short-term absences from work relating to COVID-19. If time off is prolonged (longer than three weeks), then we will work with the employee on a case-by-case basis to assist in determining further ongoing support.
19. Vaccination is a key measure for Council to minimise the risk of COVID-19 in the workplace and from the date the COVID-19 Protection Framework comes into force on 3 December 2021:
 - a. Every Council Employee, Contractor or Volunteer who is required to enter one of Council's workplaces to perform their duties must be vaccinated. Council appreciates that not all staff are currently vaccinated and so this requirement will be phased in as follows:

From 13 December 2021: only people who have had at least one COVID-19 vaccination will be allowed on our sites.

From 17 January 2022: only people who are fully vaccinated will be allowed on our sites.
 - b. Every Council Employee, Contractor or Volunteer who enters any of our customer or supplier sites must be fully vaccinated.

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20. 'Fully vaccinated' means having received two doses of the Pfizer COVID-19 vaccine or an equivalent approved by the Ministry of Health. Additional booster vaccinations will also be required to maintain a person's 'fully vaccinated' status as those become applicable.
21. In circumstances where a member of staff has not been vaccinated (due to medical, religious, or personal choice reasons), or provided proof of vaccination by the above date(s), Council will work with those individuals and consider any redeployment options or alternative duties that may be available, including any remote working arrangements. The Chief Executive, the General Manager - People and Organisational Performance, the relevant General Manager of the staff member and the People, Safety and Wellness Manager, will oversee and approve these arrangements on a case-by-case basis.
22. Due to the nature of the work that we do, these options are likely to be very limited. If an alternative is not able to be found, we may be left with no option but to terminate employment.
23. To help us manage our vaccination requirements:
- Every Council Employee, Contractor and Volunteer will be asked to disclose their vaccination status, and to update that status as and when it changes (e.g., they receive a booster vaccination).
 - Council acknowledges that someone's vaccine status is personal and private information and employees are not obliged to disclose their vaccination status to anyone beyond their People Leader and/or a nominated representative from People, Safety and Wellness for record purposes.
 - All vaccination information will be held in a secure, confidential system with restricted access, and in accordance with the Privacy Act 2020. If you choose not to disclose your vaccination status, we will assume you are not vaccinated for the purpose of this Policy.
 - All employees have Council's full support in getting vaccinated. For those not vaccinated, reasonable time off on pay will be given (up to one day) to speak to a medical professional regarding the vaccine, and/or to receive the vaccine.
 - If an employee has any concerns regarding this Policy, or wishes to discuss their individual circumstances, they are encouraged to talk to their People Leader, a member of the People, Safety and Wellness Team, Health & Safety Representative, or an independent advisor.

Public Facilities

24. Council will require proof of vaccination (My Vaccine Pass) from the public as a condition of entry into Council facilities e.g., H3 Sites (FMG Stadium, Claudelands and Seddon Park), Hamilton Park Cemetery (crematorium, chapel and other building accesses by the public) our Aquatic Centres, the Hamilton Zoo, Waikato Museum, ArtsPost and i-site, Hamilton Gardens (pavilion, information centre/shop and enclosed gardens), our Libraries, the Municipal Building and Council Chambers, to protect the public and our people from contracting or transmitting COVID-19.
25. As a public service we have an obligation to our community to operate as effectively and efficiently as is possible under the COVID-19 Protection Framework (traffic light system).
26. By implementing the requirements to provide proof of vaccination (or exemption) to gain entry into Council venues and facilities, it logically follows that public will expect that all Employees, Contractors and Volunteers are also vaccinated. For staff working in sectors or business units described as being “higher risk” under the traffic light system (including events, hospitality, close contact services etc.), staff will be legally required to be vaccinated under the Government mandate (Vaccine Pass Mandate).

Risk Assessment

27. The purpose of our risk assessment was to determine the current risk associated with COVID-19, and to assess the effectiveness of control mechanisms, including the use of vaccination as a workplace control, to reduce risk to a level that is deemed acceptable, or as low as reasonably practicable.
28. Using WorkSafe’s [risk assessment approach](#) we worked with relevant people leaders and staff who perform the work to understand the risk for each role. For completeness, we have performed a risk assessment for roles that are already subject to a Government mandate and those working in higher-risk environments subject to a Vaccine Pass mandate under the traffic light system.
29. At Council we have over 1,300 employees undertaking approximately 655 different roles. For the purpose of the risk assessment, each role was placed into the following broad categories:

A. PHO Roles	Positions that fall under the COVID-19 Public Health Response (Vaccinations) Order 2021
B. Higher Risk Roles	Positions working in environments or services specified as being higher risk under the COVID-19 Protection Framework (traffic light system)
C. Vulnerable Contact Roles	Positions that work with children under 12, or other vulnerable members of the community
D. Office Based Roles	Positions predominately based indoors with little or no interaction with general public

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E.	Public Facing Roles	Positions that are public facing and/or involve a high level of interaction with the general public (including community-based events)
F.	Physical Works Role	Positions predominately based outdoors with little to no interaction with general public
G.	Essential Service Roles	Positions that are essential in providing key services to support the running of the city

Risk Assessment Summary

30. For all role types A to G above, the risk assessment process demonstrated that there is a significant risk reduction with the use of vaccination, alongside other controls. Without vaccination in each category, our reliance is on our existing control measures (e.g., Lockdowns) that may not be sustainable or realistic over time.

31. People in positions at the lower risk end, even those workers in outdoor settings or in office environments, still present with risk due to the contact with other staff in our workplace and the consequences associated with COVID-19. Vaccinated workers provide for a reduction in those consequences, and a further reduction in likelihood of infection, when combined with all other current controls in place.

Risk Assessment Outcomes

32. Through our assessment of all information available it became evident that the best way to protect our people and the community we serve, was that including vaccinations as a requirement of employment (existing and new), provided the best chance of reducing the risk and ensured that we are meeting our obligations as a good employer.

Record Keeping

33. Vaccination information that is collected will be kept confidential and secure and handled in accordance with all applicable privacy laws.

34. Proof of vaccination status will be required to ensure compliance with this Policy. As your vaccination status is your personal information, you are under no obligation to share it. However, if you do not disclose your vaccination status or provide proof that you are fully vaccinated (or have received your first dose), we must assume that you are not fully vaccinated (or have not received your first dose) for the purposes of this Policy.

35. It may be necessary to share your vaccination information with third parties (to satisfy site entry requirements etc). You will be provided with further details and asked for consent to share your information with any third-party before any disclosure is made.

36. Proof should be provided in the form of a government issued vaccine certificate or "My Vaccine Pass". You can download your vaccine certificate/pass through My Covid Record: <https://www.health.govt.nz/our-work/diseases-and-conditions/covid-19-novel-coronavirus/covid-19-vaccines/my-covid-record-proof-vaccination-status>

Monitoring & Surveillance

37. Rapid antigen screening is another tool to support the pandemic response but does not replace the usual mask-wearing, hand hygiene and distancing rules that need to remain in place, as well as the need for vaccination. Council will consider adopting this tool in the future if practicable and may conduct 'Rapid Antigen Testing' to promote early detection of COVID-19 cases in the workplace.

New Employees

38. All new Employees, Contractors and Volunteers must be fully vaccinated (two doses) with an Approved COVID-19 Vaccine and provide Evidence of Vaccination before they commence employment.
39. It will be made clear to all applicants that all staff at Council must be fully vaccinated. Candidates who are not fully vaccinated or do not hold a MOH exemption will not be offered employment.
40. All new offers of employment/engagement will be subject to the successful candidate providing proof that they are fully vaccinated against COVID-19, or hold a MOH exemption, before they begin work.
41. Where a person offered employment/engagement with Council is not able to provide proof that they are fully vaccinated (or a MOH exemption) within the required timeframe, the offer will lapse.

Ngaa Hononga - Legislation and HCC Documents

The following legislation and documents are related or should be read in conjunction with this Policy:

- Code of Conduct Management Policy
- Health and Safety Policy
- Employment Agreement
- Human Rights Act 1993
- Bill of Rights Act 1990
- Employment Relations Act 2000
- Privacy Act 2020
- Health and Safety at Work Act 2015
- COVID-19 Public Health Response Act 2000
- COVID-19 Response (Vaccinations) Legislation Act 2021
- COVID-19 Public Health Response (Vaccinations) Order 2021
- COVID-19 Public Health Response (Protection Framework) Order 2021

Safety & Wellbeing

Monthly Report – March 2022



**Hamilton
City Council**
Te kaunihera o Kirikiriroa

Definitions to Safety & Wellbeing Reporting

Team	Safety & Wellness
Data Source & Plans	Data Vault, EAP, Vitae, ACC, Cornerstone and PSE (HRIS)
Period – By Month	Monthly Report, eventually collects annualised data for further trend, analytics & insights
Scope of Reporting	Hamilton City Council Employees only and Contractor WorkSafe Notifiable events

HSW Terminology	Explanations
Incident	A generic term to include all unplanned events that result in a loss or potential loss relating to: Incident, personnel safety, product quality or business reputation, the environment, equipment / asset damage
Near Hit	A near hit is an incident which potentially could have caused injury or occupational illness and/or damage (loss) to people, assets, the environment or reputation, but did not cause actual harm
Lost Time Injury	A work-related personal injury/illness that results in more than one day shift off the job (i.e. the worker is unable to resume work the day after the work-related personal injury/illness has occurred)
When to notify WorkSafe	<p>A notifiable <i>incident</i> can be an illness, injury or death arising out of the conduct of the business or undertaking. It could be due to the condition of the work site, the way the work activity is organised, or the way equipment or substances are used.</p> <p>A notifiable <i>illness or injury</i> is where a person has been admitted to hospital for immediate treatment. Admitted to a hospital means being admitted to hospital as an inpatient for any length of time.</p>

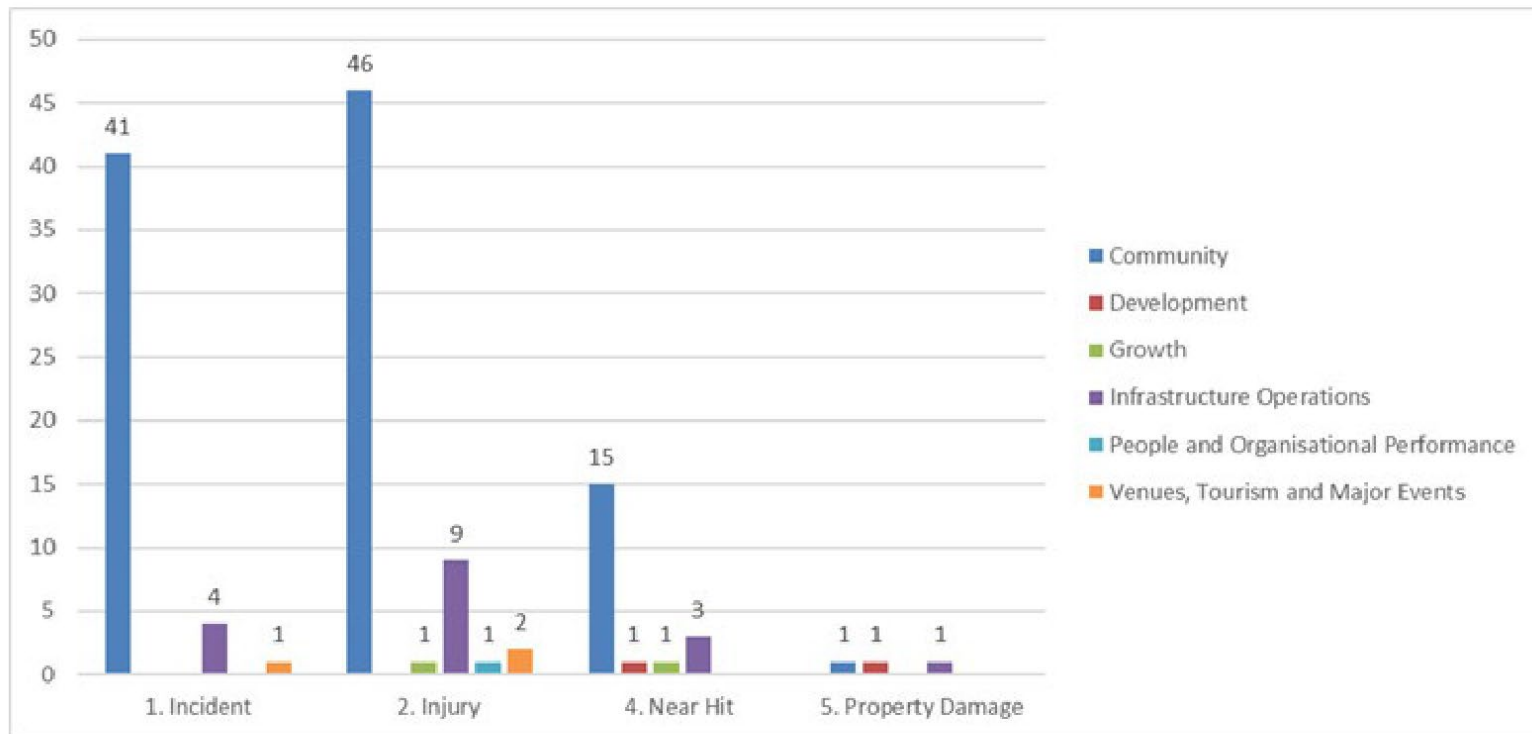
Incidents, ACC Claims, LTI and Work Safe

Months	Dec 21	Jan 22	Feb 22	Mar 22	Apr 22	May 22	June 22	Jul 22	Aug 22	Sept 22	Oct 22	Nov 22
Total Incidents	43	67	18									
New Injury Claims (ACC)	3	5	4									
LTI / Serious Harm	0	1	0									
Council WorkSafe Notifiable	0	1	0									
Contractor WorkSafe Notifiable	0	2	1									

Event Classification	Dec 21	Jan 22	Feb 22	Mar 22	Apr 22	May 22	June 22	Jul 22	Aug 22	Sept 22	Oct 22	Nov 22
1. Incident	20	20	6									
2. Injury	15	34	10									
3. Pain & Discomfort *	0	0	0									
4. Near Hit	7	11	2									
5. Property Damage	1	2	0									

* Pain & Discomfort has not been recorded in VAULT to date, but will be in Ora

Events by Business Units – (Dec 21 to Feb 22)



WorkSafe Notifications

Notified by Council

While a Council worker on 17 January 2022 was mowing it was noticed that the mower was overheating. The worker stopped and hopped off to investigate. They opened the hood of the mower and attempted to open the radiator cap. The cap burst off and steam was released burning the worker on the hand and forearm.

Notified by Contractor

Waipa Civil Limited on 17 January 2022 had potholed to locate services, then as the drill head went underneath the gas pipe, it disturbed the existing ground material at the bottom of the pothole. This caused the material at the top of the pothole to dislodge and fall in the hole. It hit the gas lateral on the way down, causing it to break off at the main.

Waipa Civil Limited on 14 February 2022 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.

Waipa Civil Limited on 25 February 2022 while horizontal drilling grazed a 40mm gas main and gas was released. The area was closed off to the public and First Gas attended to isolate the gas and repair.

Lost Time Injury

The Council worker on 17 January 2022 sustained serious burns to their hand and forearm, they were admitted to hospital for 1 night and were put off work from 17 January to 27 February (a total of 42 days) as a result of the injury to recover.



Hamilton City Council's Organisational Critical Risks

The Safety & Wellbeing Team, along with the Council Decentralised Team, and with the assistance of Coachio Group have identified the following organisational critical risks across the business:

- Working in confined space
- Working at height
- Driving for work
- Working with plant and machinery
- Working with animals
- Hazardous substances
- Working with energy sources
- Moving vehicles in a workplace
- Dealing with aggressive and/or violent people
- Working over and near water
- Working in and around excavations
- Lone working
- Mental health

It is intended that Bowtie Risk Assessments be completed on the above. The Bowtie model contains eight elements: hazard, top event, consequences, threats, prevention barriers, mitigation barriers, degradation factors, and degradation controls. The hazard is an option, activity or material with the potential to cause harm.

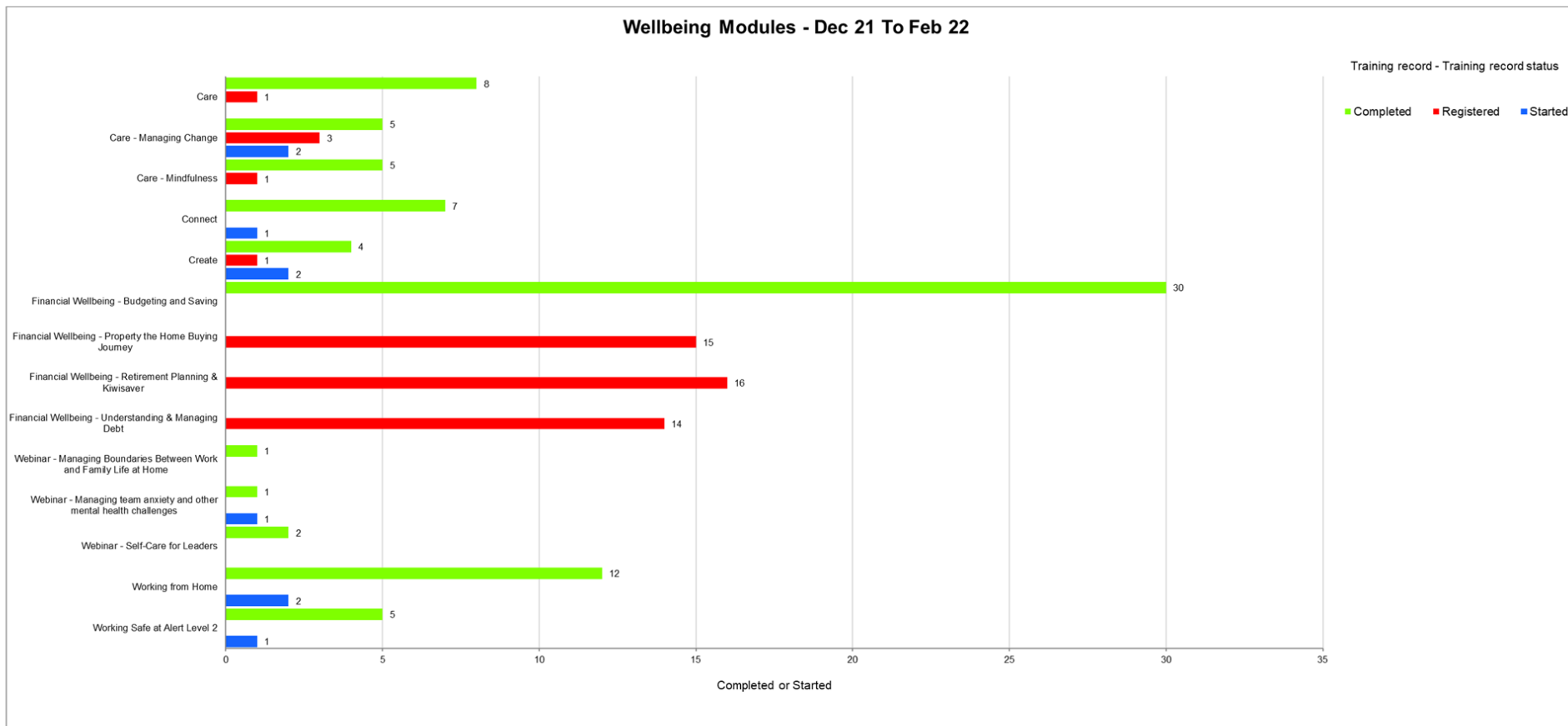
These critical risks are being built into the Ora Incident Management System to enable us to report events that occur in these areas. We will be in a position to report on these once Ora is launched.

Vitae & Instep EAP

Vitae	Dec 22	Jan 22	Feb 22
Personal – Grief & Loss	0	0	1
Work – Covid 19	0	0	1
Work Stress	0	0	1

Instep (EAP)	Dec 21	Jan 22	Feb 22
Depression & Anxiety	1	4	3
Grief Loss	1	2	0
Parenting/ Family	0	3	2
Personal Relations	1	2	2
Personal Stress	1	1	2
PTSD	1	0	1
Suicide/ Family	0	1	1
Work Incident	0	6	4
Sexual Harassment	0	0	1
Stress – Work & Personal	2	2	0
Superior	1	0	0
Work Performance	0	0	1
Work Stress	1	1	1
Other	0	0	3
Total	9	22	18

Wellbeing Hub



Te kaunihera o Kirikiriroa

Insights from the Courts

Fletcher Steel Ltd was fined \$175,000 and ordered to pay \$30,000 emotional harm reparation after a June 2019 incident at its Pacific Coal Coaters operation when a worker's overalls were caught in the unguarded driveshaft of a coater machine. He suffered rib and shoulder fractures, a kidney contusion and a degloved upper arm. He resumed part-time work six months later. The guard which normally covered the shaft had been removed. Pre-start checks would have ensured controls were in place, and monitoring of the SOP was lacking (Auckland DC, 24 August 2021).

Kerr Construction Whangarei Ltd was fined \$210,000 and ordered to pay emotional harm reparation of \$30,000 after an employee fell from a mobile scaffold, suffering a broken skull and a brain injury. The company was refurbishing commercial premises when an unanticipated task came up: to remove air conditioning units. The job was to have been undertaken by a contractor who was no longer available. The task was not in the SSSP. It was decided that a genie lift would be best, but none was available so mobile scaffolds were pressed into service. The SSSP was not amended. When a 54kg unit came loose it fell onto the scaffold, dislodging the worker (Whangarei DC, 18 November 2021).

WorkSafe NZ has accepted an enforceable undertaking from **Sicon Ltd** after a March 2021 incident in which a motorcyclist lost control at a roadworks site and collided with a caravan. He was placed in a coma and had an arm amputated. The company's traffic management plans were inadequate, as were its training and supervision of workers. The company will spend \$315,000 under the terms of the EU, including payment of \$132,000 to the injured person, training for its staff, assisting an incident data collection project with Waka Kotahi, preparation and dissemination of a case study, and donations to assist air ambulance and other first aid responses (WorkSafe NZ, 28 September 2021).

WorkSafe NZ has accepted an enforceable undertaking from **Highway Stabilizers NZ Ltd** after a December 2019 incident in which a worker's foot became entangled in the rotating axle of a stabilizer machine. His leg was drawn in and ended up being amputated above the knee. There was no safe system of work for inspection/cleaning, guarding was inadequate, and an isolation system could have been fitted to allow manual rotor rotation. The EU will cost the company at least \$360,000 and includes amends to the victim, creation of a VR training system, an improvement initiative for the stabilizing industry, and community donations (WorkSafe NZ, 19 November 2021).

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 @hamilton_city_nz

 ourhamilton.co.nz

 HamiltonCityCouncil

 hamilton-city-council

hamilton.govt.nz/**extension**

Meeting Minutes – Attachment 5

Safety Governance Committee

Time and date:	1:00pm, Monday 1 November 2021
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 & Wellness Lead) Karin Barclay (Safety and Wellness Business Partner), Emily Botje (City Waters), TBA Vacant (City Delivery), Claire Toko (H3), Ewan Wilson (Elected Member), Olly Te Ua (Maori Rep) Virginie Maene (Minutes), Bishwajit Roy (Revolving Health & Safety Representative, Waterworld) Liz Cann (Aquatics Director)
Apologies:	Dion Liddel (AWUNZ)

1. Welcome

Meeting opened by the Chair, followed by acknowledging Lance Vervoort as HCC's new CE.

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

The minutes of the Safety Governance Committee Meeting held Monday 30 August 2021, have been confirmed.

Moved by: Dan Finn

Seconded by: Lance Vervoort

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

Action	Assigned To	Due Date	Comments	Status
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

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3. Recap - Monitoring What Matters – Final Assessment Insights

The final assessment insights from the survey were presented at the 30 August Meeting and the committee has been given more time to digest the results.

The following questions were asked by the Committee:

Q. This survey was a really good starting point, when is the next one coming out?

A. This survey will be linked into other surveys to identify trends and to ensure targeted action is taken. In November the Annual Staff survey will be conducted.

Q. Is there some planning in place for the areas with less confidence?

A. Yes, Health and Safety is going to be a focus of the new CE.

4. Safety and Wellness Strategy 2021-2023

Marie Snowball presented an overview of the final performance metrics. A Safety Data Analyst has joined the team to help present data to provide people leaders with better insights.

The following questions were asked by the committee:

Q. What are the components of the Wellbeing Index?

A. A standard group of questions as well as additional questions to make up the Wellbeing Index were asked, we use the Culture Amp platform for the exact drivers.

Q. How will you bring insights back to the committee to ensure we can see have oversight?

A. We will supply brief commentary for the committee, so there are no surprises. We will leverage these to create a safe workplace and will look at this being a part of our High-Performance Way of Working.

Q. How are critical risks being managed with Council?

A. We need to make progress on improvement plans for the critical risks. We are a new team and are working on it.

5. Critical Risk Deep Dive – Hazardous Substances

Helen Paki, Shayla Whaiapu Keith, Josh Hamilton and Liz Cann presented the Waterworld Investigation Report relating to the Chlorine Incident to the Committee and shared their learnings.

The following questions were asked by the Committee:

Q. Are there other plants or processes that could do with updating? Are we pro-active enough to prevent any events organisational wide?

A. We promote designing out the risk itself. Lance Haycock is doing work around safety and design. The other piece of work is repair which Paul Gower is working on. Another key thing is sharing our learnings with other groups which we do. This has been the catalyst for identifying other areas of the business where we can remove Hazardous Substances.

Q. Is there anything else under the surface of the WW infrastructure that has been uncovered?

A. We have upped the focus on asset management planning and are confident staff is doing the work to flag risks. We did a walkaround to identify any other risks and have implemented many changes to ensure we are compliant

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Q. Do we have a full understanding of Location Compliance Certificates and are we meeting all the requirements? Are there other areas in council maybe?

A. We do have other locations across Council, Health & Safety Business Partners can help keep track of these.

Some comments on the report are listed below:

- The Committee is more confident that processes are actively looked at. This issue would have been fixed after a while even when this event would not have happened.
- The new system has made an amazing difference.
- This is a good news story to share, not just a response as a whole lot of improvements have been made. This type of response wins awards.
- A new piece of regulation is coming into force in 2022, plant instruction regulations have been written and are set for implementation at the end of next year, these will include a huge range of items. This should be top of the list for 2022, do we know what we have and how compliant are we? Mobile plant regulations have been in force since 1992.

6. Professional development for Elected Members, Maangai Maaori and the Senior Leadership Team.

- Marie and Karen have been looking at training which a lot of companies are providing.
- We need to look at competence and knowledge in our Elected Members and Maangai Maaori and need to be specific. Walkarounds, getting a feel of the business, suggesting mentoring/coaching from EM's and formal training. Richard Briggs had suggested mandatory training twice a year.
- A suggestion was made for a gap analysis/survey to be conducted to identify what is required. We can get this out quickly and come back with some proposals for next year. Our team can provide some training in the meantime. Covid is limiting walkarounds. We may not be able to do much this side of Christmas.
- We are developing a training matrix, what is essential at all tiers, and we will start with our most senior people and across the business. You will see further work in that space.

7. Round the table

- We are working towards developing a vaccination strategy, we have good guidance from LGNZ and are working on safety assessments of the roles. We are formulating a view on roles deemed high risk and mandating those roles. One is staff and the other is the public. We are looking to mandate earlier at H3 due to Government reference to large gatherings, we need to ensure our communications to staff and the public goes through one channel only and that our messaging is accurate.
- Through the use of covid certificates at public facilities, there will be people who get agitated when they are refused entry. We will need to look at other services for them, we have had City Safe at our facilities. It is also happening to our contracting staff where they have been approached by the public.
- Highlighting the increased safety risk in the run up to Christmas and return to work where we normally see increased incidents, accidents/fatalities. Are we sending out messaging to our staff?
- We have people working with other providers, chances are that our staff will need to be vaccinated to access the other areas
- SLT will be putting Health & Safety at the top of their agenda to continue the good work that is happening.
- Recognition of the big effort Dan's Team has made with regards to Covid-19 and mental wellbeing.
- Emily was welcomed to the Committee in place of Maire and Tanya joined to represent Infrastructure Ops

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8. 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?	Lance Vervoort	Next meeting		
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		
It was agreed more time was required to digest the Monitoring What Matters survey results of the survey 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		Has been confirmed, starting at the Council Meeting on 3 February 2022.	Completed

The meeting was declared closed at 3:30pm.

- To be confirmed early in the New Year

Council Report

Committee: Strategic Risk and Assurance Committee
Date: 30 March 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 of the status of Hamilton City Council's nine strategic risks, three key organisational risks and any key emerging risks.

Staff Recommendation - *Tuutohu-aa-kaimahi*

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

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 below:
5. **Strategic Risk 1 – A Disaster Event** – Omicron is a disruptive event that is being managed by our Incident Management Team (IMT) and People Leaders through their Pandemic Response Plans/Business Continuity Plans.
6. **Strategic Risk 2 – Major Economic and Financial Shock and Strategic Risk 7 – Significant Shortage of Key External Resources** – There are significant supply chain and cost escalation issues within the current market. Covid-19 and the Ukrainian Crisis are both contributing to significant cost escalation and disruption to the supply chain network. There are financial and service delivery risks associated with this risk.
7. In the 2021-31 Long Term Plan Council applied an inflation adjustment for the capital programme of 3%. Recent advice from BERL has resulted in staff proposing that a more realistic rate of 7% based on the Producer Price Index is used for the 2022-23 Annual Plan applied on a risk basis to selected projects considering the type of work and sufficiency of allocated budget. It is important to note that this is a risk-based approach based on multiple assumptions and while it may be appropriate taking a portfolio approach some projects may have specific drivers that mean the increases are higher for that project. These are topics that are being considered as part of the Annual Plan development.

8. **Third-Party Utility and Services Outage** has been identified as an emerging risk. This includes risks associated with power failure for our essential services. A specific aspect identified as part of this risk is Power Outage to The Pukete Wastewater Treatment Plant (the Plant).
9. Staff consider the matters in this report have medium significance and that the recommendations comply with Council's legal requirements.

Background - *Koorero whaimaarama*

10. The Strategic Risk and Assurance Committee approved, for monitoring purposes, Council's 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.
11. The purpose of the report is to highlight significant activity over the last quarter for each risk. The appended register sets out more detail on all risks.

Discussion - *Matapaki*

12. **Strategic Risk Review** – As requested by the Committee, a review of all strategic risks was commenced by the risk owners and their teams during July and August 2021. A review workshop will take place on the 29 March 2022 with the Executive Leadership Team. The review will continue with the aim of bringing the Strategic Risk Review to a future Committee Workshop.

Strategic Risk 1 – A disaster event

13. This risk relates to a natural or human-induced disaster event. Recent actions have had a strong focus on Covid-19 resurgence preparation.
14. With the Ministry of Health now having lead agency status for Covid responses, the role of CDEM (Civil Defence and Emergency Management) changed to responsibility for provision of consistent community messaging and maintaining regional intelligence. This has resulted in Hamilton CDEM being activated in a limited way to provide frontline welfare assistance, to support local food providers, and to provide practical engagement and support to iwi, agencies, and a range of community providers. CDEM are also the provider of last resort to provide emergency welfare services to communities, whanau, or individuals, where there are no other means of support.
15. The National Emergency Management Agency (NEMA) has implemented the first stages of its three-pronged Trifecta programme, aimed at modernising our national emergency management framework. Emergency Management staff took part in a stakeholder survey on technical matters and the responses to these are expected to inform the content of the new Emergency Management Bill that the Minister wants to have drafted and presented before the end of the year.
16. The Trifecta programme involves the replacement of the Civil Defence Emergency Management Act 2002, a full review of the Civil Defence National Plan and the development of a roadmap to implement the National Resilience Strategy. The impact on local government and the timelines of the Trifecta are not yet clear but Hamilton will remain fully aligned with the programme.
18. We continue to monitor the impact of Covid-19 on our essential services, with business continuity plans in place to support people leaders to identify and manage potential disruptions. Key risks identified include managing staff absence, supply chain breakdown, and working offsite. Staff will continue to focus on monitoring any new Covid-19 risks over the next quarter.

Strategic Risk 2 – Major Economic and Financial Shock

19. The budget for the Long-Term Plan 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 Long-Term Plan. 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.
20. Changes to assumption of the impact of COVID-19 on revenue and expenditure - the Long-Term Plan assumed a 'new normal' operating context for Year Two (2022-23), primarily a reduction in revenue for Visitor Destinations and Venues, Tourism and Major Events. In October 2021 staff reassessed the budgets and incorporated the impact of COVID-19 on visitor number projections and revenue, and the impact of vaccination passport requirements. The Protection Framework (Traffic Lights) was introduced in late October 2021 with a commencement date of 1 December 2021. When Year Two commences on 1 July 2022, there will be travel within New Zealand by domestic and international visitors.
21. 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.

Strategic Risk 3 – Increasing Compliance Standards

22. 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.
23. 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 NPS-UD's intensification policies faster.
24. Staff will be available to discuss the risks associated with the legislation and potential impact on Council business. The flow on effects could be seen in the planning and building units if we get an uplift in applications as a result. There is also potential for this to impact our critical assets if intensification out paces our infrastructure capacity, and for the easing of regulation to increase competition for resources that we need in the construction sector.
25. The Government has announced it will put forward legislation for New Zealand's three water services – drinking water, wastewater, and stormwater. The Government is continuing to work with iwi/Māori and local government and has agreed to develop a draft Water Services Entities Bill to give effect to the Working Group on Representation, Governance and Accountability for consideration as part of its work. The Bill is expected to go to Select Committee in 2022. The Working Group was due to report back to the Minister by 28 February, which will enable Ministers to consider recommendations arising from the Working Group process, before the Bill is introduced. This matter was discussed at the most recent Council meeting in February 2022 with the following key concerns raised: rights of ownership, future growth and the entity's relationship with HCC, linkages to other reforms and changes in legislation, and community engagement and consultation.

26. The Fluoridation of Drinking Water Amendment Act - On 9 November 2021, the Health (Fluoridation of Drinking Water) Amendment Bill passed its third reading in the House, and received royal assent. The Bill moves decision making authority on community water fluoridation from local authorities to the Director-General of Health.
27. 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's initial focus is on how local government will be a key contributor to the wellbeing and prosperity of New Zealand and an essential connection to communities in the governance of New Zealand in the future:
 - i. 30 September 2021: an interim report was presented to the Minister signalling the probable direction of the review and key next steps - the interim report has been publicly released and is available to read at futureforlocalgovernment.govt.nz;
 - ii. 30 September 2022: Draft report and recommendations to be issued for public consultation; then
 - iii. 30 April 2023: Review presents final report to the Minister and Local Government New Zealand.

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. In the NCSC's 2021 Cyber Threat Report, 28% of the 404 recorded incidents showed indications of a connection to state-sponsored actors. The slight reduction in this proportion relative to previous years likely reflects an increase in the proportion of criminal or financially motivated incidents recorded. The number still totals 113 incidents of concern. The escalating tension in Europe may result in increased attacks of this type.

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 January 2022 the number of residential sub-division lots granted was 2,004, a drop of 4% from the previous 12 months. Subdivision consents were still 11% higher than the average for the last five years.
34. The proportion of infill consents dropped from 51% in 2020 to 49% in 2021. In the 12 months to January 2022 consents for 1,647 new dwellings were granted, up 21% on the prior 12 months and well above the 5-year average of 1,443 new dwellings. There were 1,524 Code Compliance Certificates issued in the 12 months to January 2022, up 8% on the 12 months prior.

Strategic Risk 6 – Political Change

35. Central Government's reform agenda continues to progress with pace, with feedback having recently been provided through formal and informal processes in relation to the Resource Management System and Future for Local Government Review.
36. Staff have established a cross-council reform team to determine the potential impacts of the suite of reforms on councils 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.
37. Visibility of the reform programme is provided to Council through regular reports.
38. 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.

Strategic Risk 7 – Significant Cost Escalation and/or Shortage of Resources

39. This risk focuses on the strain and upward cost pressures on construction resources and materials and the impact this will have on current or pending development across Hamilton.
40. Council has budgeted in the 2021-31 LTP to deliver an increasing capital works programme. Notwithstanding recent global events such as the conflict in Ukraine, the current delivery capacity of the construction industry and supply chain is already under pressure regionally and nationally, including the widely discussed construction industry skills shortage, increased national and international demand for certain materials, and significant delays and increased costs of international freight. Issues have been accelerated with extended periods of COVID Alert Level restrictions in both the Waikato and Auckland which have significantly impacted the supply chain. The risk consequences are project delays and escalating cost.
41. The issues are particularly acute at this point in time with the impacts of our national response to Omicron affecting not only Council's ability to resource work programmes but the significant and unfolding impacts on the construction industry and its supply chain related to unexpected absenteeism.
42. The Ukraine conflict is creating a well-publicised volatile and still unfolding environment that will be detrimental to being able to continue delivering work programmes to budget and time.
43. A large component of the 2021/22 capital programme is already contractually committed and largely progressing with committed resources and more cost certainty, although contractual implications, both cost and time, of unexpected absenteeism on construction projects is still to be fully understood.
44. It is becoming clear that the deliverability risk in terms of both delays and escalating cost will be tangible on projects which are entering the construction procurement phase and/or programmed in 2022/23 and future years.
45. In the 2021/31 Long Term Plan Council applied an inflation adjustment for the capital programme of 3%. Recent advice from BERL has resulted in staff proposing that a more realistic rate of 7% based on the Producer Price Index is used for the 2022/23 Annual Plan applied on a risk basis to selected projects considering the type of work and sufficiency of allocated budget. It is important to note that this is a risk-based approach based on multiple assumptions and while it may be appropriate taking a portfolio approach some projects may have specific drivers that mean the increases are higher for that project.
46. The current escalation assumption work for the 2022/23 Annual Plan has not taken account of a significant deterioration in material supply and cost increases resulting from the Ukraine conflict. This is very much an emerging issue which will have more definition immediately prior to adoption of the 2022/23 Annual Plan

47. Discussions with our contractors indicate recent shortages and/or significant cost escalations for certain products including but not limited to steel, concrete, pipes, fittings, bitumen, timber, and glass. Fuel prices have now been added since the last report, these being driven largely by the Ukraine conflict
48. Tagging risks around material supply, cost escalation and COVID alert level changes is now common across recent construction tenders being advertised by Council. We expect that as a collective the contracting industry will be unwilling to price in the risk of price escalation and will want contractual provisions that put this risk with the Principal.
49. Human resource shortages also remain a key issue currently for the construction industry and Council.
50. To support the construction industry to proactively invest in growing local delivery capacity and capability, staff are actively progressing key initiatives including:
 - 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.

Strategic Risk 8 – High-Level Security Threat or Major Emergency

51. Hamilton City Council continues to monitor potential security risks that could pose a threat to our people and assets. Staff were monitoring the anti-mandate protest in Wellington and work has been done to identify potential corrective measures if Hamilton is targeted.

Strategic Risk 9 - Climate Change

52. 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 in May. Staff are currently engaging with THAWK to gain their input and feedback on the Strategy.
53. 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 in May. The Draft Policy outlines the approach for undertaking climate change impact assessment for consideration in decision making and Council's intent to complete a risk assessment and an annual climate change disclosure report.
54. In September 2021 the Ministry for the Environment released guidance for local government on completing a Climate Change Risk Assessment. Staff attended a workshop in December 2021 outlining what the process to undertake the Risk Assessment. It was recommended that 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.
55. On 13 October 2021 the Ministry for the Environment released Te hau mārohi ki anamata - Transitioning to a low-emissions and climate-resilient future for consultation. Hamilton City Council made their submission to this in November 2021. The Emissions Reduction Plan is due to be released on May 31st.

56. The United Nations Framework Convention on Climate Change (UNFCCC) 26th Conference of Parties (COP26) was held from 31 October 2021 to 12 November 2021 in Glasgow. The New Zealand Government increased its previous Paris Agreement pledge of cutting emissions by 30 per cent (on 2004 levels) by 2030, 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.

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

57. The on-going nature of the current Covid-19 Omicron outbreak has the potential to adversely impact the wellbeing of Council staff. All business units are following Council IMT and Central Government guidelines to reduce the risk of exposure to Covid-19 and intra-office transmission. These guidelines include working from home where possible, masks, and hygiene protocols. The above can be discussed in more detail as part of the Health and Safety report.

Organisational Risk 2 – Safety and Wellbeing of the Community

58. Business Continuity and Pandemic Response Plans have been reviewed in line with central government guidelines. Plans were refreshed in the last quarter and the focus of the next quarter is being nimble in response to increased risks of the current Omicron event.

Organisational Risk 3 – Critical Asset Failure

59. Cyclone Dovi created several operational risks across our critical assets. Investment in clean up and recovery from the cyclone may have other financial consequences especially for non-insured assets. This may have impacts on current budget constraints.
60. Continued investment in assets has been identified within the Three Waters Reform Risk Register as a control to the potential service delivery or business continuity risks. This will continue to be monitored to ensure appropriate investment decisions are made.
61. On January 10 2022, a third-party asset failure at the Pukete Wastewater Treatment plant resulted in partially treated wastewater bypassing the secondary treatment process and being discharged into the Waikato River. Power resilience at the plant is low, with some power generation and storage. Options to mitigate this risk to ensure operational power resilience is planned to be presented through the Draft 2022/23 Annual Plan and then presented to a future Infrastructure Operations Committee. These reports present options that maintain the current risk level (accept the risk) and also options to reduce the risk rating (mitigate the risk).

Emerging Risks

62. **“Third-Party Utility and Services Outage”** has been identified as an emerging risk. This includes risks associated with power failure for our essential services. A specific aspect identified as part of this risk is Power Outage to The Pukete Wastewater Treatment Plant (the Plant).
63. The Plant relies on electricity and natural gas to power the processes required to treat the city’s wastewater. The Plant currently has two permanent generators located at the administration and screenings buildings. These generators enable the Plant to provide primary treatment and ensures the necessary communications and monitoring equipment (SCADA) is functionable should a power outage occur.
64. The Plant has limited power resilience. When power supply is interrupted the Plant, under average flows, can have up to one hour of emergency storage on site in the lagoons, after which, partially treated wastewater bypasses the secondary treatment and is discharged to the Waikato River.

65. Over the last 15 years there has been 15 incidents resulting in a loss of power that have resulted in the discharge of partially treated wastewater to the Waikato River, the latest on 10 January 2022. The risk of a bypass occurring again is considered to be Extreme. The proposed treatment options are unfunded in the current LTP.
66. The risk of not investing in power resilience will result in partially treated wastewater being discharged to the Waikato River during power outages, this has health and safety, environmental, legal, and reputational consequences. The frequency of such an incidence occurring is expected to be once every year.
67. In accordance with Council's Risk Management Policy, both the inherent and residual risk rating of partially treated wastewater being discharged to the Waikato River following a power outage lasting more than one hour is assessed as Extreme. This is based on the likelihood of a power outage occurring being almost certain and having major consequences.
68. Due to the major consequences of power interruption, the target risk rating has been set to medium. Options to mitigate this risk to ensure appropriate operational power resilience is planned to be presented through the Draft 2022/23 Annual Plan and then presented to a future Infrastructure Operations Committee.

Financial Considerations - *Whaiwhakaaro Puutea*

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

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

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

Wellbeing Considerations - *Whaiwhakaaro-aa-oranga tonutanga*

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

Social

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

Economic

75. 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

76. 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

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

Risks - *Tuuraru*

78. The Risk Register (**Attachment 1**) identifies the risks relating to this report.

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

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




Engagement

80. 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 - Risk Register - March 2022

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>	Lance Vervoort	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>	David Bryant	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 Shortages of Key External Resources <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>	Lance Vervoort	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					
Natural disaster event without warning or build up Severe weather events that increase in intensity, including those events that are a result of climate change Critical asset failure that impacts the safety of Hamiltonians – water, energy, telecommunications, financial, transportation Civil unrest – political or social unrest resulting in a security or safety threat to people or assets (excluding an act of terrorism) Disaster caused by failure of human-made structures • Pandemic					
Inherent Likelihood	Possible	Inherent Consequence Driver Strategic Safety & Wellbeing,	Catastrophic	Inherent Risk Rating	Rating 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 mitigations relating to critical assets can be found in Oorganisaional Risk #3.					

Residual Likelihood	Possible	Residual Consequence Driver Strategic Safety & Wellbeing,	Major	Residual Risk Rating	Rating Very High
Action Owner Kelvin Powell			Risk Treatment Mitigate		
Treatment Plan	Previous updates			Update – March 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"> (March 21) - Workplan actions continue but at a reduced pace due to vacancy of Emergency Management Officer – replacement commences 1 March. Focus actions for this quarter: o Covid-19 resurgence prep o Training delivery o Preparedness and resilience building in our vulnerable communities (June 21) - Capability Assessment deferred due to assessor demand issue. Covid-19 resurgence planning learnings implemented and tested. New Emergency Management Officer in place. Planning ongoing for Tier 2 (Regional) exercise in November. Work programme update reported to Community Committee 18 May (Sept 21) - Deferred to November 2021 Regional exercise. Capability Assessment rescheduled due assessor availability. (Nov 21) Workplan continues but at reduced pace due to ongoing demand and impacts of COVID and support to Westport flooding. 			<ul style="list-style-type: none"> 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"> Complete review of Covid-19 Post Action report to identify work programme and lessons learnt by March 2022 	<ul style="list-style-type: none"> (March 21) - Critical lessons learnt from Covid-19 response incorporated into new plans for Regional based response for resurgence of Covid-19 in the community again. Changes incorporated into plans provide clarity and prevent duplication of effort. HCC Staff contributions have been identified and names assigned (June 21) - Covid-19 learnings implemented in the following: A regional 'Hub and spoke' approach adopted for future Covid related activations to maximise effectiveness. Local support plans for supporting DHB Covid testing site with excess demand issues developed and tested. (Sept 21) - Planning and engagement continue around the formulation of boundaries to be applied in the event of a Covid outbreak. Central Government is overall responsible for COVID Alert Level boundary planning and boundary setting. Learnings from 'Auckland lockdowns'. (Nov 21) Hub and spoke approach introduced in Covid responses in August and worked well with support from a small local Incident Control Point 			<ul style="list-style-type: none"> 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 	

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 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 \$60M 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 – March 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"> • (March 2021) – In February 2021 Council will be approving the draft LTP to go out for Consultation with the Community • (June 2021) – The final 2021-31 LTP will be adopted by Council in June. The resilience for any major shock in Years 4-6 has now lessened. The risks and associated mitigations will be reviewed at the next Strategic Risk and Assurance workshop. • (September 2021) – Staff are completing a review of the LTP assumptions and associated risks at the SR&A Committee Risk Workshop in September 2021. Staff are currently working on engaging an independent party to help determine the consequences of supply issues and price escalation across the construction industry. • (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. 	<ul style="list-style-type: none"> • 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.
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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 – March 2022
<ul style="list-style-type: none"> Council to consider WLASS Joint Procurement Project to invest in the compliance programme for effective reporting on legislative compliance. 	(Reset of Treatment Plan) <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. 	<ul style="list-style-type: none"> Action now part of the SHIELD rollout. Further updates to be provided at the June Committee.
<ul style="list-style-type: none"> Review the impacts of The Privacy Act 2020 on council's businesses and develop an action plan by end of March 2021 (extended to June 2021) 	<ul style="list-style-type: none"> (Sept 21) - On-line training modules in place. Rollout underway for existing staff. Module being included as part of induction for new staff. (November 21) - The On-line training rollout is underway for existing staff. The Module is included as part of induction for new staff. A verbal update will be provided at the Committee Meeting. 	<ul style="list-style-type: none"> 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.

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 – Transformation)	Category	Disaster Recovery/ Business Continuity		
Risk Triggers					
<ul style="list-style-type: none">IT/OT technology advances – positive and negativeInadequate identification of IT security trends, themes, detection and responsesPoor IT/OT Security awareness / culture / behavioursPoor IT/OT security operational practicesRelease and change management lacking a security focus – not “secure by design”Privacy BreachOutdated hardware and inadequate architectureInadequate competency at organisational levelSpecific targeting and malicious exploitation of security vulnerabilities across Council IT asset infrastructure, or Operational TechnologyInternational trends and attacks not being considered in NZMalicious activity targeting central and local government entities.Underinvestment in Information Services (infrastructure, technology, resource)Lack of maintenance in information technologyInadequate access control to key systems					
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 externalNational 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 implementedPolicies, Standards and Enablers are documented and communicated regularlyRisk management frameworks, methods and tools are fit for purposeOngoing Cyber awareness education for staff, contractors, customers and Elected Members					
Protect <ul style="list-style-type: none">Systems and information are secured by designTools, systems and resources are now available to protect against, monitor and resolve potential malicious activity.Contractual service level agreements are monitored and maintainedAccess to Hamilton City Council services are managed effectivelyInformation 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			Mitigate		

Improvement Plan	Previous Updates	Update – March 2022
<ul style="list-style-type: none"> Implement vulnerability management tools, processes and resourcing by March 2022 	<ul style="list-style-type: none"> (June 21) - Added to Security operation services RFQ (Sept 21) - Security operation services RFQ vendor has been selected. Project is now in the discovery phase (Nov 21) - Implementation discovery phase underway 	<ul style="list-style-type: none"> 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"> Re-architecture of current IT and OT network design by March 2022 	<ul style="list-style-type: none"> (Sept 21) - development of a cyber security architecture document and a review of our current architecture (Nov 21) - Cyber security architecture document is being drafted 	<ul style="list-style-type: none"> Cyber security architecture document is expected to complete by Q4 2021/2022
<ul style="list-style-type: none"> Establishment of dedicated Security Operations Centre (SOC) by March 2022 	<ul style="list-style-type: none"> (June 21) - Security operation services RFQ is in progress (Sept 21) - Security operation services RFQ vendor has been selected. Project is now in the discovery phase. (Nov 21) - SOC pilot and discovery phase is underway 	<ul style="list-style-type: none"> COMPLETED - SOC is now operational and processing our top priority security logs.
<ul style="list-style-type: none"> NEW – Security Operations Centre 		<ul style="list-style-type: none"> NEW - a 12-month improvement plan is now underway to develop and tune this capability for the

development and turning		remainder of the HCC 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"> (June 21) - Added to Security operation services RFQ (Sept 21) - Security operation services RFQ vendor has been selected. Project is now in the discovery phase (Nov 21) - Implementation discovery phase is underway 	<ul style="list-style-type: none"> 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"> Development and testing of Disaster Recovery and Business Continuity Plans 	<ul style="list-style-type: none"> (Sep 21) - Business unit BCP plans are being collated for review. (Nov 21) - Current DR and BC plans are being reviewed 	<ul style="list-style-type: none"> 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

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 downturnPopulation 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 outcomesInadequate skills, data or modelling and scenario planningChanges 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 etcInadequate provisions in of application of the District Plan to deliver positive outcomes for people / environmentNeighbouring councils make growth decisions around Hamilton’s border that are not aligned with Hamilton’s desired growth strategyChanges in Government Policy or legislation impact on desired growth outcomes or our ability to effectively respond to growthRequests from developers for unplanned, out of boundary and/or out of sequence developmentsCentral 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 – March 2022	
<ul style="list-style-type: none"> • Deliver revised Hamilton Urban Growth Strategy, by December 2022 	<ul style="list-style-type: none"> • (June 21) - Scope was approved at Strategic Growth Committee meeting 30 March 2021. Staff currently planning the project and appointing key resources. • (Sept 21) - Draft Out of Boundary Principles approved in May 2021. Consultant appointed in May 2021 and work is under way • (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. 			<ul style="list-style-type: none"> • 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. 	
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 			<ul style="list-style-type: none"> • 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 	

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 – March 2022
<ul style="list-style-type: none"> Key Stakeholder Engagement Plan in place by 30 June 2021. 	<ul style="list-style-type: none"> (March 21) - This plan is in the process of being prepared and will align with the CEO KPI's. (June 21) - The draft plan is due for completion on 30 June 2021. (Sept 21) - <i>Complete</i> - Key Stakeholder Engagement Plan draft has been provided to SLT and workshopped. Final Plan is now being developed for use 	<ul style="list-style-type: none"> 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"> 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"> (Sept 21) – New TP 	<ul style="list-style-type: none"> 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

		<p>Future for Local Government Review.</p> <ul style="list-style-type: none"> • 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.
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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
Capital Projects Manager (Chris Barton)	Mitigate

Improvement Plan	Previous Updates	Update – March 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. 	<p>(June 2021)</p> <ul style="list-style-type: none"> A preferred strategy has been identified including implementation of long term collaborative and performance based arrangements to deliver large components of the forward works programme, enabling: <ul style="list-style-type: none"> longer term workload certainty for contractors to invest in people, plant, technology and relationships more efficient delivery with reduced wastage to improve delivery timing and generate savings opportunities to integrate broader wellbeing outcomes into programme delivery KPIs Supply chain engagement is currently underway to seek feedback on this proposed strategy. <p>(November 2021)</p> <ul style="list-style-type: none"> Further detailed procurement planning is progressing regarding upcoming procurement for works commencing from the 2022/23 FY 	<ul style="list-style-type: none"> 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"> Ensure internal resourcing is recruited and in place to effectively deliver planned controls and mitigations by June 2021 	<ul style="list-style-type: none"> (June 21) - There is a nationwide shortage of suitably qualified and experienced construction industry personnel, which is making it challenging to attract and fill key vacancies. (September 21) - Additional suitably experienced internal project management and governance resources are being sourced to align with the increasing capital works programme. Moving toward performance based collaborative contract models will require additional commercial management capability. 	<ul style="list-style-type: none"> 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.

	<p>(November 2021)</p> <ul style="list-style-type: none"> 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. 	
<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. 	<ul style="list-style-type: none"> Ongoing collaboration with CCNZ Waikato Branch
<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"> Staff are currently undertaking a further quantitative assessment and economic forecasting exercise (utilising external industry subject matter experts) to benchmark construction cost indices against our LTP and better identify our key areas of risk exposure. <p>(November 2021)</p> <ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> 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.

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			Mitigate		
Treatment Plan		Previous Updates		Update – March 2022	

<p>Physical Security</p> <p>Adopt and Implement accepted recommendations for SRAs by December 2022.</p>	<ul style="list-style-type: none"> • (March 21) – SRA adopted and being implemented in stages <ol style="list-style-type: none"> 1. Just Do It (JDI) 2. Projected planned maintenance (PPM) 3. Long term plan • (June 21) – SRA Recommendations findings are completed. Stage 1 and 2 action plans commenced. Tender process for robbery and conflict training commenced. • (Sept 21) – Organisation wide recommendation actions added to the organisational improvement register. Tender process for training provider complete. Robbery response and conflict resolution training will commence with pilot group in October followed by full rollout. • (Nov 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. 	<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 has been undertaken by parts of the business including Animal Control and Customer Services
<p>Governance</p> <p>Deferred - Review of Organisational Security Risk Assessment (OSRA)</p>	<ul style="list-style-type: none"> • (March 21) - On hold until result of SRA mitigation implementation of current recommendations is finalised. • (June 21) - Review of OSRA in progress. Setting up security governance group to consider development of a Security Framework • (Sept 21) – Risk Governance Group being established to determine next steps. Governance Group to review ORSA. Security Roadmap and framework in development • (Nov 21) - On hold until Senior Risk Advisor recruitment complete. 	<ul style="list-style-type: none"> • On hold until Enterprise Risk Lead recruitment complete
<p>Review the HCC Crisis Management Plan to extend an HCC-wide response approach to include crisis management capability by December 2021</p>	<ul style="list-style-type: none"> • (June 21) - An internal Working Group has been set up to develop a detailed crisis management action plan. This includes identifying key urgent actions along with other areas for improvement. • (Sept 21) – High level Crisis Management Plan developed, awaiting presentation to SLT 	<ul style="list-style-type: none"> • On hold until Enterprise Risk Lead recruitment complete

	<ul style="list-style-type: none"> • (Nov 21) - On hold until Senior Risk Advisor recruitment complete. 	
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Item 8

Attachment 1

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 scenariosChanges in political direction (including local, regional and national) on climate changeEconomic, social and technological shocks resulting from the transition to a lower-carbon economyUncertainty 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 activitiesFailure to consider climate change appropriately in fit for purpose activity managementFailure 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 responseClimate change steering group established and operational2021/2022 Climate Change Action Plan approved outlining the actions being taken to reduce emissions and build resilience to climate changeHamilton City Council Emissions Reduction Roadmap outlines actions to reduce the Councils operational emissions2021-2031 Long Term Plan includes actions that deliver on climate change2021-2051 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 responseCitywide 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 – March 2021
<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"> (June 21) - Delay in receiving final report from consultants. Action plan now under development. (Sept 21) - Complete - Internal response to the climate change readiness assessment developed. Key elements to be incorporated into the Climate Change and Environment Policy (Nov 21) - Business Case, Project Plan and Council report templates to include sections on climate change 	<ul style="list-style-type: none"> 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"> 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"> (June 21) - Process of developing the policy has commenced. Project plan is currently being developed. (Sept 21) - Draft Climate Change and Environment Policy is underway. Workshop with Elected Members help on 26 August 2021. Draft policy to be considered at 30 November 2021 Environment Committee meeting for recommendation to Council (Nov 21) - Draft Climate Change Policy underway. Workshop held with Climate Change Steering Group in October 2021. Further feedback being sought by internal stakeholders. 	<ul style="list-style-type: none"> No update – further feedback being sought by internal stakeholders

<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"> (June 21) - Guidance from Ministry for the Environment is due to be finalised by December 2021, propose to do a two-phase process for risk assessment. (Sept 21) - First phase being commissioned as part of the Climate Change Strategy (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. 	<ul style="list-style-type: none"> 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"> 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"> (June 21) - Process of developing the strategy has commenced. Project plan is currently being developed. (Sept 21) - Strategy development underway Quotes for evidence base have been received and consultant selection underway. (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. 	<ul style="list-style-type: none"> 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.

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-March 2022
Design and implement an appropriate monitoring and reporting framework risks relevant to Organisational Risk 2	<ul style="list-style-type: none"> • (September 20) - Framework in development due for completion August 2021. Reporting to community group leadership commences September 2021. • (December 20): Specific resource has been hired to support the Community Group to achieve IP due to conflicting priorities across the business. This work will be completed pre-Christmas and will be reported on at the first SRAC workshop in 2021 • (March 21) - The report on the monitoring and reporting framework for other Risks relevant to Organisational Risk 2 will be presented to the June 2021 SRAC meeting. • (June 21) - The reporting framework and interactive dashboard, which will provide to provide assurance around the completion of identified improvement actions is currently being finalised and will be reported to the September SRAC meeting in the 2021/22 financial year 	<ul style="list-style-type: none"> • 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"> • (Sept 21) - Framework completed and presented to community leadership group in August 2021. Monthly reporting commencing in September 2021. • (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. 	<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"> • 	<p>(New TP)</p> <ul style="list-style-type: none"> • 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.

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					
Asset Management <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 Planning <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 Procurement <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 Operational <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 – March 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"> (Sept 21) – New TP (Nov 21) – The review and update of BCP's and Essential Maintenance plans will follow the Waters Criticality work outlined below. 		<ul style="list-style-type: none"> Initial assessment and gap analysis completed December 2021 D-4053822 		
<ul style="list-style-type: none"> Revise critical asset frameworks for water and wastewater activity assets (treatment plants and reticulation assets) by March 2022 	<ul style="list-style-type: none"> (Sept 21) – New TP (Nov 21) – The criticality for water and wastewater assets will be completed by December 2021. The resilience strategy and policy is also underway to be delivered by March 2022. 		<ul style="list-style-type: none"> Completed February 2022 <ul style="list-style-type: none"> Treatment Plants D-3976203 Reticulation D-4104682 		
<ul style="list-style-type: none"> Implement the Organisational Asset Management Improvement Plan 	<ul style="list-style-type: none"> (Nov 21) – New TP. 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. 		<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, 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 relating to Resilience and Criticality, two are currently in progress. 		

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

Item 9

Committee: Strategic Risk and Assurance Committee

Date: 30 March 2022

Author: Morva Kaye

Authoriser: David Bryant

Position: Internal Auditor

Position: General Manager People and Organisational Performance

Report Name: PwC - 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 internal audit progress to 14 March 2022.

Staff Recommendation - *Tuutohu-aa-kaimahi*

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

Executive Summary - *Whakaraapopototanga matua*




3. Council's internal audit function incorporates engagements delivered by PwC and internal Council staff. This report provides an update on progress by PwC.
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 has been completed; and
 - ii. a draft Internal Audit Plan is attached for discussion by the committee, with a final plan to be approved at the June 2022 committee meeting.
5. Staff consider the matters in this report have low significance and that the recommendations comply with Council's legal requirements.

Discussion - *Matapaki*

6. **PwC Internal Audit Plan – progress summary**

Engagements in Progress – 2021/22	Status
Cyber Security – 2020/21 and 2021/22 combined PwC have completed phase 1 and a draft report is with management.	
Treaty of Waitangi – maturity assessment of Councils Maaori responsiveness This has been incorporated into the 2022/25 Internal Audit plan	

KEY

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

Other engagementsInternal Audit Plan

7. We have met with the Executive Leadership Team and a draft internal audit plan is attached for discussion with the Strategic Risk and Assurance Committee (SRAC). The draft plan provides a mix of engagements to undertake for the next three years recognising that the internal audit plan needs to flex and evolve to meet the needs of the organisation.
8. It is noted that the draft plan will have to include any updates to the strategic risks from the planned Executive Leadership Team and Strategic Risk and Assurance workshops.

Financial Considerations - *Whaiwhakaaro Puutea*

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

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

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

Wellbeing Considerations - *Whaiwhakaaro-aa-oranga tonutanga*

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

Risks - *Tuuraru*

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

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*

Attachment 1 - Hamilton City Council Internal Audit Plan 2022 .

Hamilton City Council

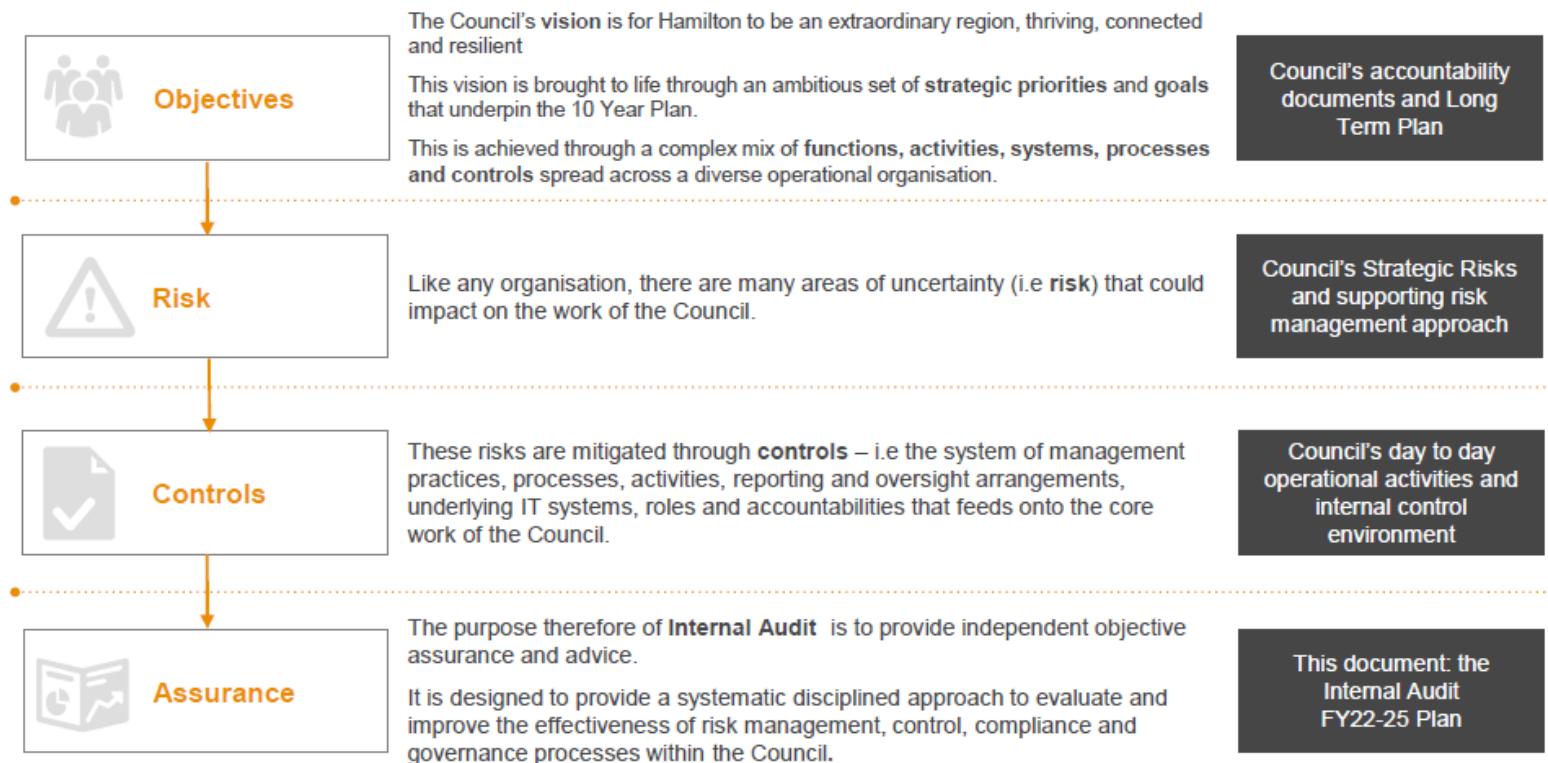
PwC Draft Internal Audit Plan FY2022-2025

Strategic Risk and Assurance Committee
March 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

March 2022
2

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.

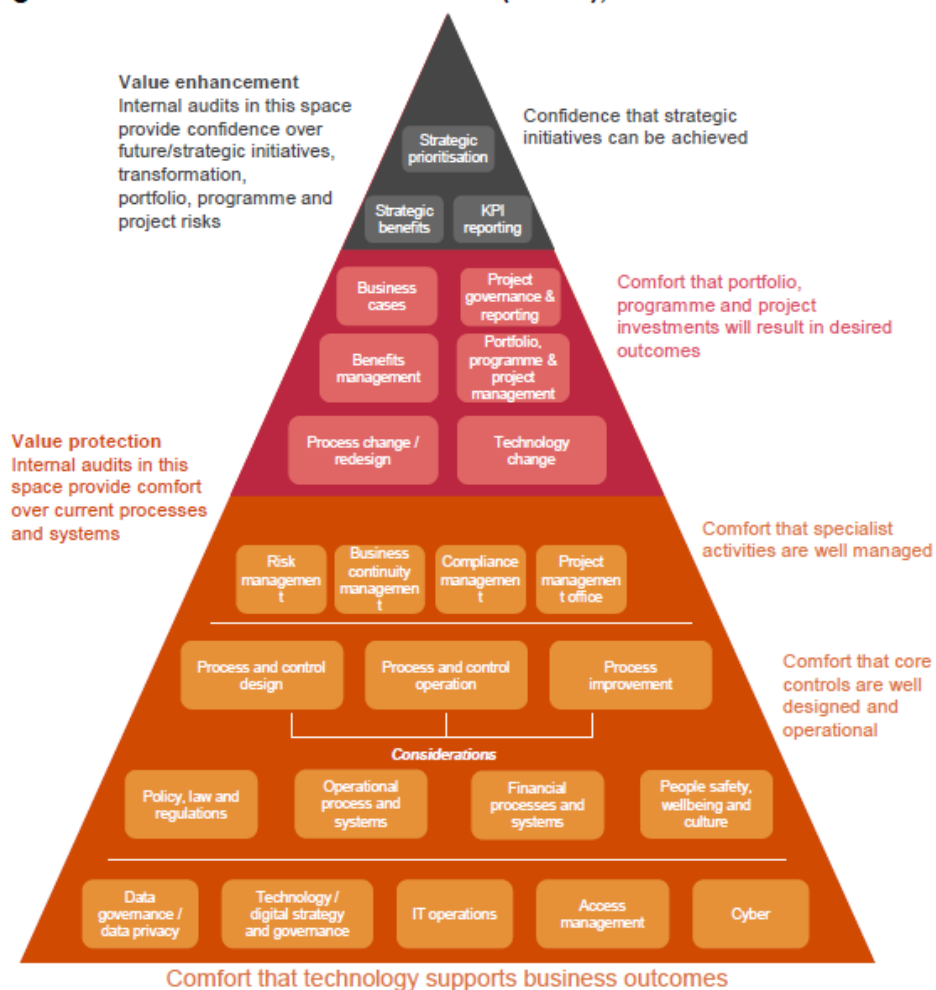
Internal Audit Strategy Determination

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.



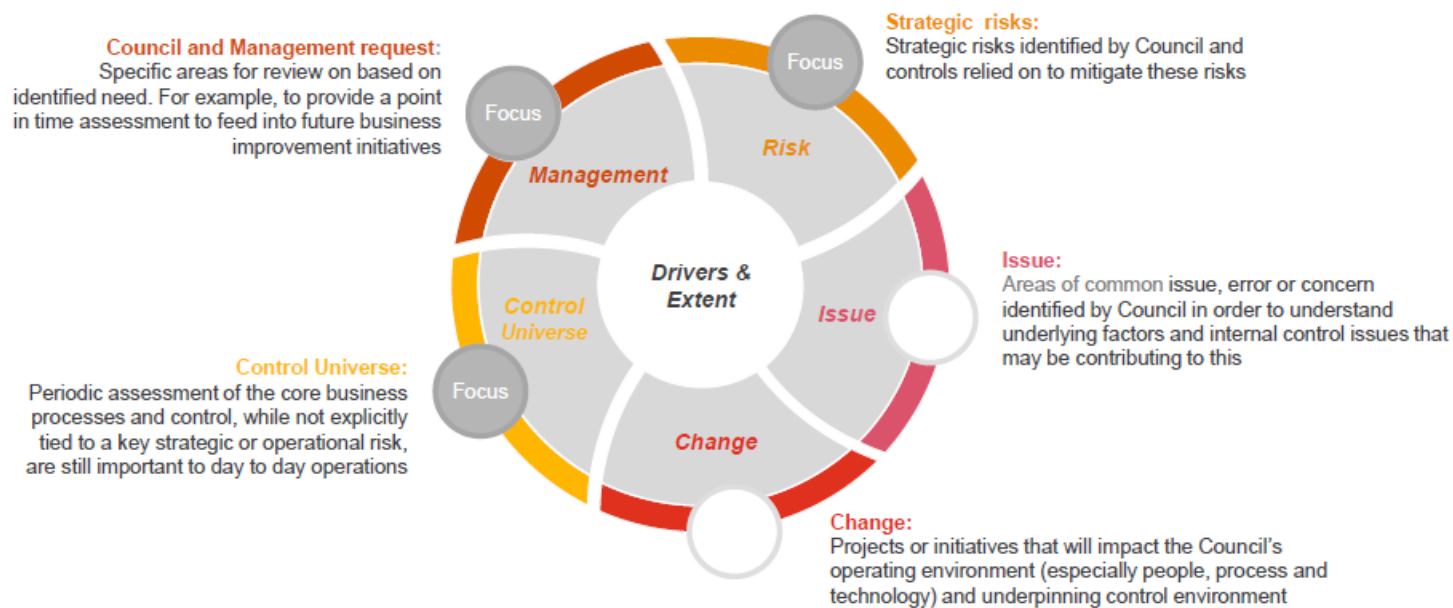
PwC

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:



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.

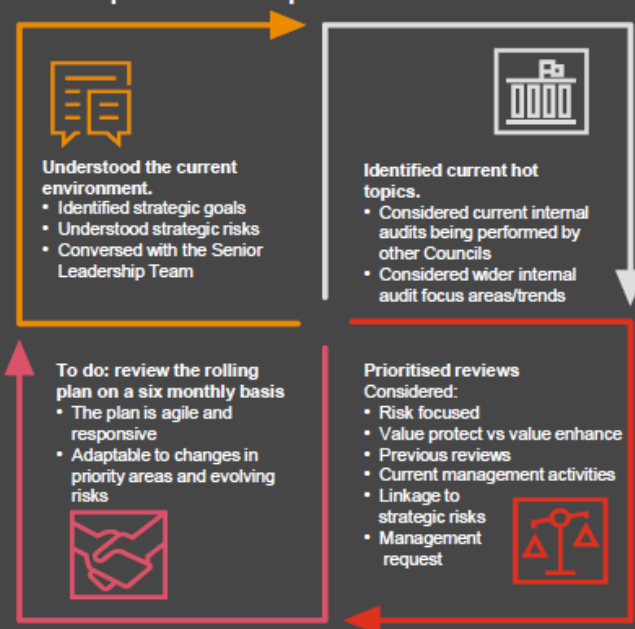
Internal Audit Plan for FY22 - 25
PwC

March 2022
4

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**

Suggested Internal Audits for the next 3 years

This is an indicative list of potential internal audit areas and we are open to discussion around refining these and including any additional areas you would like to see. 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 Engagement	Strategic / Organisational Risk	Revenue / Expenditure Area	Indicative Approach
Major Contracts: Infrastructure Alliance 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

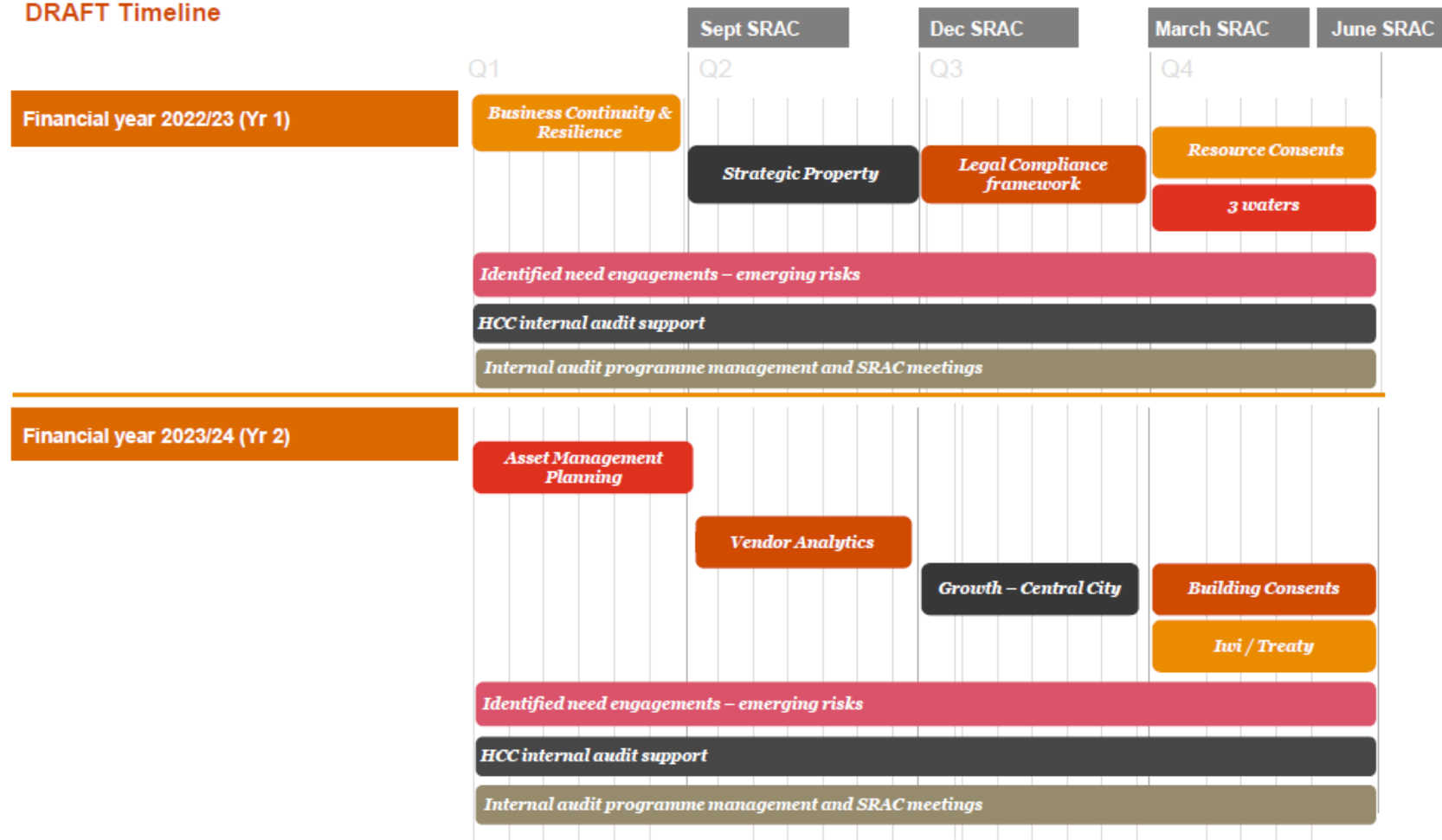
March 2022
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Suggested Internal Audits for the next 3 years

Internal Audit Engagement	Strategic / Organisational Risk	Revenue / Expenditure Area	Indicative Approach
Health & Safety	Health & Safety	All areas	Post-implementation assessment of new H&S system and processes. Follow-up on recommendations made in last review.
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.
Vendor Analytics		Operating expenditure	Data analytics over vendor expenditure and master data to identify anomalies in order to detect fraud and inefficiencies.
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.

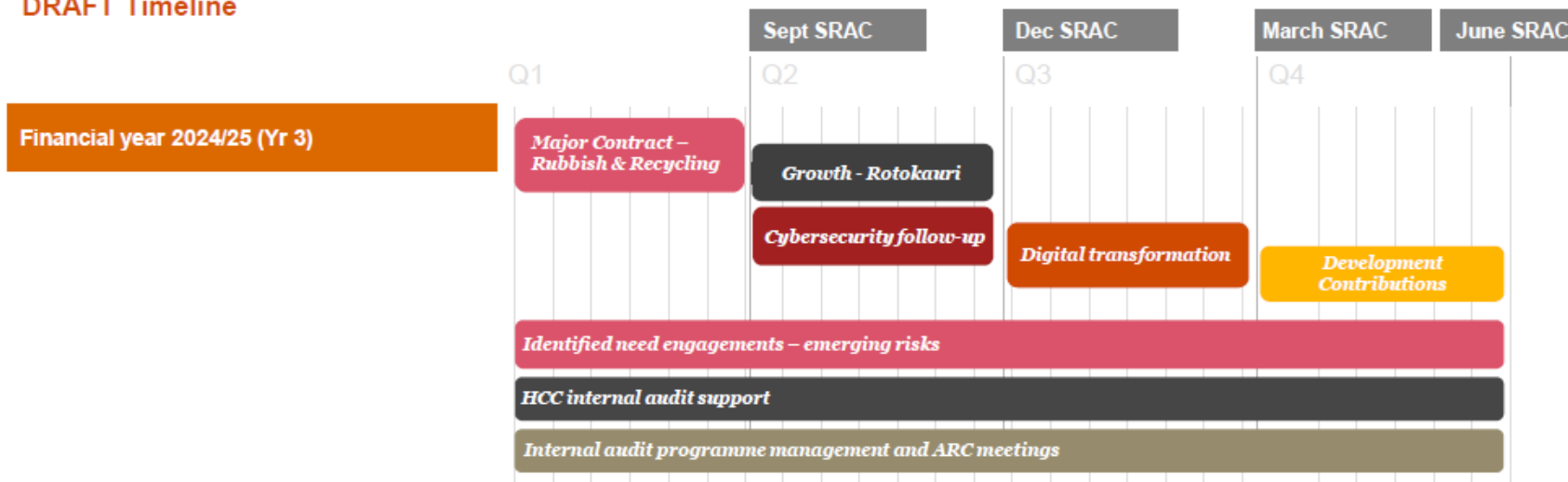
Suggested Internal Audits for the next 3 years

DRAFT Timeline



Suggested Internal Audits for the next 3 years

DRAFT Timeline








Appendix

Council Strategic Risks
Previous engagements
Internal audit hot topics




{Month} 2022

Council Strategic Risks

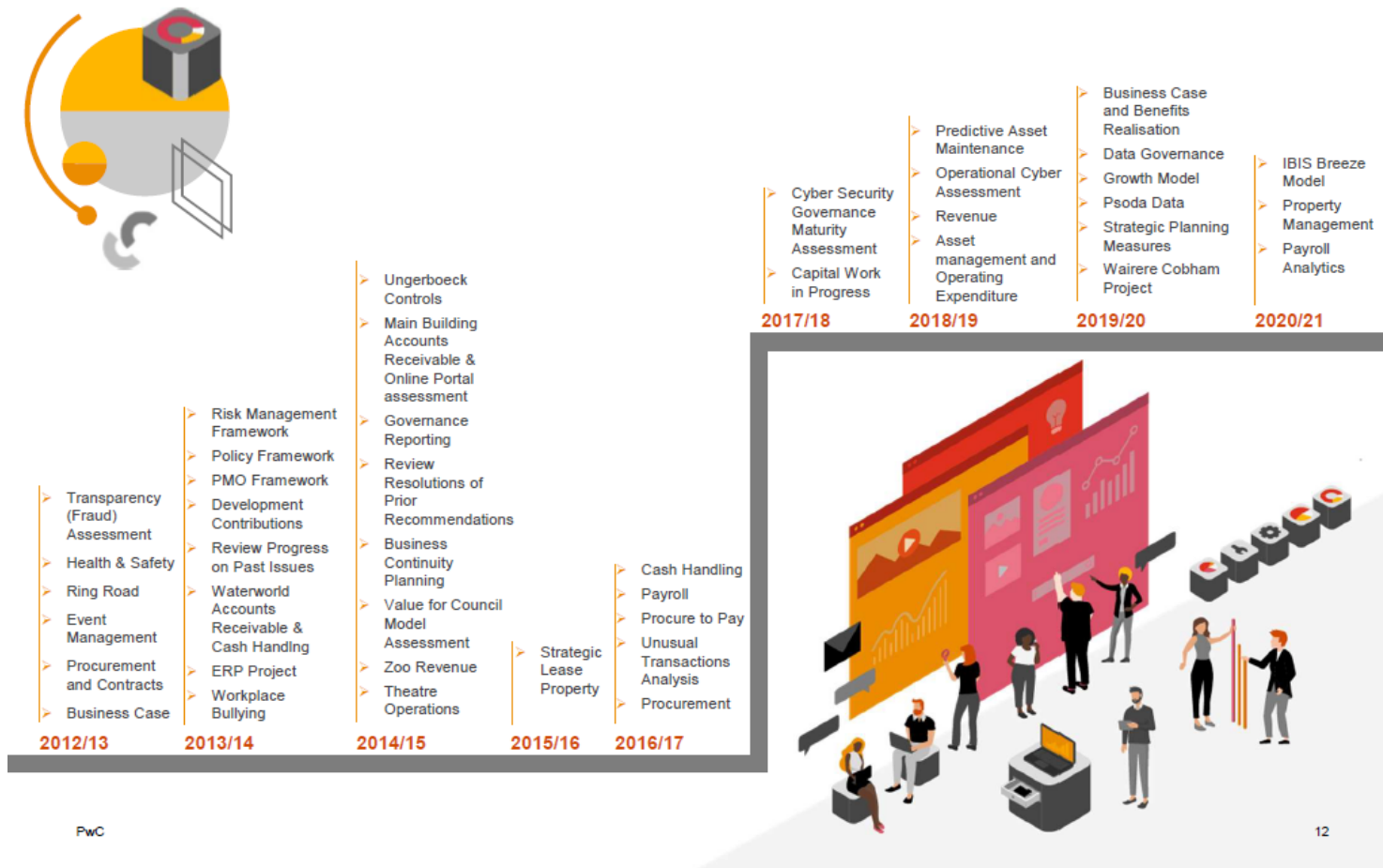
This is the current version of Council's strategic risks for your reference and these have been linked to our potential list of internal audit engagements

Risk #	Strategic Risk Description	Risk Owner	Residual Risk Rating
1	A Disaster Event A natural or human-induced disaster event (excluding act of terrorism)	Lance Vervoot	Very High 
2	Major Economic or Financial Shock An external financial event impacts Council's financial strategy, fiscal and monetary position	David Bryant	Medium 
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 
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 
5	Growth Significant change to/in growth demand and/or the consequences growth does not deliver positive outcomes for the community.	Blair Bowcott	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

PwC

Risk #	Organisational Risk Description	Risk Owner	Residual Risk Rating
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	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  Medium
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 

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

PwC

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Item 9

Attachment 1

[pwc.co.nz](https://www.pwc.co.nz)

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

Item 10

Committee: Strategic Risk and Assurance Committee
Date: 30 March 2022
Author: Morva Kaye
Authoriser: Tracey Musty
Position: Internal Auditor
Position: Financial Controller
Report Name: HCC - Internal Audit Update and Report

Report Status	Open
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Purpose - *Take*

1. To inform the Strategic and Risk and Assurance Committee on internal audit progress to date.

Staff Recommendation - *Tuutohu-aa-kaimahi*

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

Executive Summary - *Whakaraapopototanga matua*

3. Council's internal audit function is carried out by Council staff and PricewaterhouseCoopers (PwC).
4. This report provides an update on progress by Council staff against the Internal Audit Plan for 2021/22 and internal audit assessments requested by management.
5. The *Capitalisation of assets* report looked at simplifying and improving the process for capitalising assets as part of the Asset data system upgrade. The key messages are:
 - i. the need for additional resourcing;
 - ii. clarification of the role and responsibilities of Project Managers in the capitalisation of assets; and
 - iii. improved business processes.
6. The *Contracts Register – Management and Reporting Issues* report assessed the extent of contract payments that were higher than the approved contract sum in the Contracts Register. The key messages are:
 - i. there is no control in Authority to prevent payments to a Contractor over and above the approved contract sum;
 - ii. investigate an automated workflow system to allow Contract Managers to track the requesting and approval of contract variations and have confirmation that the contract has been updated in the Contracts module in Authority; and
 - iii. contract managers need to communicate with Procurement when a contract is completed and should be closed in the Contracts module in Authority.
7. Staff consider the matters in this report have low significance and that the recommendations comply with Council's legal requirements.

Discussion - *Matapaki*

8. Progress against the Internal Audit Plan and other engagements

Item 10

Audit	Status
Contract management This review covers checking a sample of contracts to ensure that the contracts have been set up and managed correctly. Staff are due to begin scoping this work with management.	
Capitalisation of assets The internal audit report has been completed and is attached.	
Contracts Register - Management and Reporting Issues The internal audit report has been completed and is attached.	

KEY

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

Financial Considerations - *Whaiwhakaaro Puutea*

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

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

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

Wellbeing Considerations - *Whaiwhakaaro-aa-oranga tonutanga*

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

Risks - *Tuuraru*

14. Any known risks have been identified relevant to the matters in this report.

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*

Attachment 1 - Capitalisation of assets March 2022

Attachment 2 - Contracts Register - Management and Reporting Issues March 2022

Item 10

Internal audit assessment

Capitalisation of assets

March 2022

Sponsor

The General Manager Development - Chris Allen, is the sponsor for this internal audit assessment.

Introduction

Audit New Zealand has reported long-standing issues with capitalising Council assets:

"...Council has historically experienced difficulties capitalising work in progress and vested assets in a timely manner. This creates a risk that information used for decision-making may be incomplete or inaccurate."

The risk is compounded by a significant increase in Council's investment in capital projects of \$2.5 billion in the 2021-31 Long Term Plan that has put pressure on the capitalisation process generally and because staffing levels have not kept pace with the higher number, value and complexity of some projects.

Currently we have \$94 million of assets *in use* that have not been capitalised.

Objective and Scope

The objective of this assessment was to identify opportunities for improving the capitalisation process for current and future needs.

The scope included assessing the efficacy of systems, processes, and resources.

Approach

Working collaboratively on this project is a Capitalisation Task Force led by Paul Gower. The purpose of the Task Force is "to make decisive and swift changes and interventions that are required to resolve systemic WIP issues".

It was decided to use a case study approach as each capital project tends to have unique issues and to discuss the findings from each case study with the Capitalisation Task Force. This approach allowed the proof of concept to be tested in situ.

The findings are summarised in the key messages below and supported by a summary of the four case studies that detail the issues, findings and agreed management responses.

Key messages

The key messages to emerge from the case studies and group discussions with the Taskforce are:

1. The need for additional resourcing

There is a shortfall in resources to capitalise the overdue work in progress and provide capacity to capitalise future levels of capital expenditure.

There is also a need for new roles to work alongside Project Managers and co-ordinate the capitalisation of assets in a timely and accurate manner and liaise with the capitalisation teams and Finance.

The additional roles have been approved and recruitment to fill these positions has started.

2. Clarification of the role and responsibilities of Project Managers in the capitalisation of assets

A core responsibility of the Project Manager is to co-ordinate the approval and sign-off when a project is ready to be capitalised and to ensure valid and correct information is provided to support and effect capitalisation.

3. Improved business processes

These include:

- A simplified checklist to provide assurance that costs being capitalised are accurate and complete.
- A methodology for apportioning construction and other project costs meaningfully across assets being capitalised.
- A form for *Capitalisation Approval* that Project Managers are required to sign off when assets are ready to be capitalised.
- A process for insuring new assets.
- Investigating an automated workflow system to allow Project Managers to track the acceptance of *As-built* datasheets and plans by the capitalisation teams (transport assets) and have confirmation that the project has been capitalised.
- Training Project Managers (employees and external contractors) on their role in the capitalisation of assets.
- Business process improvements need to be fully inclusive of external project managers.

Case studies		
Improvement opportunities	Assessed priority rating = Moderate	Impact: Moderate Likelihood: Moderate
Issues	Findings	Response from Taskforce
The role and responsibilities of Project Managers when capitalising assets needs to be clearly defined to avoid current confusion.	<ol style="list-style-type: none"> 1. The As-built datasheets sent to the capitalisation teams have often only included construction costs and sometimes an estimate of <i>'future cost forecast based on work items that still need to be completed'</i>. They have not included any timecost or other project costs. 2. Some Project Managers believe that Finance will sort out any timecost or other project costs. 3. The cost of the Engineer's time attending to maintenance issues and maintenance costs is being coded against the capital project after the date of practical completion, that is, during the contract maintenance / defects liability period. The maintenance costs for Years 1 and 2 should be budgeted as consequential operating costs. 4. The risk of not recognising all project costs is higher if Project Managers don't communicate with asset capitalisation teams. 	<p>Develop and implement a centralised capitalisation training programme for Project Managers (PM) with standardised approaches and tools.</p> <p><i>Owner:</i> Sarah Seel</p> <p><i>Due date:</i> March 2022</p> <p>Get written into PM roles and contracts with external Project Managers, that capitalising is part of their responsibility and should be included in some generic functions for PMs.</p> <p><i>Owner:</i> Sarah Seel</p> <p><i>Due date:</i> May 2022</p>
There is no formal process for the calculation of asset values in the As-built datasheets.	<ol style="list-style-type: none"> 1. There is no workpaper to show how the value of assets in the As-built datasheets relate to total construction costs in the main contractor's <i>Schedule of-Prices and Variations</i> spreadsheet and other project costs. 	<p>Document guidance and a standard approach for calculation of asset values from Schedule of Prices and Variations in project documentation.</p> <p><i>Owner:</i> Emily Botje</p> <p><i>Due date:</i> June 2022</p>

Issues	Findings	Response from Taskforce
Audit New Zealand have not been able to see evidence that a project has been signed off by the Project Manager and is ready to be capitalised.	1. There is no formal sign-off process that a project is ready to capitalise.	Reimplement a Capitalisation approval process and form for use by project managers on all projects. <i>Owner:</i> Paul Gower <i>Due date:</i> March 2022
New assets are not always being insured when they are 'in use'.	1. Council is exposed to a financial risk if assets that should be insured, are not insured. 2. Project Managers do not know to notify the Insurance team before the asset is going to be 'in use', i.e. the date of practical completion.	Centralised capitalisation training for project managers to include information on insurance responsibilities. Insurance responsibilities are included in the reimplemented Capitalisation approval process and form. <i>Owner:</i> Sarah Seel / Paul Gower <i>Due date:</i> March 2022
Easements should be recorded in IPS.	1. The record of an easement is not currently attached to the waters assets it relates to in IPS.	Recording of Easements is considered as an enhancement of the IPS asset management information system and associated processes. <i>Owner:</i> Paul Gower <i>Due date:</i> June 2022

Issues	Findings	Response from Taskforce
The purpose and use of work orders is unclear and confusing for Project Managers.	<ol style="list-style-type: none"> 1. The term <i>work order</i> is misunderstood, misused and causes confusion for Project Managers. 2. The work order is part of the account code string in Authority, which has rules to be followed to ensure integrity of financial information. 3. Analysis of the costs coded to work orders revealed random coding. Work orders set up for a specific purpose, but invoices were then coded to another work order. 4. Promapp currently does not provide guidance as to what work orders should be set up. 	<p>Develop and implement a centralised capitalisation training for project managers with standardised approaches and tools.</p> <p>Training to include the use of defining work orders to assist in later capitalisation of assets</p> <p><i>Owner:</i> Sarah Seel</p> <p><i>Due date:</i> March 2022</p>
Business owners need to be involved in the design phase of the project.	<ol style="list-style-type: none"> 1. Higher consequential operating costs have resulted from a business owner not being involved in the design phase of the project. 	<p>Strengthen controls and guidance for projects as part of Project Management Framework and Gate processes. Ensure that Business owners are clear and included in accepting designs and specifications.</p> <p><i>Owner:</i> Sarah Seel</p> <p><i>Due date:</i> June 2022</p>

Issues	Findings	Response from Taskforce
The current process for recognising vested assets is prone to undetected errors, which affect the accuracy and completeness of the financial statements.	<p>Background</p> <ol style="list-style-type: none"> 1. The documentation required by Finance to recognise vested assets is part of the resource consent process managed by the Strategic Development Unit (SDU) and other business units. 2. The Finance assets team receive a notification in Authority that is a trigger for land and assets to vest in Council. This is done after: <ul style="list-style-type: none"> • confirming that Section 224(c) Certificate under the Resource Management Act 1991 has been issued, as shown in the <i>Land Information TA Approvals</i> form. • finding the relevant <i>Schedule of land and assets to vest in Council (Schedule)</i> in Content Manager. The Schedule is the source document for the journal to recognise vested assets revenue and vested work in progress in Authority. 3. SDU email the Finance assets team the Works Clearance Certificate which also shows where the upsize contribution is coded to, for capitalisation purposes. 	<p>Finance Fixed Asset team to document the process to identify the individual steps from a finance perspective, and to identify any gaps in the process.</p> <p><i>Owner:</i> Candice Swanepoel</p> <p><i>Due date:</i> April 2022</p> <p>Additional staff with financial training to work alongside and assist project managers / development engineering staff with capitalisation of new and vested assets.</p> <p><i>Owner:</i> Iain Anderson</p> <p><i>Due date:</i> May 2022</p>

Internal audit assessment

Contracts Register - Management and Reporting Issues

March 2022

Scope

This report was requested by the General Manager Development - Chris Allen, to assess the extent to which contract payments are in excess of the approved contract sum in the Contracts Register.

Introduction

The Contracts Register is the financial source for all contract information in the Contracts module in Authority. It records all contracts awarded by Council and includes:

- The value of the Approved Contract
- Variations, if any
- Actual payments that have been made
- Contract end date

It provides the basis for the Capital Commitments Note in the Annual Report.

Table A: Summary of active contract balances in the Contracts Register as at 17 August 2021

According to the Contracts Register, Council has 1,735 *active* contracts, with total approved contract sums of \$1.467 billion, to help deliver its operating and capital projects – and total contract balances of \$525.49 million across four *contract end date* periods.

Contracts with an end date	No. of contracts	Contract is complete		Contract is not complete	
		Contract is under-spent \$	Contract is over-spent \$	Contract is under-spent \$	Contract is over-spent \$
on or before 30 June 2020	600 65	8,372,011	(755,222)		
1 July 2020 - 30 June 2021	332 67	11,635,839	(1,274,752)		
1 July 2021 - 30 June 2022	446 49			130,241,111	(3,437,151)
1 July 2022 - 30 June 2028	171 5			381,444,280	(735,654)
Total	1,735	20,007,850	(2,029,974)	511,685,391	(4,172,805)

Total active contract balances \$525.49 million

Total contract balances = Approved contract sums less payments less commitments

Table B: Summary of closed contract balances in the Contracts Register as at 17 August 2021

69 contracts that have been closed in the Contracts Register appear to be overspent. Either no variation was approved, or the approved variation was not sent to Procurement.

Contracts with an end date	No. of contracts	Contract is over-spent \$
on or before 30 June 2020	30	(579,151)
1 July 2020 –30 June 2021	35	(3,640,962)
1 July 2022–30 June 2023	4	(877,682)
Total	69	(5,097,795)

The main areas affecting the quality of information held in the Contracts Register and the ability to easily assess the number of contracts that are overspent are:

- The need for contract managers to check the contract balance in the Contracts Register before approving a contractor's invoice for payment.
- Procurement need all contract managers to provide approved contract variations and communicate when a contract is completed and should be closed.
- There are system issues in Authority that impact the accuracy of contract balances.

As a result, the figures shown in the Contracts Register are not a complete and accurate financial record of Council's contracts.

Key messages

1. There is no control in Authority to prevent payments to a Contractor over and above the approved contract sum.
2. Investigate an automated workflow system to allow Contract Managers to track the requesting and approval of contract variations and have confirmation that the contract has been updated in the Contracts module in Authority.
3. Contract managers need to communicate with Procurement when a contract is completed and should be closed in the Contracts module in Authority.

Update on changes to the Contracts Register since August 2021

Tables C and D reflect the work that has been done in the Contracts Register to improve the data since August 2021:

- active contracts that had been completed have been closed
- contract variations have been approved retrospectively for some contracts that had over-spent
- action has been taken to get some system errors resolved.

Table C: Summary of active contract balances in the Contracts Register as at 4 March 2022

Contracts with an end date	No. of contracts	Contract is complete		Contract is not complete	
		Contract is under-spent \$	Contract is over-spent \$	Contract is under-spent \$	Contract is over-spent \$
on or before 30 June 2020	1		(167,960)		
1 July 2020 –30 June 2021	18 13	570,290	(255,313)		
1 July 2021–30 June 2022	526 49			93,824,932	(2,618,112)
1 July 2022–30 June 2023	133 5			255,007,335	(1,540,087)
1 July 2023–30 June 3034	146 1			778,760,225	(7,344)
Total	892	570,290	(423,273)	1,127,592,492	(4,165,543)

Total active contract balances \$1.124 billion

Total contract balances = Approved contract sums less payments less commitments

Table D: Summary of closed contract balances in the Contracts Register as at 4 March 2022

Contracts with an end date	No. of contracts	Contract is over-spent \$
on or before 30 June 2020	59	(916,553)
1 July 2020 –30 June 2021	50	(4,024,853)
1 July 2021–30 June 2022	10	(1,034,038)
Total	119	(5,975,444)

Improvement opportunities	Assessed priority rating = Moderate		Agreed recommendations	Management response
	Impact: Low	Likelihood: Moderate		
Accuracy and completeness of data in Contracts Register				
<i>Observations</i> 1. <i>System controls</i> There is no control in Authority to prevent payments to a Contractor over and above the approved contract sum. The only control is that payments can't be made to a contractor after the contract end date has been reached. 2. <i>Contract Variations</i> Variations approved by Managers, GMs, CEO, Steering Committees, or Finance Committee have not been sent to Procurement to enter in the Contracts module in Authority. <i>Example:</i> Covid-19 payments totalling \$1.767 million approved by the Finance Committee on 11 August 2020.			<i>Management to implement:</i> 1. The historic contracts in the Contracts Register with an end date of on or before 30 June 2020 can be closed if the contract is not overspent and the data is accurate and complete. This also applies to contracts with an end date of 1 July 2020 – 30 June 2021. 2. Contract Managers to review all contracts and provide evidence of the approved contract sum and variations. 3. System errors in Authority need to be resolved by Finance to improve the accuracy of data	See below.

Improvement opportunities	Agreed recommendations	Management response
<p>3. <i>System errors</i></p> <ul style="list-style-type: none"> • <i>overstate the payments figure and show an incorrect contract balance</i> <p><i>Example: CON17281 a purchase order was raised and receipted for \$182,583, the invoice was \$45,645, the difference of \$136,938 (an error) is also included in the payments figure.</i></p> <ul style="list-style-type: none"> • <i>payments are coded to the wrong contract</i> • <i>Some commitment figures in the Contracts Register are errors and show the contract as being overspent.</i> <p><i>Example: CON17370 commitments error of \$618,676 shows the contract as overspent by \$569,123.</i></p> <p><i>Also, a variation approved on 8 October 2020 by the Infrastructure Operations Committee, increasing the contract sum to \$16.5 million (Contracts Register \$14 million) has not been sent to Procurement.</i></p>	<p><i>Process for closing a contract</i></p> <p>4. Procurement will only close a contract in the Contracts Register when advised in writing by the Contract Manager that:</p> <ol style="list-style-type: none"> a. The contract is completed. b. All invoices have been accounted for in <i>Authority</i>. c. All contract variations have been actioned. d. The contract is not overspent. e. The contract can be closed in the contracts register subject to the practical completion/ defects liability period. <p><i>Training</i></p> <p>5. Contract Managers need to be trained on how to use the Contracts Register in <i>Authority</i>.</p> <p>6. Procurement to produce a 'how to' guide for Contract Managers on the information needed for the Contracts Register.</p> <p>This will include procedures for approved contract sum and contract end date variations and when a contract has been completed. This will provide assurance that contract managers are adhering to <i>The Financial Delegations to Officers Management Policy</i>.</p>	

Improvement opportunities	Agreed recommendations	Management response
<p>4. <i>Contract payments are not set up correctly to be coded to a contract.</i></p> <p><i>Example: CON18202 on 25 August 2021 the Finance Committee approved an increase in the approved contract sum to \$4.2 million. The contract started on 1 October 2018 and has no approved contract sum or payments recorded.</i></p>	<p><i>System controls</i></p> <p>7. Authority should have the ability to stop payments being made if they are over the approved contract sum.</p> <p><i>Reporting</i></p> <p>8. Contract reporting should be made available by Business unit so that <u>all</u> relevant contracts can be regularly reviewed in totality.</p>	

Management response to recommendations above

Given the volume of contracts and the concern over the data integrity, the organisation (through the Group Business Managers) was asked to look through all contracts and report back on the question: is the exceedance correct?

1. If not, then provide supporting evidence e.g. approved variation.
If a data error, then the necessary corrective action.
2. If the exceedance was valid then undertake the appropriate remedial action by obtaining the required retrospective delegation approval.

The output has seen significant improvement over the past three months and work continues to resolve the remaining outstanding issues.

While a number of retrospective approvals have been needed, at no time have any budget issues been identified, in other words the issue lies with the delegation process and not affordability.

Other improvement opportunities:

- Further refinement of the Reporting tool to make the data more accessible and presented in a format that is easy to understand.
- Working with Civica on data issues to improve the quality of the actual transactions.
- Improve the communication through to the Procurement Team to ensure any variations are advised in a timely manner.
- Request Civica amend the software to prevent payments being processed if it will cause the Approved Contract Sum to be exceeded, rather than the current end date control.
- Civica has indicated this improvement could take a number of months, therefore in the meantime staff are implementing a control template that will be used through the payment process, this template is non-discretionary and must be completed by the Contract Manager.

This template will validate the payment being made against the data currently being held.

- If a data error is identified, it can be corrected immediately
- If the data is correct but payment will cause the Approved Sum to be exceeded, then payment is held until the appropriate authorisation is obtained
- A Contract can only be closed by the Procurement Team on receipt of authorisation from the Contract Manager. Documentation must be filed in Content Manager.

Council Report

Item 11

Committee: Strategic Risk and Assurance Committee

Date: 30 March 2022

Author: Tracey Musty

Authoriser: David Bryant

Position: Financial Controller

Position: General Manager People and Organisational Performance

Report Name: Audit NZ Final Management Report 30 June 2021

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

1. To inform the Strategic Risk and Assurance Committee on the Audit NZ Final Management Report for 30 June 2021.

Staff Recommendation - *Tuutohu-aa-kaimahi*

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

Executive Summary - *Whakaraapopototanga matua*

3. Audit NZ completed their audit of the 30 June 2021 Annual Report, and issued their audit opinion, on 13 October 2021.
4. Audit NZ issued an unmodified audit opinion on 13 October 2021.
5. Ten new recommendations were made during the final audit, and 4 prior recommendations were closed.
6. Council has 14 open recommendations at 30 June 2021.
7. The complete Management Report can be found in **Attachment 1**.
8. Staff consider the matters in this report have low significance and that the recommendations comply with the Council's legal requirements.

Discussion - *Matapaki*

Audit recommendations: An overview - *Ko ngaa Tuutohu noo te Arotake Puutea: He Tiro whaanui*

9. Audit NZ use three categories to reflect the significance of their recommendations. These categories are marked as either beneficial, necessary, or urgent.

Prior year open matters

10. No organisational business continuity plan or IT disaster recovery plan. Audit NZs recommendation, that Council prioritise development and testing of Organisational Business Continuity and IT Disaster Recovery plans, has been marked as necessary. Council has identified several areas of focus related to the current backup environment and have engaged Fujitsu New Zealand to provide recommendations for making improvements.

11. Manual processing of weekly timesheets. Audit NZs recommendation, that Council implements an online timesheet function for processing weekly timesheets, has been marked as necessary. Council currently has an approved business case to replace the payroll system.
12. Improvements needed to Fujitsu monthly reporting and monitoring. Audit NZs recommendation, that a full review of Fujitsu reporting be done and that the reports be actively used to monitor and improve controls and ensure services are being provided has been marked as necessary. Council has brought the IT ServiceDesk in-house and has undertaken further improvements to be implemented during the 2022 financial year.
13. Improve data for water and wastewater treatment plants. Audit NZ has marked this recommendation as necessary. This recommendation will be followed up during the revaluation process which occurs during the 2022 financial year.
14. New recommendations:

Recommendation	Priority	Council Response
1. A review and reduction of access to the Level 8 server room and that procedures are established to IS formalise approval and monitoring of access.	Urgent	New procedures have been implemented to resolve.
2. Reviews of network login accounts as well as user application accounts be performed to ensure that any redundant account access is removed.	Necessary	Work is underway to address with target completion by end of Q2, 2022 FY22.
3. Management to investigate further to determine why the capital commitment register does not reconcile with the financial statements.	Necessary	Work is underway to investigate and resolve.
4. Building valuation: <ul style="list-style-type: none"> Confidence rating grade Appropriateness of valuation method for some buildings Cost adjustment factors 	Necessary	<ul style="list-style-type: none"> Improvements will be made as part of this year's revaluation. The valuation method has been reviewed and the appropriateness confirmed. Management will review calculations used in valuation reports and confirm inputs are consistent with the documented valuation methodology.
5. Formal reviews and approvals of work in progress capitalisations are to be performed and captured before the completed templates are submitted to Finance for recording in the financial system.	Necessary	Management has agreed and work is underway to address this.

6. Council should engage with service providers on a regular basis to obtain as-built data as soon as possible after project completion, on PPE work in progress.	Necessary	This is an ongoing focus for the Asset Management Team.
7. Council should address the areas for improvement identified in the Beca transport valuation report.	Necessary	Management has agreed and work is ongoing in this area.
8. Transport revaluation – use of indices to be reviewed.	Necessary	Consultant engagement to test the accuracy of the existing database and to undertake works to confirm a current replacement rate. The Transport Unit has also been engaging with the Infrastructure Alliance to confirm the “as-constructed” unit rates.
9. Improvements to payroll system.	Necessary	Management has agreed.
10. Aging review of the bond and deposits register. The register should be cleared for any bonds and deposits that are no longer applicable or held.	Beneficial	Management has agreed.

15. Further detail can be found in **Attachment 1** of this report.

Financial Considerations - *Whaiwhakaaro Puutea*

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

17. There are no financial implications in relation to this decision.

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

18. Staff confirm that this matter complies with the Council’s legal and policy requirements.

Wellbeing Considerations - *Whaiwhakaaro-aa-oranga tonutanga*

19. The purpose of Local Government changed on the 14 May 2019 to include promotion of the social, economic, environmental and cultural wellbeing of communities in the present and for the future (‘the 4 wellbeings’).

20. The subject matter of this report has been evaluated in terms of the 4 wellbeings during the process of developing this report.

21. There are no known social, cultural, economic and environmental wellbeings associated with this matter.

Risks - *Tuuraru*

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

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

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

Attachments

Attachment 1 - Audit NZ Report to Council - 30 June 2021

Report to the Council on the audit of

Hamilton City Council

For the year ended 30 June 2021

Item 11

Attachment 1

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Key messages

We have completed the audit for the year ended 30 June 2021. This report sets out our findings from the audit and draws attention to areas where Hamilton City Council (the City Council) is doing well and where we have made recommendations for improvement.

Audit opinion

We issued an unmodified audit opinion dated 13 October 2021.

Matters identified during the audit

In our Audit Plan, we identified the following main focus areas for this audit:

- The risk of management override of internal controls.
- Property, plant and equipment revaluations and fair value assessments.

There are some opportunities for the City Council to improve its revaluation processes, particularly in relation to its use of indices. Our detailed comments are set out in section 4 of this report.

Thank you

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



Clarence Susan
Appointed Auditor
17 December 2021

1 Recommendations



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

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

1.1 New recommendations

The following table summarises our recommendations and their priority.

Recommendation	Reference	Priority
Management of access to City Council's onsite server and communications room A review and reduction of access to the Level 8 server room is undertaken and procedures are established to IS formalise approval and monitoring of access.	4.1	Urgent
Review of network login accounts needed Cyclical reviews of network logins accounts are performed, and redundant account access is removed.	4.2	Necessary
Capital commitments Investigate further to determine why the capital commitment register does not reconcile with the financial statements.	2.3	Necessary

Recommendation	Reference	Priority
Building valuation – confidence rating grade Address the areas for improvements identified in the valuation report. Consider the impact of the grade assigned to the valuation and whether it is appropriate when concluding on the valuation.	4.3.1	Necessary
Building valuation – appropriateness of valuation methods Appropriate valuation methods are used in determining the value of buildings.	4.3.2	
Building valuation – cost adjustment factor Review calculations used in valuation reports and confirm inputs are consistent with the documented valuation methodology. Review movements between the date of indices used and year end and consider whether these movements are significant and conclude whether the valuation still reflects fair value.	4.3.3	
Approval of work in progress to be capitalised Formal reviews and approvals are performed and captured before the completed templates are submitted for recording in the financial system.	4.4	Necessary
Property, plant and equipment work in progress Engage with service providers on a regular basis to obtain as-built data as soon as possible after project completion.	4.5	Necessary
Transport revaluation recommendations from Beca Address the areas for improvement identified in the valuation report.	4.6	Necessary
Transport revaluation – use of indices to be reviewed Unit rates should be investigated in the next valuation of transportation assets and should reflect recent costs based on roading contracts.	4.7	Necessary
Improvements for payroll systems Supporting documentation is filed in a manner that can be easily retrieved. Processes and controls are reviewed on a regular basis.	4.8	Necessary
Bonds and deposits register contains long outstanding bonds Review the register for aged bonds and deposits.	4.9	Beneficial

1.2 Status of recommendations

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

Priority	Priority			
	Urgent	Necessary	Beneficial	Total
New matters	1	8	1	10
Prior year open matters	-	4	-	4
Total	1	12	1	14
Matters that will be followed up during our next audit visit	-	1	-	1
Implemented or closed in this report	-	4	-	4

2 Our audit report

2.1 We issued an unmodified audit report



We issued an unmodified audit report on 13 October 2021. This means we were satisfied that the financial statements and statement of service performance present fairly the City Council's activity for the year and its financial position at the end of the year.

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

2.2 Uncorrected misstatements

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

2.3 Uncorrected disclosure deficiencies

Detail of disclosure deficiency	Management's explanation for not correcting
<p><u>Note 24 Capital Commitments</u></p> <p>From testing we noted that there are variances between the contracts register and the payments made to date (\$544,000). This error does not reflect the total potential error and requires further investigation to determine why the capital commitment register does not reconcile with the financial statements.</p>	<p>The difference is not material. Due to staff changes, the City Council was unable to accurately reconcile the capital commitments register, the financial statements and the payments report.</p>

Recommendation

We recommend that management investigate further to determine why the capital commitment register does not reconcile with the financial statements.

Management comment

Agreed. Work is underway to investigate and resolve.

2.4 Corrected misstatements

There were a few misstatements that management agreed to adjust. We have not listed the adjustments made in this report, as they were not significant.

2.5 Quality and timeliness of information provided for audit



Management needs to provide information for audit relating to the annual report of the City Council. This includes the draft annual report with supporting working papers.

The majority of the information provided to support the annual report was of a good quality and was provided on time.

3 Matters raised in the Audit Plan



In our Audit Plan of 12 May 2021, we identified the following matters as the main audit risks and issues:

Audit risk/issue	Outcome
Revaluation of assets - revaluation year	
<p>The City Council periodically revalues its asset classes. PBE IPSAS 17, <i>Property, Plant and Equipment</i>, requires that valuations are conducted with sufficient regularity to ensure that the carrying value does not differ materially from fair value.</p> <p>We understand that the City Council will revalue land, buildings, heritage and roading assets during the 2020/21 financial year.</p> <p>The asset classes being revalued are a significant portion of Council's assets and there is a risk that errors in the process or calculation could result in a material misstatement.</p> <p>Due to the nature and value of the revaluations any bias or errors in the inputs used or calculations performed could result in a material misstatement in the value of asset classes being revalued.</p>	<p>The City Council revalued its land, buildings, heritage and roading assets as at 30 June 2021.</p> <p>For buildings, the majority of the assets were valued by Council staff and a peer review undertaken by an external party. The remaining building assets were valued by an independent valuer, Quotable Value Limited. We reviewed the scope and findings of the peer review performed and were satisfied that it was appropriate. We were also satisfied that the peer reviewer engaged by the City Council is suitably qualified and experienced.</p> <p>For land and roading assets, an independent valuer was contracted to value these assets. We were satisfied that the external valuers engaged by the City Council are suitably qualified and experienced.</p> <p>For these revaluations we have:</p> <ul style="list-style-type: none"> • reviewed the scope of the valuation performed and ensured it has been completed in accordance with the appropriate standards; • ensured the entire asset class has been revalued; • assessed whether the assumptions used are reasonable and supportable; and • reviewed adjustments posted to the general ledger as part of the revaluation and related disclosures.

Audit risk/issue	Outcome
	<p>Based on the work that we performed, we were satisfied that revaluation movements were recorded accurately and assets are fairly stated as at 30 June 2021.</p> <p>Some recommendations to improve future valuation processes are set out in section 4 of this report.</p>
Fair value assessment for assets – non-revaluation year	
<p>The City Council periodically revalues certain asset classes, including land, buildings and infrastructure. PBE IPSAS 17, <i>Property, Plant and Equipment</i>, requires that valuations are conducted with sufficient regularity to ensure that the carrying value does not differ materially from fair value. A revaluation is not scheduled for the following asset classes during the 2020/21 financial year:</p> <ul style="list-style-type: none"> • Parks and Gardens; • Refuse; and • Three Waters. <p>If a material movement between the carrying amount and the fair value of these classes of assets is identified they must be revalued for the City Council to comply with PBE IPSAS 17, <i>Property, Plant and Equipment</i>.</p>	<p>For assets that have not been revalued in the 2020/21 financial year, we reviewed management's fair value assessments and were satisfied that there is no material difference between the carrying amount and the fair value for these classes of assets.</p>

Audit risk/issue	Outcome
Major capital projects	
<p>The City Council continues to have a significant ongoing capital programme. A number of capital projects are either underway or about to commence of which the major ones are:</p> <ul style="list-style-type: none"> • Wairere Drive Extension and Bridge over Waikato River to Peacocke; • Ruakura Eastern Transport Corridor (Spine Road); and • Waioara Water Treatment Plant Upgrade. <p>Accounting for capital projects, whether completed during the year or in progress at balance date, requires assumptions and judgements to be made that can have a significant impact on the financial statements.</p> <p>Management and the Council are responsible for managing the financial statement risks associated with capital projects. (Refer to our Audit Plan for further detail about what these risks include.)</p>	<p>We reviewed the accounting for costs incurred on capital projects, including:</p> <ul style="list-style-type: none"> • the correct classification of costs as either capital or operational in nature; • appropriate capitalisation point for completed assets, including transfers from work in progress; • the reasonableness of depreciation rates and useful lives applied to asset components; and • the disclosures included within the financial statements, including those relating to capital commitments. <p>Based on the work that we performed, we did not identify any concerns.</p>
The risk of management override	
<p>Management is in a unique position to perpetrate fraud because of management's ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. Although the level of risk of management override of controls will vary from entity to entity, the risk is nevertheless present in all entities. Due to the unpredictable way in which such override could occur, it results in a risk of material misstatement due to fraud.</p>	<p>In order to satisfy ourselves that management did not override controls in preparing the financial statements, we performed the following audit procedures:</p> <ul style="list-style-type: none"> • Tested the appropriateness of selected journal entries. • Reviewed accounting estimates for indications of bias. • Evaluated any unusual or one-off transactions, including those with related parties. <p>Based on the work that we performed, we did not identify any instances of management override.</p>

4 Matters identified during the audit



4.1 Management of access to the City Council's onsite server and communications room

We obtained a list of access cards to the Level 8 computer and communications room and noted that there are over 150 cards issued that can access this room.

There appears to be no formal process for IS managing security access to that room - raising the risk that equipment may be inappropriately accessed.

Recommendation

We recommend a review and reduction of access to the Level 8 server room and that procedures are established to IS formalise approval and monitoring of access.

Management comment

Agreed. New procedures have been implemented to resolve.

4.2 Review of network login accounts needed

We noted that no full reviews of network login accounts have been carried out.

We noted that there are:

- A high number of people with privileged access that may no longer be required;
- A high number of older generic user accounts that may no longer be required; and
- Other redundant accounts.

Recommendation

We recommend that cyclical reviews of network login accounts as well as user application accounts be performed to ensure that any redundant account access is removed.

We understand that a review has now commenced since we discussed this matter with the City Council's IS department.

Management comment

Agreed. Work is underway to address with target completion by end of Q2, 2022 FY22.

4.3 Building valuation

4.3.1 Confidence rating grade

In the Data Confidence section of the valuation report, a data confidence grade of C was assigned to the valuation. This means that the dataset is substantially complete but up to 50% is extrapolated data and accuracy is estimated at $\pm 25\%$. Assigning the valuation a data confidence grade of C implies that the fair value of buildings is uncertain.

We discussed this further with management as we were concerned that the valuation report did not therefore provide suitable evidence of the fair value of the Council's building assets. We found that, based on management's evaluation of the data, areas were identified for improvement and an improvement plan was developed. We understand that the confidence rating in the report was conservative and was based on the recommended improvements.

Following these discussions, and after considering the potential impact on the fair value of the Council's building assets, we were satisfied that the Council's building assets were fairly stated in all material respects.

Recommendation

We recommend management address the areas for improvement identified in the valuation report.

We recommend management consider the impact of the grade assigned to the valuation and whether it is appropriate when concluding on the valuation.

Management comment

Agreed. Improvements will be made as part of this year's revaluation.

4.3.2 Appropriateness of valuation methods for some buildings

The City Council performs the valuation of buildings using the Depreciated Replacement Cost approach. Quotable Value Limited is engaged to value a small number of buildings within this class using the Fair Market Value approach.

However, Quotable Value Limited makes use of either the Fair Market Value or Depreciated Replacement Cost approach when completing their valuation. The rationale for the particular approach used for each asset was not entirely clear to us, and similar types of assets were at times valued using different approaches.

This may result in buildings being valued using an approach that does not best represent their fair value.

Recommendation

We recommend that management ensure that appropriate valuation methods are used in determining the value of buildings.

Management comment

The fair value approach is used to determine the value of buildings that could be sold on the open market. However, this only represents a small number of council buildings, approximately 50 of the 331 buildings. For buildings that cannot be sold on the open market, a "bottom-up" approach is used to determine the value of the building which is how the Depreciated Replacement Cost is determined.

4.3.3 Cost adjustment factor for buildings

The City Council used a cost adjustment factor to adjust the 30 June 2019 replacement costs to 31 March 2021 costs.

We noted that the Producer Price Index – Outputs was incorrectly used to calculate the cost adjustment factor instead of the Producer Price Index – Inputs. This was inconsistent with the valuation report.

We assessed the impact of this on the valuation by using the correct indices. We concluded that there was no significant difference.

The cost adjustment factor was calculated up to 31 March 2021, but the valuation was recorded at 30 June 2021. There was no evidence that management considered whether there had been any significant movement in the indices between 31 March 2021 and 30 June 2021 and no assessment done to consider if this may have affected the valuation of buildings as at 30 June 2021.

We considered the movement in indices between 31 March 2021 and 30 June 2021 and we were satisfied that there had been no movement that would have significantly affected the valuation.

Recommendation

We recommend management review calculations used in valuation reports and confirm inputs are consistent with the documented valuation methodology.

We recommend management reviews any movements between the date of indices used and year end. Management should consider whether these movements are significant and conclude whether the valuation report is still reflects fair value.

Management comment

Agreed.

4.4 Approval of work in progress to be capitalised

When work in progress of Property, Plant and Equipment is ready to be capitalised in the financial system and added to the fixed asset register, the relevant business unit completes the required templates and submits these to Finance for capturing in the financial system.

It is unclear whether formal review and approvals have been obtained within the business to capitalise these assets. Without proper review and approval, there is a risk that the incorrect amounts and asset details are capitalised in the financial system.

Recommendation

We recommend that formal reviews and approvals are performed and captured before the completed templates are submitted to Finance for recording in the financial system.

Management comment

Agreed.

4.5 Property, plant and equipment work in progress

Last year, we reported that we expected the work in progress balance for property, plant and equipment to increase significantly. The work in progress balance at 30 June 2021 was \$367 million (2020: \$203 million).

From our review of projects in work in progress at 30 June 2021 we identified a few projects where capitalisations should have occurred. We understand obtaining the 'as-built' data can be a time-consuming process and delays can be experienced.

If assets in use are not capitalised timely, there is a risk that the depreciation expense recognised for the year will be understated. We are satisfied that the potential error was not material for the 30 June 2021 financial year.

Recommendation

We continue to recommend the City Council engage with service providers on a regular basis to obtain as-built data as soon as possible after project completion.

Management comment

Agreed. This is an ongoing focus for the Asset Management Team.

4.6 Transport revaluation recommendations from Beca

Beca completed the revaluation of transportation assets for the City Council at 30 June 2021.

The report contained specific recommendations within the various sections. In addition to these, the following overarching recommendations were made to improve the quality of future valuations:

- Where asset data is missing, the information should be gathered and populated in RAMM. For example, construction dates, bridge deck data, asset types and dimensions.
- Condition data should be used where available to modify the remaining useful lives (RUL).

Recommendation

We recommend management address the areas for improvement identified in the valuation report.

Management comment

Agreed and work is ongoing in this area.

4.7 Transport revaluation – use of indices to be reviewed

Unit rates used for the valuation were determined by applying an inflation index.

For some unit rates, indices have been used to escalate rates from 2010 and 2016.

There is a risk that it is no longer appropriate to use these indices and/or that the costs are not in line with recent contract costs. This could lead to the carrying value of transportation assets being materially different from fair value.

Recommendation

We recommend that the continued use of indices to determine replacement costs is investigated in the next valuation of transportation assets and that, where indices are used, the replacement costs should be compared to recent roading contract costs.

Management comment

A consultant has been engaged to both test the accuracy of the existing database and to undertake works to confirm a current replacement rate. The Transport Unit has also been engaging with the Infrastructure Alliance to confirm the “as-constructed” unit rates.

4.8 Improvements to payroll systems

When completing our review of the payroll systems we came across instances where supporting information or evidence of review was not readily available to support the process described to audit. Upon further engagement with staff members at the final audit, this information was later produced.

We also noted that where two payroll staff members usually sign off the variable data report as evidence of review, only one staff member signed off the report for half of the sample reviewed.

There is a risk that if documentation is not reviewed and stored appropriately, controls may not be correctly exercised, and errors may occur.

Recommendation

We recommend that supporting documentation is filed in a manner that can be easily retrieved.

We recommend that processes and controls are reviewed on a regular basis. This will identify any gaps in the system and provide an opportunity for the City Council to strengthen their controls.

Management comment

Agreed.

4.9 Bond and deposits register contains long outstanding bonds

We selected a sample of bonds and deposits held from the City Council's register. Due to the age of the bonds and deposits held, the City Council was unable to provide supporting documentation for many that were selected. Some of these bonds and deposits dated back to 2000.

The bonds and deposit liability may be overstated with these aged bonds and deposits, as many of these may have been cleared from the register in previous years.

Recommendation

We recommend that the register is reviewed for aged bonds and deposits. The register should be cleared for any bonds and deposits that are no longer applicable or held.

Management comment

Agreed

5 Public sector audit



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

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

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

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

Based on the audit work that we performed this year, we did not identify any issues or concerns.

6 Group audit



The group comprises:

- Hamilton City Council (parent)
- Waikato Innovation Growth Limited (Group); and
- Waikato Regional Airport Limited

We have not identified any of the following during our audit for the year ended 30 June 2021:

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

7 Useful publications



Based on our knowledge of the City Council, we have included in the table below some publications that the Council and management may find useful.

Description	Where to find it
Performance reporting	
Public organisations are responsible for reporting their performance to Parliament and the public in a way that meaningfully reflects their organisation's aspirations and achievements. The Auditor-General published a discussion paper that explores five areas for improvement in performance reporting.	On the Office of the Auditor-General's website under publications. Link: The problems, progress, and potential of performance reporting
Local government risk management practices	
The Covid-19 pandemic is a stark reminder for all organisations about the need for appropriate risk management practices. In our audit work, we often see instances where councils do not have effective risk management. This report discusses the current state of local government risk management practices and what councils should be doing to improve their risk management.	On the Office of the Auditor-General's website under publications. Link: Observations on local government risk management practices
Public accountability	
Public accountability is about public organisations demonstrating to Parliament and the public their competence, reliability, and honesty in their use of public money and other public resources. This discussion paper explores how well New Zealand's public accountability system is working in practice.	On the Office of the Auditor-General's website under publications. Link: Building a stronger public accountability system for New Zealanders

Description	Where to find it
Setting and administering fees and levies for cost recovery	
This good practice guide provides guidance on settings fees and levies to recover costs. It covers the principles that public organisations should consider when making any decisions on setting and administering fees and levies. It also sets out the matters public organisations should consider when calculating the costs of producing goods or providing services and setting charges to recover those costs.	On the Office of the Auditor-General's website under publications. Link: Setting and administering fees and levies for cost recovery: Good practice guide
Managing conflicts of interest involving council employees	
This article discusses findings across four councils on how conflicts of interest of council employees, including the chief executive and staff, are managed.	On the Office of the Auditor-General's website under publications. Link: Getting it right: Managing conflicts of interest involving council employees
Establishing a new "public entity"	
This document is for people making policy decisions about establishing a new public entity. It sets out questions to help you consider what accountability requirements a new public entity should have.	On the Office of the Auditor-General's website under publications. Link: Accountability requirements to consider when establishing a new "public entity"
Covid-19 implications for financial reporting and audit in the public sector	
Audit New Zealand Executive Director Steve Walker and Head of Accounting Robert Cox joined an online panel hosted by Victoria University of Wellington and the External Reporting Board. They discuss the effects of Covid-19 and the economic recovery on financial reporting and audit in the public sector.	On our website under good practice. Link: Covid-19 page Link: Webinar
The Auditor-General's report on the results of recent audits	
The OAG publishes a report on the results of each cycle of annual audits for the sector.	On the OAG's website under publications. Links: Local government 2019/20 audits

Appendix 1: Status of previous recommendations

Implemented or closed recommendations

Recommendation	First raised	Status
Treatment of found assets		
We recommended that the City Council reviews its processes regarding found assets to ensure that they are recognised and valued in a timely manner. In addition, we recommended that processes be put in place to determine how assets were originally “lost”. This will ensure that subsequent accounting treatment of found assets within revenue or revaluation is correct.	2018	<p>We understand that management has developed a process to be followed when found assets are identified.</p> <p>We will monitor this recommendation when we review any revaluations that contain found assets.</p> <p>Matter closed.</p>
Road and traffic network asset revaluations		
We recommended that the City Council reviews the data integrity of the asset sub system and, where appropriate, ensures that data is corrected within the ledger or sub-ledger to ensure the systems reconcile.	2017	<p>We did not identify further issues of this nature in our review of the road and traffic network valuation completed this year.</p> <p>Matter closed.</p>
Waikato Community Lands Trust		
We recommended the City Council keeps a watching brief on the process and the completion of the founding documents as well as arrangements about the future operation of the Trust to confirm that the City Council does not control the Trust in terms of PBE IPSAS 35.	2020	<p>Management performed an assessment to confirm that the City Council does not control the Trust in terms of PBE IPSAS 35.</p> <p>Matter closed.</p>
Property, plant and equipment work in progress		
We recommended management continues to closely monitor and review the manual process and capitalise work in progress in a timely manner.	2020	<p>Management has continued to improve their processes in capitalising work in progress in a timely manner.</p> <p>Refer to updated recommendation under “Matters identified during the audit”.</p> <p>Matter closed.</p>

Open recommendations

Recommendation	First raised	Status
Necessary		
No organisational business continuity plan or IT disaster recovery plan		
We recommended that the City Council prioritise development and testing of Organisational Business Continuity and IT Disaster Recovery plans.	2015	BCP planning is progressing, along with the redevelopment of the IT DRP to align with BCPs and service level management. Management comments <i>DR and BCP plans continue to be developed, enhanced, and tested over the next nine months.</i> <i>We have identified several areas we are currently focusing on related to our current backup environment and have engaged Fujitsu New Zealand to provide recommendations for making improvements</i>
Necessary		
Manual processing of weekly timesheets		
<p>We recommended that the Council implements an online timesheet function for processing weekly timesheets. This will reduce the risk of timesheet information being entered incorrectly into the system and serve as an efficient way to process weekly pay runs.</p> <p>Alternatively, the responsibility for capturing weekly timesheets could be delegated to an individual within the various departments, and the payroll staff members could then just perform a review of the captured information.</p>	2019	<p>Council continues to process weekly timesheets manually.</p> <p>We are aware that Council has an approved business case to replace the current payroll system.</p>

Recommendation	First raised	Status
Improvements needed to Fujitsu monthly reporting and monitoring		
We recommended that a full review of Fujitsu reporting be done and that the reports be actively used to monitor and improve controls and ensure services are being provided.	2020	<p>Council has decided to bring the IT ServiceDesk back in house with effect from 1 July 2021. Currently this service is provided by Fujitsu.</p> <p>Management comments</p> <p><i>Management accepts the finding and agrees with the recommendations and will, by the end Q2 FY22, have completed the following actions:</i></p> <ul style="list-style-type: none"> • <i>HCC will own and deliver all service level reporting from Suppliers currently.</i> • <i>Embed Continual Service Improvement Process and register that encompasses recommendations from all suppliers.</i> • <i>HCC will own and deliver software Patch and compliance reports for all assets in the domain.</i>

Recommendations to be followed up at the next audit visit

Recommendation	Priority	First raised
Improve data for water and wastewater treatment plants ¹	Necessary	2019

¹ This recommendation will be followed up when the next water and wastewater revaluation is performed.

Appendix 2: Disclosures

Area	Key messages
Our responsibilities in conducting the audit	<p>We carried out this audit on behalf of the Controller and Auditor-General. We are responsible for expressing an independent opinion on the financial statements and performance information and reporting that opinion to you. This responsibility arises from section 15 of the Public Audit Act 2001.</p> <p>The audit of the financial statements does not relieve management or the Council of their responsibilities.</p> <p>Our Audit Engagement Letter contains a detailed explanation of the respective responsibilities of the auditor and the Council.</p>
Auditing standards	<p>We carried out our audit in accordance with the Auditor-General's Auditing Standards. The audit cannot and should not be relied upon to detect all instances of misstatement, fraud, irregularity or inefficiency that are immaterial to your financial statements. The Council and management are responsible for implementing and maintaining your systems of controls for detecting these matters.</p>
Auditor independence	<p>We are independent of the City Council in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: International Code of Ethics for Assurance Practitioners, issued by New Zealand Auditing and Assurance Standards Board.</p> <p>In addition to the audit we have carried out engagements in the areas of Hamilton City Council's long term plan and debenture trust deed, which are compatible with those independence requirements. Other than the audit and these engagements, we have no relationship with or interests in the City Council or its subsidiaries.</p>
Fees	<p>The audit fee for the year is \$254,461, as detailed in our Audit Proposal Letter.</p> <p>Other fees charged in the period are \$157,000, for:</p> <ul style="list-style-type: none"> • Debenture trust deed limited assurance engagement - \$8,000 • 2021 – 31 Long Term Plan - \$149,000

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

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Council Report

Committee: Strategic Risk and Assurance Committee
Date: 30 March 2022
Author: Nikita Hanright
Authoriser: David Bryant
Position: Financial Accounting Team Leader
Position: General Manager People and Organisational Performance
Report Name: Annual Report 2022 Planning Update

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

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

Staff Recommendation - *Tuutohu-aa-kaimahi*

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

Executive Summary - *Whakaraapopototanga matua*

3. Staff are currently undertaking planning activities in relation to the 2022 Annual Report.
4. Audit New Zealand's existing commitments and limited resources has resulted in a delay in delivering their Audit plan for the 2022 Annual Report.
5. Once received, it will be electronically distributed to the Committee with the appropriate commentary.
6. Staff consider the matter covered in the report is of low significance and that the recommendations comply with Council's legal requirements.

Discussion - *Matapaki*

7. The Audit plan for the year ending June 2022 from Audit New Zealand has been delayed.
8. Staff are currently undertaking initial planning activities for the preparation of the 2022 Annual Report and will refocus planning once the areas of audit focus has been identified.
9. We have held a planning meeting with Audit New Zealand in February 2022.
10. We have been advised that there will be delays in carrying out the audit this year and our audit will not be completed in time to sign the Annual Report before the Local Authority Elections in October 2022.
11. The year-end/annual report timetable will be prepared in due course following receipt of the Audit plan to ensure timely and quality information for the audit process.

Financial Considerations - *Whaiwhakaaro Puutea*

12. The cost of this engagement is funded through the 2021 – 2031 Long-Term plan.

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

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

Wellbeing Considerations - *Whaiwhakaaro-aa-oranga tonutanga*

14. 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').
15. The subject matter of this report has been evaluated in terms of the 4 wellbeings during the process of developing this report.
16. The recommendations set out in this report are consistent with that purpose.

Risks - *Tuuraru*

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

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

Significance

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

Engagement

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

Attachments - *Ngaa taapirihanga*

There are no attachments for this report.

Council Report

Committee: Strategic Risk and Assurance Committee
Date: 30 March 2022
Author: Michelle Hawthorne
Authoriser: David Bryant
Position: Governance and Assurance Manager
Position: General Manager People and Organisational Performance
Report Name: Draft Conflicts of Interest Management Policy

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

1. To update the Strategic Risk and Assurance Committee on staff progress against the recommendations Hamilton City Council received from the Office of the Auditor General (OAG) in August 2021 to improve the way Council manages employee conflicts of interest.
2. To provide the draft *Conflicts of Interest Management Policy* for the Strategic Risk and Assurance Committee's review and feedback.

Staff Recommendation - *Tuutohu-aa-kaimahi*

3. 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.

Executive Summary - *Whakaraapopototanga matua*

4. In 2020, the Office of the Auditor General (OAG) conducted a case study on the management of conflicts of interest at of four local authorities, including Hamilton City Council (Council).
5. Following the case study, the Chief Executive received a letter including specific recommendations for how to improve Council's employee conflicts of interest framework. One recommendation was a review of the Conflicts of Interest Management Policy, the draft of which is attached for the Strategic Risk and Assurance Committee's review and feedback. Staff consider the matters have low significance and that the recommendations comply with Council's legal requirements.

Background - *Koorero whaimaarama*

6. Hamilton City Council's *Conflicts of Interest Management Policy* is a corporate policy. It covers managing perceived and actual conflicts of interest for employees. Managing employee conflicts of interest supports our ability to maintain the trust and confidence of the community we serve.
7. In 2020, the Office of the Auditor General (OAG) conducted a case study on the management of conflicts of interest at of four local authorities, including Hamilton City Council (Council).
8. Following this study the OAG published good practice guidance: [Getting it right: Managing conflicts of interest involving council employees](#) (August 2021).
9. The OAG also sent a letter to the Chief Executive including specific recommendations for how to improve Council's employee conflicts of interest framework. This letter (attached) was provided to this Committee in a report on 14 September 2021.
10. Staff continue to work through the new guidance and recommendations the OAG provided, which fall within three key areas:
 - i. improvements to the conflicts of interest management policy;
 - ii. ensuring Council's conflicts of interest system is complete and consistent as a whole; and
 - iii. implementing appropriate checks and balances.

Discussion - *Matapaki*

11. Paragraph 3 of the Terms of Reference for the Strategic Risk and Assurance Committee empowers the Committee to review the *Conflicts of Interest Management Policy* to ensure appropriate guidance and processes are in place.
12. Staff have reviewed the Conflicts of Interest Management Policy, provided in **Attachment 1** and a tracked change version of the amendments is available as **Attachment 2**.
13. Staff are currently reviewing the declaration of interest form with the Procurement team.
14. 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.
15. Further progress to implement the OAG recommendations will be reported in the Organisation Improvement Register to future Strategic Risk and Assurance Committee meetings.

Financial Considerations - *Whaiwhakaaro Puutea*

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

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

Staff confirm that the work to improve Council's conflicts of interest framework for employees complies with the Council's legal and policy requirements.

Wellbeing Considerations - *Whaiwhakaaro-aa-oranga tonutanga*

18. The purpose of Local Government changed in 2019 to include promotion of the social, economic, environmental and cultural wellbeing of communities in the present and for the future ('the four wellbeings').

19. The subject matter of this report has been evaluated in terms of the 4 wellbeings and staff confirm the recommendations in this report do not directly impact the social, economic, environmental or cultural wellbeing but support the community to have trust and confidence in the Council operations.

Risks - *Tuuraru*

20. There are no known risks associated with progressing improvements to Council's conflicts of interest framework. Improving our framework helps Council to manage perceived and actual conflicts of interest, which supports our ability to maintain the trust and confidence of the community we serve.

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

Significance & Engagement

21. Having considered the Significance and Engagement Policy, staff have assessed that the matters in this report have low significance. Community engagement is not required.

Attachments - *Ngaa taapirihanga*

Attachment 1 - Management Policy - Conflict of Interest - Clean - March 2022

Attachment 2 - Management Policy - Conflict of Interest - Tracked Changes - March 2022

Attachment 3 - OAG recommendations to HCC - Conflict of Interest

Date Approved by BSLT:	16 May 2019
Next review date:	16 May 2022
Document number:	
Associated documents:	N/A
Sponsor/Group:	GM Corporate
Policy Owner:	Business Unit Manager - PSW

Management Policy – Conflict of Interest

Purpose

1. The purpose of this policy is to manage any actual, perceived or potential conflicts of interest to provide the public with confidence that decisions Council employees make are impartial, for the right reasons and are not influenced by personal interests.

Principles of Policy

2. The guiding principles for this policy are:
 - a) Conflicts of interest will be managed fairly and ethically
 - b) The determination of conflicts of interest, potential, perceived or actual, will follow legal, ethical and/or good practice requirements
 - c) Conflicts of interest cannot always be avoided. Unavoidable conflicts of interest still need to be identified, disclosed and managed effectively
 - d) All employees are responsible for managing their personal lives as far as reasonably possible to prevent conflicts of interest arising
 - e) An employee's duties and employment with Council should not be compromised by external commitments

Scope

3. This policy applies to all Hamilton City Council employees

Guidelines

4. A conflict of interest is a situation where your personal or private interests could, or be seen to, improperly influence the performance of your duties at Council. Employees are responsible for identifying potential, perceived and actual conflicts of interest:
 - An actual conflict of interest involves a direct conflict between your duties and Council's responsibilities and a competing interest or obligation, whether personal or involving a third-party.
 - A perceived conflict of interest occurs where it could reasonably be perceived, or give the appearance, that a competing interest could improperly influence the performance of your duties and Council's responsibilities.
 - A potential conflict of interest arises where you have an interest of obligation, whether personal or involving a third-party, that could conflict with your duties and Council's responsibilities in the future.

Conflicts of interest can be categorised as both 'financial' (pecuniary) and non-financial (non-pecuniary).

A financial conflict of interest: is where a decision or act by the employee could reasonably result or give rise to a financial gain or loss. A financial conflict of interest may not always involve in cash changing hands directly. It could, for example, relate to an effect on the value of land, property or

shares that the employee is involved in, which has been influenced through their knowledge or influence through their employment or association with Council.

A non-financial conflict of interest: does not have a personal financial component. It may arise, for example, from a personal relationship or involvement with an external organisation or from conduct that indicates some form of prejudice or predetermination.

Employees have a duty to themselves and Council to raise any issues at the earliest opportunity, to enable Council to assess and manage any resulting conflict. Employees should therefore inform their manager if they are involved in, or have a personal or financial interest or commitment to, any activity that may conflict or could be seen by others to conflict with their performance of duties within Council. In these circumstances the employee will be required to complete a Potential Conflict of Interest Declaration form annually.

Employees on Boards

Employees who are invited or elected as individuals acting in a private capacity to be on a Board, Council, Trust, Committee or Incorporated Society should ensure that this is recorded on Council's conflict of interest register and with the respective Boards' conflict of interest register.

Employees are not authorised to represent any views on behalf of Council as an organisation unless this is specified in their employment agreement and/or position requirements.

Employees are only permitted to act in an 'ex-officio' role on Boards, Trust, Committees or Incorporated Societies where the invitation or nomination is based primarily on their employment at Council.

On occasions Council may appoint an employee to a Board, Trust, Committee or Incorporated Society by way of resolution. This appointment assumes the appointee is there to represent Council view and interests.

Other Employment and Voluntary Positions

Council acknowledges that employees can participate in a variety of alternative voluntary and paid work and roles. It is necessary to ensure that in undertaking additional responsibilities outside of Council, that the conflicts of interest are identified and potential risks (including health and safety) and cost implications are considered.

If a Council employee is intending to participate, or is already participating in paid work, voluntary work or have a financial interest in another organisation, then they must inform their manager if there are actual or potential conflicts between their responsibilities and duties as a Council employee and their responsibilities and duties to the other organisation.

Business Interests

Employees should not have business interests that directly or indirectly place them in competition with Council, or might result in personal gain because of their employment by Council.

If at a future date the activities of Council create a conflict of interest with an employee's existing business, the conflict must be declared by the employee.

As part of the general obligation to act fairly, employees must take care that their decision-making processes cannot be challenged on the basis of actual or perceived bias.

Employees should declare any business interest that may be an actual or perceived as actual conflict of interest throughout any procurement process.

Conflict of interest in a procurement situation could include, but are not limited to:

- Relatives involved with Tenderers;
- Maintaining shares in companies who are responding;
- Financial interest;
- Acting as a consultant, or in any advisory capacity;
- Close relationship (i.e. friendship) with respondents;
- Informal conversation at social functions;
- Accepting any gift or gratuity from a Tenderer in any form, during an RFP or contract negotiation process
- Questions asked by Tenderers that do not follow the formal tender rules;

Under no circumstances will a procurement process allow an employee to receive preferential treatment in a contracting situation.

Family or Close Relationships

Employees should not be appointed into positions where there will be a direct reporting relationship, a risk of advantage because of having access to information, or disclosure of sensitive information, through a working relationship with a family member or close relative.

If an offer of employment, a transfer, secondment, higher duties or other change which will result in a move into a role or position where an employee will work with close relatives, or where a close relative is a member of the line management to which the person will report, that relationship must be declared. For example, appointment to a position where a partner, parent, son or daughter is a manager in that unit where the reporting lines can be directly linked to the intended role.

The employee's manager will consider in conjunction with the Human Resources Business Partner or Advisor whether an actual conflict exists and whether arrangements can be made with the employee to avoid or manage the conflict.

Confidential Information and Disclosure

Council employees will not disclose confidential information gained through their employment for any purpose other than to carry out their duties and the responsibilities of their position.

Council employees will not, during the period of their employment or any time thereafter, make use of any Council processes, papers or documents they may have access to that are not in the public domain, for any purpose other than on behalf of Council.

Predetermination

The underlying risk with predetermination is the same as for conflicts of interest – that is, the risk that you will “taint” a decision you are involved in making because you are biased or appear to be biased.

All employees of Hamilton City Council are entitled to their own personal views however sometimes having strong views about a matter can create a risk of prejudice or predetermination. You might be treated as biased if your behaviour, beliefs, or what you say indicates that you made up your mind about a matter before it came to be heard or deliberated on – in other words, if you have a “closed mind” or fixed position and are not willing to fairly consider all relevant information and arguments.

The seriousness of the risk will depend on the context, such as what your role is and what sort of decision you are being asked to make.

When dealing with predetermination:

- Employees are expected to have an open mind, but that does not mean an empty mind.
- Pay particular attention to the type of decision employees are being asked to make. They need to be particularly careful about predetermination in situations where they are making decisions that will affect the legal rights, interests, and obligations of an individual or small group of individuals, as opposed to broad policy decisions that do not have an immediate effect on individuals.
- Unlike many types of conflicts, the risks associated with predetermination are nearly always under the employee's control. It is generally about managing what you do or say, so you do not later put yourself in a situation where your participation in a decision will put that decision at risk.

Assessing the Seriousness of a Conflict of Interest

A degree of judgement will be required in assessing individual conflicts of interest however the following acts as a guide for assisting with determining the level of seriousness. Several factors might need to be considered in assessing the seriousness of the conflict of interest. They include:

- The type or size of the person's other interest;
- The nature or significance of the particular decision or activity being carried out by Hamilton City Council;
- The extent to which the person's other interest could specifically affect, or be affected by, the public organisation's decision or activity; and
- The nature or extent of the person's current or intended involvement in the public organisation's decision or activity.
- The nature of a relationship

Seriousness is a question of degree. It involves a spectrum of directness and significance – how close and how big. Directness (and its opposite, remoteness) is about how closely or specifically the two interests concern each other. Significance is about the magnitude of the potential effect of one on the other.

Council might judge that the overlap of the two interests is so slight that it does not really constitute a conflict of interest. In other words, there is no realistic connection between the two interests, or any potential connection is so remote or insignificant that it could not reasonably be regarded as a conflict of interest.

However, it must be remembered that this judgement is not primarily about the risk that misconduct will occur. It is about the seriousness of the connection between the two interests.

Similarly, an interest might not be seen as serious if it is a generic interest held in common with the public. That is, the interest is substantially the same kind and size as the interest held by all members – or a large segment – of the public.

Council might judge that the overlap of the two interests might be significant and cannot be mitigated to Council satisfaction. This could result in the termination of employment in some circumstances.

Options for Mitigating

Any declared conflict of interest will be assessed by the relevant leader to determine, mitigate and effectively manage the extent of any declared conflicts of interest. Any conflict of interest involving a procurement process on financial payment needs to be discussed with the Procurement Manager.

Selecting a suitable mitigation option will reflect the seriousness or the extent of the conflict of interest in each particular case. It may also be necessary to consider the practicability of any options for avoiding or mitigating the conflict.

There are a broad range of options for avoiding or mitigating a conflict of interest. The options (listed in order of lowest to highest severity) include:

- taking no action;
- enquiring as to whether all affected parties will consent to the employee's involvement;
- seeking a formal exemption to allow participation (if such a legal power applies);
- imposing additional oversight or review over the official;
- withdrawing from discussing or voting on a particular item of business at a meeting;
- exclusion from a committee or working group dealing with the issue;
- re-assigning certain tasks or duties to another person;
- agreement or direction not to do something;
- withholding certain confidential information or placing restrictions on access to information;
- transferring the official (temporarily or permanently) to another position or project;
- relinquishing the private interest; or
- resignation or dismissal from one or other position or entity

Conflict of Interest Declaration Form

All employees, including applicants, who may have any actual, perceived, or potential conflict are required to complete the 'Potential Conflict of Interest Declaration Form'. The form shall record any actions to mitigate conflicts of interests.

The declared conflicts of interests may be shared with other relevant parties to ensure the adequate monitoring of conflicts. For example, the Procurement Manager will be notified to any conflict associated with procurement processes. The conflict of interest information will only be used for monitoring and compliance purposes.

Conflict of Interest Register

A central register of declared conflicts of interest is managed by the People, Safety and Wellness Business Unit. The employee is required to notify their manager of any changes resulting in a new conflict of interest or have a material impact on any declared conflict of interest. The register will also be reviewed annually.

Breaches of the Policy

Any breaches of this policy may result in disciplinary action.

Definitions

Definition	Detail
'Conflict of Interest'	Exists where two different interests are at odds or where responsibilities as an employee at Council could be affected by some other separate interest or duty. These conflicts may arise out of situations such as: <ul style="list-style-type: none"> • Having responsibilities with other organisations

	<ul style="list-style-type: none"> • Monetary (financial) interests • Having access to confidential or official information
Employee	Any person employed on a permanent, contract or casual basis by Hamilton City Council.
Predetermination	Is any situation where the employee deciding about something and there is a risk that people will think the employee has made up their mind before they considered all of the evidence. Suggestions of predetermination usually arise because of something the employee has previously said or done.

References

1. Potential Conflict of Interest Declaration Form
2. Procurement Policy
3. Contract and Relationship Management – Gifts & Hospitality
4. Hospitality and Entertainment
5. Discipline Policy
6. Protected Disclosure Policy
7. Intellectual Property and Ownership Management Policy
8. Controller and Auditor General – Managing Conflicts of Interest

Date Approved by BSLT:	16 May 2019
Next review date:	16 May 2022
Document number:	
Associated documents:	N/A
Sponsor/Group:	GM Corporate
Policy Owner:	Business Unit Manager - PSW

Management Policy – Conflict of Interest

Purpose

1. The purpose of this policy is to ensure employees are aware of the types of situations where conflicts of interest can occur and how to declare actual and potential conflicts of interest that arise between their employment and their activities outside of work, manage any actual, perceived or potential conflicts of interest to provide the public with confidence that decisions Council employees make are impartial, for the right reasons and are not influenced by personal interests.

Principles of Policy

2. The guiding principles for this policy are:
 - a) Conflicts of interest will be managed fairly and ethically
 - b) The determination of conflicts of interest, potential, perceived or actual, will follow legal, ethical and/or good practice requirements
 - c) Conflicts of interest cannot always be avoided. Unavoidable conflicts of interest still need to be identified, disclosed and managed effectively
 - d) All employees are responsible for managing their personal lives as far as reasonably possible to prevent conflicts of interest arising
 - e) An employee's duties and employment with Council should not be compromised by external commitments

Scope

3. This policy applies to all Hamilton City Council employees

Guidelines

4. A conflict of interest is a situation where your personal or private interests could, or be seen to, improperly influence the performance of your duties at Council. Employees are responsible for identifying potential, perceived and actual conflicts of interest:
 - An actual conflict of interest involves a direct conflict between your duties and Council's responsibilities and a competing interest or obligation, whether personal or involving a third-party.
 - A perceived conflict of interest occurs where it could reasonably be perceived, or give the appearance, that a competing interest could improperly influence the performance of your duties and Council's responsibilities.
 - A potential conflict of interest arises where you have an interest of obligation, whether personal or involving a third-party, that could conflict with your duties and Council's responsibilities in the future.

Conflicts of interest can be categorised as both 'financial' (pecuniary) and non-financial (non-pecuniary).

A financial conflict of interest: is where a decision or act by the employee could reasonably result or give rise to a financial gain or loss. A financial conflict of interest may not always involve in cash

changing hands directly. It could, for example, relate to an effect on the value of land, property or shares that the employee is involved in, which has been influenced through their knowledge or influence through their employment or association with Council.

A non-financial conflict of interest: does not have a personal financial component. It may arise, for example, from a personal relationship or involvement with an external organisation or from conduct that indicates some form of prejudice or predetermination.

Employees have a duty to themselves and Council to raise any issues at the earliest opportunity, to enable Council to assess and manage any resulting conflict. Employees should therefore inform their [mManager](#) if they are involved in, or have a personal or financial interest or commitment to, any activity that may conflict or could be seen by others to conflict with their performance of duties within Council. In these circumstances the employee will be required to complete a Potential Conflict of Interest Declaration form annually.

Employees on Boards

[Employees who are invited or elected as individuals acting in a private capacity to be on a Board, Council, Trust, Committee or Incorporated Society should ensure that this is recorded on Council's conflict of interest register and with the respective Boards' conflict of interest register.](#)

[Employees are not authorised to represent any views on behalf of Council as an organisation unless this is specified in their employment agreement and/or position requirements.](#)

[Employees are only permitted to act in an 'ex-officio' role on Boards, Trust, Committees or Incorporated Societies where the invitation or nomination is based primarily on their employment at Council.](#)

[On occasions Council may appoint an employee to a Board, Trust, Committee or Incorporated Society by way of resolution. This appointment assumes the appointee is there to represent Council view and interests.](#)

Other Employment and Voluntary Positions

Council acknowledges that employees can participate in a variety of alternative voluntary and paid work and roles. It is necessary to ensure that in undertaking additional responsibilities outside of Council, that the conflicts of interest are identified and potential risks (including health and safety) and cost implications are considered.

If a Council employee is intending to participate, or is already participating in paid work, voluntary work or have a financial interest in another organisation, then they must inform their manager if there are actual or potential conflicts between their responsibilities and duties as a Council employee and their responsibilities and duties to the other organisation.

Business Interests

Employees should not have business interests that directly or indirectly place them in competition with Council, or might result in personal gain because of their employment by Council.

If at a future date the activities of Council create a conflict of interest with an [employee's](#) existing business, the conflict must be declared by the employee.

As part of the general obligation to act fairly, employees must take care that their decision-making processes cannot be challenged on the basis of actual or perceived bias.

Employees should declare any business interest that may be an actual or perceived as actual conflict of interest throughout any procurement process.

Conflict of interest in a procurement situation could include, but are not limited to:

- Relatives involved with Tenderers;
- Maintaining shares in companies who are responding;
- Financial interest;
- Acting as a consultant, or in any advisory capacity;
- Close relationship (i.e. friendship) with respondents;
- Informal conversation at social functions;
- Accepting any gift or gratuity from a Tenderer in any form, during an RFP or contract negotiation process
- Questions asked by Tenderers that do not follow the formal tender rules;

Under no circumstances will a procurement process allow an employee to receive preferential treatment in a contracting situation.

Confidential Information and Disclosure

~~Council employees will not disclose confidential information gained through their employment for any purpose other than to carry out their duties and the responsibilities of their position.~~

~~Council employees will not, during the period of their employment or any time thereafter, make use of any Council processes, papers or documents they may have access to that are not in the public domain, for any purpose other than on behalf of Council.~~

Family or Close Relationships

Employees should not be appointed into positions where there will be a direct reporting relationship, a risk of advantage because of having access to information, or disclosure of sensitive information, through a working relationship with a family member or close relative.

If an offer of employment, a transfer, secondment, higher duties or other change which will result in a move into a role or position where an employee will work with close relatives, or where a close relative is a member of the line management to which the person will report, that relationship must be declared. For example, appointment to a position where a partner, parent, son or daughter is a manager in that unit where the reporting lines can be directly linked to the intended role.

~~Management~~ The employee's manager will consider in conjunction with the ~~People, Safety and Wellness Manager~~ Human Resources Business Partner or Advisor whether an actual conflict exists and whether arrangements can be made with the employee to avoid or manage the conflict.

~~Where it is decided by management that a current or future Conflict of Interest may arise this will be recorded on the Conflict of Interest Staff Register and reviewed annually for ongoing relevance.~~

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Council employees will not disclose confidential information gained through their employment for any purpose other than to carry out their duties and the responsibilities of their position.

Council employees will not, during the period of their employment or any time thereafter, make use of any Council processes, papers or documents they may have access to that are not in the public domain, for any purpose other than on behalf of Council.

Predetermination

The underlying risk with predetermination is the same as for conflicts of interest – that is, the risk that you will “taint” a decision you are involved in making because you are biased or appear to be biased.

All employees of Hamilton City Council are entitled to their own personal views however sometimes having strong views about a matter can create a risk of prejudice or predetermination. You might be treated as biased if your behaviour, beliefs, or what you say indicates that you made up your mind about a matter before it came to be heard or deliberated on – in other words, if you have a “closed mind” or fixed position and are not willing to fairly consider all relevant information and arguments.

The seriousness of the risk will depend on the context, such as what your role is and what sort of decision you are being asked to make.

When dealing with predetermination:

- Employees are expected to have an open mind, but that does not mean an empty mind.
- Pay particular attention to the type of decision employees are being asked to make. They need to be particularly careful about predetermination in situations where they are making decisions that will affect the legal rights, interests, and obligations of an individual or small group of individuals, as opposed to broad policy decisions that do not have an immediate effect on individuals.
- Unlike many types of conflicts, the risks associated with predetermination are nearly always under the employee’s control. It is generally about managing what you do or say, so you do not later put yourself in a situation where your participation in a decision will put that decision at risk.

Employees on Boards

Employees who are invited or elected as individuals acting in a private capacity to be on a Board, Trust, Committee or Incorporated Society should ensure that this is recorded on Councils conflict of interest register and with the respective Boards’ conflict of interest register.

Employees are not authorised to represent any views on behalf of Council as an organisation unless this is specified in their employment contract and/or position requirements.

Employees are only permitted to act in an ‘ex-officio’ role on Boards, Trust, Committees or Incorporated Societies where the invitation or nomination is based primarily on their employment at Council.

On occasions Council may appoint an employee to a Board, Trust, Committee or Incorporated Society by way of resolution. This appointment assumes the appointee is there to represent Council view and interests.

Conflict of Interest Register

A central register of declared conflicts of interest will be held by the People, Safety and Wellness Business Unit. This register will be reviewed annually to enable management to monitor situations that could give rise to conflict of interest situations.

Assessing the Seriousness of a Conflict of Interest

A degree of judgement will be required in assessing individual conflicts of interest however the following acts as a guide for assisting with determining the level of seriousness. Several factors might need to be considered in assessing the seriousness of the conflict of interest. They include:

- The type or size of the person's other interest;
- The nature or significance of the particular decision or activity being carried out by Hamilton City Council;
- The extent to which the person's other interest could specifically affect, or be affected by, the public organisation's decision or activity; and
- The nature or extent of the person's current or intended involvement in the public organisation's decision or activity.
- The nature of a relationship

~~Seiousness~~Seriousness is a question of degree. It involves a spectrum of directness and significance – how close and how big. Directness (and it's opposite, remoteness) is about how closely or specifically the two interests concern each other. Significance is about the magnitude of the potential effect of one on the other.

Council might judge that the overlap of the two interests is so slight that it does not really constitute a conflict of interest. In other words, there is no realistic connection between the two interests, or any potential connection is so remote or insignificant that it could not reasonably be regarded as a conflict of interest.

However, it must be remembered that this judgement is not primarily about the risk that misconduct will occur. It is about the seriousness of the connection between the two interests.

Similarly, an interest might not be seen as serious if it is a generic interest held in common with the public. That is, the interest is substantially the same kind and size as the interest held by all members – or a large segment – of the public.

Council might judge that the overlap of the two interests might be significant and cannot be mitigated to Council satisfaction. This could result in the termination of employment in some circumstances.

Options for Mitigating

Any declared conflict of interest will be assessed by the relevant leader to determine, mitigate and effectively manage the extent of any declared conflicts of interest. Any conflict of interest involving a procurement process on financial payment needs to be discussed with the Procurement Manager, Project Sponsor, Procurement Manager or Manager to determine, mitigate and effectively manage the extent of any declared conflicts of interest.

Selecting a suitable mitigation option will reflect the seriousness or the extent of the conflict of interest in each particular case. It may also be necessary to consider the practicability of any options for avoiding or mitigating the conflict.

There are a broad range of options for avoiding or mitigating a conflict of interest. The options (listed in order of lowest to highest severity) include:

- taking no action;
- enquiring as to whether all affected parties will consent to the employee's involvement;
- seeking a formal exemption to allow participation (if such a legal power applies);
- imposing additional oversight or review over the official;
- withdrawing from discussing or voting on a particular item of business at a meeting;
- exclusion from a committee or working group dealing with the issue;
- re-assigning certain tasks or duties to another person;
- agreement or direction not to do something;
- withholding certain confidential information or placing restrictions on access to information;
- transferring the official (temporarily or permanently) to another position or project;
- relinquishing the private interest; or
- resignation or dismissal from one or other position or entity

Conflict of Interest Declaration Form

All employees, including applicants, who may have any actual, perceived, or potential conflict are required to complete the 'Potential Conflict of Interest Declaration Form'. The form shall record any actions to mitigate conflicts of interests.

The declared conflicts of interests may be shared with other relevant parties to ensure the adequate monitoring of conflicts. For example, the Procurement Manager will be notified to any conflict associated with procurement processes. The conflict of interest information will only be used for monitoring and compliance purposes.

Conflict of Interest Register

A central register of declared conflicts of interest is managed by the People, Safety and Wellness Business Unit. The employee is required to notify their manager of any changes resulting in a new conflict of interest or have a material impact on any declared conflict of interest. The register will also be reviewed annually.

Predetermination

The underlying risk with predetermination is the same as for conflicts of interest – that is, the risk that you will “taint” a decision you are involved in making because you are biased or appear to be biased.

All employees of Hamilton City Council are entitled to their own personal views however sometimes having strong views about a matter can create a risk of prejudice or predetermination. You might be treated as biased if your behaviour, beliefs, or what you say indicates that you made up your mind about a matter before it came to be heard or deliberated on – in other words, if you have a “closed mind” or fixed position and are not willing to fairly consider all relevant information and arguments.

The seriousness of the risk will depend on the context, such as what your role is and what sort of decision you are being asked to make.

When dealing with predetermination:

- ~~Employees are expected to have an open mind, but that does not mean an empty mind.~~
- ~~Pay particular attention to the type of decision you are being asked to make. You need to be particularly careful about predetermination in situations where you are making decisions that will affect the legal rights, interests, and obligations of an individual or small group of individuals, as opposed to broad policy decisions that do not have an immediate effect on individuals.~~
- ~~Unlike many types of conflicts, the risks associated with predetermination are nearly always under your control. It is generally about managing what you do or say, so you do not later put yourself in a situation where your participation in a decision will put that decision at risk.~~

Breaches of the Policy

Any breaches of this policy may result in disciplinary action.

Definitions

Definition	Detail
'Conflict of Interest'	Exists where two different interests are at odds or where responsibilities as an employee at Council could be affected by some other separate interest or duty. These conflicts may arise out of situations such as: <ul style="list-style-type: none"> • Having responsibilities with other organisations • Monetary (financial) interests • Having access to confidential or official information
Employee	Any person employed on a permanent, contract or casual basis by Hamilton City Council.
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References

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4. Hospitality and Entertainment
5. Discipline Policy
6. Protected Disclosure Policy
7. Intellectual Property and Ownership Management Policy
8. Controller and Auditor General – Managing Conflicts of Interest



9 July 2021

Mr Richard Briggs
Chief Executive Officer
Hamilton City Council
Municipal Office Building
Garden Place
HAMILTON 3240

Email: ceo@hcc.govt.nz
Copy to: Clarence Susan

Tēnā koe Richard

PERFORMANCE AUDIT OF MANAGING CONFLICTS OF INTEREST INVOLVING LOCAL AUTHORITY EMPLOYEES

We wrote to you in December 2020 to advise that the Office was carrying out work to look at how local authorities manage conflicts of interest involving employees.

We selected four local authorities as case studies, including Hamilton City Council. For each of the four local authorities, we reviewed a range of documentation and talked to people from different business groups, including those in leadership and governance positions. Our work has been informed by our recently released guidance on managing conflicts of interest, our wider research into integrity matters, and other guidance such as the Government Procurement Rules. We also spoke to other organisations that have a role in supporting and assuring good practice in local authorities.

We would like to acknowledge the contribution Hamilton City Council has made to this work.

Our draft article is attached for your comment

We have written a short article that is directed at local authorities. In the article we set out the insights we gained on how effectively local authorities are managing conflicts of interest involving their employees. The article highlights both areas of good practice and for potential improvement.

The article does not identify any of the local authorities we looked at. However, we want to give you an opportunity to see a draft version of the article before it is published. If you have any comments about the article, please send them to Lisa Close (Lisa.Close@oag.parliament.nz) by 20 July 2021.

Our findings about Hamilton City Council's approach to managing conflicts of interest

In this letter, we provide some detailed feedback on how Hamilton City Council manages conflicts of interest. This letter should be considered along with the insights shared in the article. We will not publish this letter.

The leadership team members and employees that we spoke with all expressed an awareness of the importance of identifying and managing conflicts of interest. This is consistent with Hamilton City Council's expectations that employees act with integrity ('mahi pono, mahi tika') and helps to create an enabling environment for policies and procedures to be put into practice. We understand that you are developing training that is relevant for your employees and is more widely accessible. We see value in

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this as it will promote understanding of the 'Management Policy – Conflict of interest' (the policy), and ensure people know what is expected of them.

We wish to highlight three areas for suggested improvement. These relate to the policy and supporting procedures, managing the multiple arrangements, and ensuring effective monitoring and assurance.

Policies and procedures – the foundation

We can see that Hamilton City Council has a range of policies and procedures that support people to do the right thing when managing conflicts of interest. We suggest three improvements the Council may wish to consider:

- The questions in the 'Potential Conflict of Interest Declaration' form could better align with the policy requirements. For example, the form could include reference to disclosures about voluntary work and personal interests (that are not necessarily financial in nature), or interests of close family that may intersect with council business (for example, relatives who have some involvement with tenderers).
- The policy should include information about how to assess the seriousness of a conflict of interest. Although some situations will require judgements, guidance helps ensure consistency for equivalent circumstances. Part four of our recently released good practice guide provides more information about this.
- The policy should specifically acknowledge predetermination. Predetermination presents similar risks to conflicts of interest – that is, the risk that a decision could be "tainted" if there is bias or an appearance of it. Part 3 of our recently released good practice guide provides further information about predetermination.

Managing the risks of multiple arrangements for managing conflicts of interest

As well as the organisation-wide policies and procedures, Hamilton City Council also has specific arrangements for managing conflicts of interest such as in procurement and in major infrastructure work programmes.

Some of these arrangements have been established to reflect professional guidelines and/or meet statutory or contractual requirements. We also acknowledge that these specific arrangements can be useful to ensure all relevant requirements and risks are addressed.

However, it was not clear to us whether there has been consideration of how the specific arrangements fit together with organisational policies and procedures. For example, we noted that separate forms for declaring interest and registers of those details have been created in some situations. These seem to have been developed and managed separately from the central forms and register that are managed by the People, Safety and Wellness Business Unit.

We encourage Hamilton City Council to think about your conflicts of interest system as a whole to be confident that it is internally consistent as well as complete and fit for purpose. There is also an opportunity to ensure that the controls in place for each function match the assumptions about risk, and that the different arrangements:

- align with the organisational policy and procedures;
- do not impose inconsistent or unenforceable expectations, or conflict with other policies;
- serve a distinct need; and
- are accessible to those who need the information.

Knowing that the system works well

We were interested in how managers and governors get assurance that the policies and procedures are working well. Having this oversight helps to manage any legal or ethical risks and helps to identify opportunities to improve. Our work highlights this as an area for improvement across all of the councils we looked at.

We were pleased to see that Hamilton City Council staff are prompted to review their declarations in the central register on an annual basis. This helps to ensure that the conflict and agreed mitigations are still current.

Responsibility for ensuring the mitigations are implemented lies with managers and project sponsors. There are however, no systematic checks on how well the mitigations are being implemented in practice by either the leadership team or the People, Safety and Wellbeing team.

There also seems to be a gap in the way conflicts of interest for management are overseen. At the moment, management is responsible for overseeing their own conflicts of interest. For example, some members of the senior leadership team have significant responsibilities for decisions that intersect with their personal interests, such as planning and infrastructure, changes that impact on their home and where their close relations work. There is a need to manage any perception that the role they have in the organisation or their ability to access sensitive information could be to their advantage.

It is not clear to us how Hamilton City Council can be confident that conflicts are being managed well. In our view, regular monitoring of any agreed mitigations for registered conflicts of interest is required.

Communication between the Hamilton City Council Mayor and the Chief Executive regarding conflicts of interest within the organisation is largely informal. The Mayor relies on the Chief Executive to raise any concerns about organisational conflicts of interest involving employees as well as their own. There is little documentation about these concerns and, in our view, this may impact the effectiveness of how conflicts of interest are managed.

While audit and risk committees do not have a role in making decisions about conflicts of interest involving employees, they may have a role in ensuring the Council's system for managing conflicts is effective. During the audit we were told that Hamilton City Council's Audit and Risk Committee does not have a direct role in organisational conflicts of interest although it does appear in the Terms of Reference of the Committee. We encourage the Audit and Risk Committee to consider including conflicts of interest on its work programme.

We are happy to formally present our findings to the senior management team at Hamilton City Council. Please let us know if this would be helpful to you.

I thank you and your employees for the co-operation shown to this audit and hope you find this feedback, along with the article, useful.

Nāku noa, nā



Leeanne McAviney
Assistant Auditor-General, Sector Performance

Council Report

Item 14

Committee: Strategic Risk and Assurance Committee

Date: 30 March 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 28 February 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. Detail on the final Investment (Procedural) Audit report from Waka Kotahi is provided within this report and the audit report is provided as **Attachment 2**.
5. Detail on the MBIE Performance Monitoring Assessment Report is provided within this report and the assessment report is provided as **Attachment 3**.
6. Staff consider the matters have low significance and that the recommendations comply with Council's legal requirements.

Discussion - *Matapaki*

Organisational Improvements Register

7. The Organisational Improvements Register attached shows the status of 14 outstanding Audit New Zealand recommendations and three OAG recommendations.
8. One new urgent matter identified during the 2021 Audit was the '*Management of access to the City Council's onsite server and communications room*'.
9. Audit New Zealand recommended a '*review and reduction of access to the Level 8 server room and that procedures are established to IS formalise approval and monitoring of access.*' IS have implemented new procedures to address this urgent matter.

10. The Conflict of Interest Policy and the Potential Conflict of Interest Declaration Form have been updated to reflect the OAG recommendations.

PwC Tax Compliance Review

11. Of the two outstanding recommendations from the PwC Tax Compliance Review, one recommendation is being addressed in the PSE payroll system updates on 1 April 2022.
12. The other recommendation has been implemented, albeit as a manual journal each month to return GST on carparks since this issue was first raised in 2017. The new HRIS Payroll system, which is under development will be able to calculate and account for the GST on carparks.

Waka Kotahi NZ Transport Agency

13. Waka Kotahi NZ Transport Agency has a legal obligation to audit organisations that are funded through the National Land Transport Programme (NLTP).
14. The audit programme includes two types of investment audits:
 - i. technical investment audit; and
 - ii. procedural investment audit.

Procedural audits typically take place every three years and technical audits every six years.

15. The objective of the procedural investment audit is to provide assurance that the Waka Kotahi NZ Transport Agency's investment in Hamilton City Council's land transport programme is being well managed and delivering value for money. The audit also seeks assurance that the Council is appropriately managing risk associated with Waka Kotahi investment. The report also identifies recommended improvements where appropriate.
16. **Attachment 2** is a copy of the Investment (Procedural) Audit completed by Waka Kotahi for our Transportation activities.
17. As part of the rating audit assessment, Waka Kotahi reviewed 5 subject areas including – Previous audit issues, financial processes, procurement procedures, contract management and professional services.
18. Hamilton City Council received an Overall Rating assessment of 'Effective' across these areas.
19. Waka Kotahi have noted the following in the Executive Summary of the final report:

"Hamilton City Council has good management practices in place to ensure value for money outcomes for its land transport programme.

Good processes were evident for monitoring and managing the delivery of professional services and physical works contracts through the Infrastructure Alliance. The Infrastructure Alliance is jointly delivered by Hamilton CC and Downer NZ.

Procurement practices were also consistent with Waka Kotahi requirements, but we recommend future tenders are advertised on GETS.

Claims for funding assistance from Waka Kotahi for the two financial years to 30 June 2020 were successfully reconciled to Council's general ledger records."

20. Hamilton City Council tenders for Waka Kotahi NZ Transport Agency funded contracts are advertised on the Government Electronic Tender Service (GETS) and Tenderlink.
21. The Hamilton City Council Transport Procurement Strategy has been noted in this procedural audit report with an expiry date of October 2021. An extension was requested and received from Waka Kotahi NZ Transport Agency to 31 December 2021.
22. The new Hamilton City Council Transport Procurement Strategy was approved by the Waka Kotahi NZ Transport Agency effective from the 25 November 2021.

MBIE Performance Monitoring Assessment Report

23. A monitoring assessment was undertaken by Ministry of Business Innovation and Employment (MBIE) as part of a pilot to understand how Territorial Authorities (TA) were carrying out their functions.
24. There were two focus areas: Means of restricting access to residential pools and Building Warrant of Fitness (BWOFs).
25. A desktop assessment was undertaken in early 2021 with a draft report and findings provided. As the desktop assessment was part of a pilot HCC had the opportunity to respond and reclarify certain aspects of the data provided.
26. Following the desktop assessment an onsite audit was undertaken to understand and validate the findings of the desktop assessment and see how HCC was progressing towards implementing the recommendations provided in the draft report.
27. A final report was received in August 2021 summarising the desktop and onsite findings with final recommendations.
28. The pilot was carried out with half a dozen TAs and informed MBIE around the intent for ongoing TA audits to monitor performance and inform legislative change.
29. Actions taken were:
 - i. all corrective actions had been signed off before or during the onsite audit and a total of 9 strong recommendations were identified in the final report; and
 - ii. the Building Unit has been actively working through the recommendations and implementing new processes and/or procedures to address all items.
30. Conclusions from the Assessment were:
 - i. MBIE concluded that HCC had cleared all corrective actions and a significant number of strong recommendations from the desktop assessment and that no further active follow-up is required as a result of these assessments;
 - ii. overall, MBIE provided positive feedback that the pilot was both helpful in understanding how HCC manages these areas of the business but also that the process has assisted them with refining the process for undertaking further monitoring assessments; and
 - iii. Council have offered to assist in further pilots for assessing other areas of our TA functions as it is not only beneficial for MBIE, but the outcomes provide us with opportunities for improvement and the services we can provide to our customers.

Financial Considerations - *Whaiwhakaaro Puutea*

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

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

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

Wellbeing Considerations - *Whaiwhakaaro-aa-oranga tonutanga*

33. 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').
34. 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.

35. There are no known social, economic, environmental, or cultural considerations associated with 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*

Attachment 1 - Organisational Improvement Register as at 28 February

Attachment 2 - Hamilton CC Final Procedural Audit Report 2021 (Waka Kotahi)

Attachment 3 - TA Performance Monitoring Assessment - Hamilton City Council - Desktop and Onsite Assessment Report - Sep 2021

Organisational Improvement Register as at 28 February 2022

Audit New Zealand outstanding recommendations	Year raised	Priority	Final Audit 30/6/20		Final Audit 30/6/21	
			Open	New	Closed	New
No Organisational Business Continuity Plan or IT Disaster Recovery Plan	2015	Necessary	1			
Road and traffic network asset revaluations	2017	Necessary	1		1	
Treatment of found assets	2018	Necessary	1		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			
Property, plant and equipment work in progress	2020	Necessary		1	1	
Waikato Community Land Trust	2020	Necessary		1	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
Bond and deposits register contains long outstanding bonds	2021	Beneficial				1
Capital commitments	2021	Necessary				1
Total			6	2	4	10

Eight recommendations were outstanding as at 30 June 2020. Four of these recommendations were closed in the 2021 final audit.

Ten new areas for improvement were identified in the 2021 final audit. There are now 14 outstanding recommendations.

Office of the Auditor General (OAG)	Year raised	Priority	Status
Conflict of Interest policy and procedures	2021	Necessary	The Conflict of Interest Policy and the Potential Conflict of Interest Declaration Form have been updated to reflect the OAG recommendations. The Policy will be presented to BSLT for sign-off.
Assurance that the Conflict of Interest policy and procedures are working well	2021	Necessary	
Managing the risks of multiple arrangements for managing conflicts of interest	2021	Necessary	



INVESTMENT AUDIT REPORT

Procedural Audit of Hamilton City Council

Monitoring Investment Performance

Report of the investment audit carried out under Section 95(1)(e)(ii) of the Land Transport Management Act 2003.

GLENN MCGREGOR

18 NOVEMBER 2021

Approved Organisation (AO):	Hamilton City Council
Waka Kotahi NZ Transport Agency Investment (2018 – 2021 NLTP):	\$158,473,700 (budgeted programme value)
Date of Investment Audit:	31 May – 4 June 2021
Auditors:	Glenn McGregor
Report No:	RAGMI-2024

AUTHORITY SIGNATURES

Prepared by:

pp



Glenn McGregor, Senior Investment Auditor

Approved by:



Yuliya Gultekin, Practice Manager Audit & Assurance

18/11/2021

Date

DISCLAIMER

WHILE EVERY EFFORT HAS BEEN MADE TO ENSURE THE ACCURACY OF THIS REPORT, THE FINDINGS, OPINIONS, AND RECOMMENDATIONS ARE BASED ON AN EXAMINATION OF A SAMPLE ONLY AND MAY NOT ADDRESS ALL ISSUES EXISTING AT THE TIME OF THE AUDIT. THE REPORT IS MADE AVAILABLE STRICTLY ON THE BASIS THAT ANYONE RELYING ON IT DOES SO AT THEIR OWN RISK, THEREFORE READERS ARE ADVISED TO SEEK ADVICE ON SPECIFIC CONTENT.

EXECUTIVE SUMMARY

Hamilton City Council has good management practices in place to ensure value for money outcomes for its land transport programme.

Good processes were evident for monitoring and managing the delivery of professional services and physical works contracts through the Infrastructure Alliance. The Infrastructure Alliance is jointly delivered by Hamilton CC and Downer NZ.

Procurement practices were also consistent with Waka Kotahi requirements, but we recommend future tenders are advertised on GETS.

Claims for funding assistance from Waka Kotahi for the two financial years to 30 June 2020 were successfully reconciled to Council's general ledger records.

AUDIT RATING ASSESSMENT

Subject Areas		Rating Assessment*
1	Previous Audit Issues	N/A
2	Financial Processes	Effective
3	Procurement Procedures	Effective
4	Contract Management	Effective
5	Professional Services	Effective
Overall Rating		Effective

* Please see Introduction for Rating Assessment Classification Definitions

Note: Before being finalised this report was referred to Hamilton City Council for comment. Despite numerous requests we did not receive any feedback to our draft report.

RECOMMENDATION

The table below captures the audit recommendations. Agreed dates are provided for the implementation of recommendations by the Approved Organisation.

We recommend that: Hamilton City Council		Implementation Date
3.1	That Hamilton City Council ensures that all tenders that attract Waka Kotahi funding assistance, are advertised on GETS.	Dec 2021

1.0 INTRODUCTION

1.1. Audit Objective

The objective of this audit is to provide assurance that the Waka Kotahi NZ Transport Agency's (hereafter the Waka Kotahi) investment in Hamilton City Council's land transport programme is being well managed and delivering value for money. We also seek assurance that the Council is appropriately managing risk associated with Waka Kotahi investment. We recommend improvements where appropriate.

1.2. Assessment Ratings Definitions

	Effective	Some Improvement Needed	Significant Improvement Needed	Unsatisfactory
Investment management	Effective systems, processes and management practices used.	Acceptable systems, processes and management practices but opportunities for improvement.	Systems, processes and management practices require improvement.	Inadequate systems, processes and management practices.
Compliance	Waka Kotahi and legislative requirements met.	Some omissions with Waka Kotahi requirements. No known breaches of legislative requirements.	Significant breaches of Waka Kotahi and/or legislative requirements.	Multiple and/or serious breaches of Waka Kotahi or legislative requirements.
Findings/ deficiencies	Opportunities for improvement may be identified for consideration.	Error and omission issues identified which need to be addressed.	Issues and/or breaches must be addressed, or on-going Waka Kotahi funding may be at risk.	Systemic and/or serious issues must be urgently addressed, or on-going Waka Kotahi funding will be at risk.

2.0 ASSESSMENT FINDINGS

Our findings relating to each subject area are presented in the tables below. Where necessary, we have included recommendations and/or suggestions.

1. Previous Audit Issues

There was one recommendation resulting from the May 2019 investment audit. It related to Council's procurement processes. It has been resolved.

2. Financial Processes

Effective

Claims for funding assistance for the two financial years to 30 June 2020 were successfully reconciled against Council's General Ledger records. There are good systems in place to ensure expenditure is categorised to appropriate work categories and good supporting information was available to assist the reconciliation process.

A sample of expenditure transactions for the 2019/20 financial year was reviewed. All were correctly coded to the land transport disbursement account and eligible for funding assistance.

Council has a small contract retentions account. It is reviewed annually and reconciled with the contract managers. Retentions are only released with the written instruction from contract managers. The retention account is well managed.

The basis for attributing professional services costs and administration overheads to Waka Kotahi funded activities was reviewed. Good detail was provided, and all costs were eligible for funding assistance.

3. Procurement Procedures

Effective

Five physical works contracts and seven professional services contracts were reviewed for compliance with Waka Kotahi approved procurement procedures. There was good documentation showing tender evaluations and approvals.

The one issue identified that applied to all contracts reviewed was advertising. The Waka Kotahi Procurement Manual Rule 10.6A (1) requires all tenders to be advertised in the Government Electronic Tendering Service (GETS). This is not happening.

The five physical works contracts let, otherwise all complied with Waka Kotahi procurement requirements. All professional services contracts reviewed were let by direct appointment using the Waikato Local Authority Shared Services panel (LASS). Refer to Section 5, Professional Services (below).

Conflict of Interest declarations (which are currently being highlighted by the Office of the Auditor General) are being completed.

A sample of contract variations was reviewed. Council uses a Works Variation Order template. All variations sampled were supported by documentation noting reasons for the variations as well as approvals.

We strongly suggest that the individual tender evaluators' notes from the evaluation of two physical works contracts (18508 and 142/2019) be removed from the open file. This is essential to preserve the confidentiality of the evaluation process.

Council has a current, Waka Kotahi endorsed, Procurement Strategy in place. It expires in October 2021.

Recommendation	That Hamilton City Council ensures that all tenders that attract Waka Kotahi funding assistance, are advertised on GETS.
Suggestion	That individual tender evaluator notes not be held on open files.

4. Contract Management

Effective

There are effective processes in place to ensure Council is getting value for money from its land transport investments. Its close relationship with the Infrastructure Alliance for the delivery of maintenance and renewals plus the Council's contract monitoring team for capital projects ensures that Council is informed on its land transport activities. The Infrastructure Alliance is jointly delivered by Hamilton CC and Downer NZ.

Council has good processes in place for carrying out road safety audits. Five examples of road safety audit reports were provided. The independent auditor's recommendations have been addressed and documented by Council in all cases.

The low cost / low risk programme is well managed with effective processes in place for the development and delivery of the programme.

5. Professional Services	Effective
<p>Professional services for maintenance and renewal activities are mostly provided by the Infrastructure Alliance. Hamilton City's in-house professional services oversee the delivery of professional services for capital projects with a combination of Council staff and consultants (for larger projects).</p> <p>For external consultants, Hamilton City Council uses Waka Kotahi approved professional services supplier panel. Council is also party to, together with seven other councils¹, a shared services agreement with Waikato Local Authority Shared Services Ltd (LASS). The councils engaged LASS to provide them with services relating to road asset management, and the operation of a centre of excellence for road asset management known as the Road Asset Technical Accord (RATA). The services also include procurement of data collection surveys and annual benchmarking works.</p> <p>The initial term was for two years with automatic renewal for two further terms of three years each term, with a provision for pre-termination as agreed by parties involved.</p>	

My thanks to all staff for their assistance during the audit.

¹ Hamilton City Council, Waipa District Council, Waikato District Council, Matamata-Piako District Council, Hauraki District Council, Thames Coromandel District Council, Otorohanga District Council and Waitomo District Council

3.0 APPENDICES

APPENDIX A

Audit Programme - Procedural

1. Previous audit outcomes – May 2019
2. Land Transport Disbursement Account
3. Final claims 2018/19, 2019/20
4. Reconciliation between ledgers supporting final claim and the audited financial statements
5. Transactions (accounts payable) 2019/20
6. Retentions Account
7. Procurement Procedures
8. Contract Variations
9. Contract Management
10. Road Safety Audits
11. Professional Services
12. Other issues that may be raised during the audit
13. Close-out meeting

APPENDIX B

Procurement

Contract Number	Tenders Received	Date Let	Description	Contractor		
Physical Works						
18508	3	Oct 2019	Rotokauri Transport Hub	Downer	Estimate Let Price Final Cost	\$14,160,025 \$18,231,058 Ongoing
18532	3	Dec 2019	Peacocke SH3/Ohaupo Rd Roundabout	Schick Civil	Estimate Let Price Final Cost	\$10,345,000 \$10,820,925 Ongoing
92/2019	9	Oct 2020	Te Awa shared cycleway	Splice Construction	Estimate Let Price Final Cost	\$4,516,996 \$3,797,923 \$3,797,923
142/2019	3	Sep 2020	Peacocke strategic transport	HEB, Fulton Hogan	Estimate Let Price Final Cost	\$110,000,000 \$115,890,862 \$115,890,862
604/2020	5	Mar 2021	Ruakaka Rd urban upgrade construction	Schick Civil	Estimate Let Price Final Cost	\$10,343,839 \$9,830,487 Ongoing

Professional Services						
27/2019	1	Sep 2019	Southern Links EMMP implementation Phase 1A	Aecom	Estimate Let Price Final Cost	\$600,000 \$600,000 Ongoing
250/2020	1	Feb 2020	Eastern Pathways project management services	Bloxham, Burnett & Oliver	Estimate Let Price Final Cost	\$47,000 \$47,000 \$97,000
259/2020	1	Mar 2020	Gordon Rd Cycleway- design and construction of Mangaiti Bridge	Bridge IT NZ	Estimate Let Price Final Cost	\$242,500 \$242,500 \$242,500

Contract Number	Tenders Received	Date Let	Description	Contractor		
301/2020	1	May 2020	Ruakura Rd urban upgrade professional services	Bloxham, Burnett & Oliver	Estimate Let Price Final Cost	\$679,800 \$679,800 Ongoing
454/2020	1	Aug 2020	Eastern Pathways communications	Aecom	Estimate Let Price Final Cost	\$328,320 \$328,320 Ongoing
423/2020	1	Sep 2020	Peacocke network infrastructure project management	Gray Matter	Estimate Let Price Final Cost	\$7,000,000 \$7,500,000 Ongoing
634/2020	1	Dec 2020	Te Awa shared pathway	Gray Matter	Estimate Let Price Final Cost	\$40,000 \$40,000 Ongoing

Performance Monitoring Assessment Report – Compliance schedules, BWoFs and pool barriers

August 2021



Assessment class	
High-level	✓
Detailed	

Assessment method	
Desktop	✓
On-site	✓

Overview

The assessment

Ministry of Business, Innovation and Employment (MBIE)'s Compliance and Assurance (C&A) team carried out a performance monitoring assessment of Hamilton City Council (HCC). A desktop assessment was carried out in early 2021 and subsequent draft report issued in March 2021. This was followed by an onsite assessment carried out in July 2021 to verify the findings of the desktop assessment and assess progress in implementing recommendations from the desktop assessment. The assessment covered the following territorial authority (TA) functions:

- compliance schedules and building warrants of fitness (BWofFs)
- means of restricting access to residential pools.

This report

This report summarises and compares the findings from both assessments and identifies any corrective actions or recommendations to improve performance.

Mandate and purpose





MBIE's responsibility as the central regulator in the building system is to enable and ensure the performance of TAs under the Building Act 2004 (the Act). A compliance strategy has been developed to guide MBIE's regulatory activities to achieve the following objectives:

- promote compliance
- develop a picture of risk using monitoring and analysis
- identify and respond to non-compliance.

Performance monitoring assessments are carried out under s204 of the Act and aim to achieve the objectives of the compliance strategy by collecting and analysing key performance data which can then be used to help the Council improve performance and allow C&A to take further action if required. The data collected across multiple councils can also be used to establish whether wider activity is required, for example, advising best practice in a Building Control Update.

Performance findings

TAs are assessed against a series of performance indicators. A colour coding system is used to represent how the TA is performing against each indicator (the 'performance finding'). The colours have the following meanings:

Colour	Performance finding	Outcome
	Satisfactory	No recommendation
	Improvement opportunity	Recommendation
	Concern	Strong recommendation
	Significant concern	Corrective action

Disclaimer

Findings and associated outcomes are based on the information MBIE has received and involve an element of trust. We acknowledge they may not provide a wholly accurate picture of how the Council is performing in these areas.

Acknowledgement

We would like to thank HCC's building control management and staff for its cooperation and assistance during these performance monitoring assessments.

Action to be taken

As HCC have cleared all the 'Corrective actions' and a significant number of 'Strong Recommendations' since the draft desktop report was issued, no active follow-up will take place as a result of these assessments.

Performance summary

Outcomes

	Means of restricting access to residential pools		Compliance schedules and BWoFs	
	Desktop	Onsite	Desktop	Onsite
Corrective actions	2	0	1	0
Strong recommendations	3	3	9	6
No recommendation	2	4	6	10

Performance findings

Finding	Means of restricting access to residential pools		Compliance schedules and BWoFs	
	Desktop	Onsite	Desktop	Onsite
Significant concerns	1B. Staff resources 3A. Inspection quantity	None	1B. Staff resources	None
Concerns	1A. Policies and procedures 1C. Inspection audit sheet 5A. Public/owner information and assistance	1A. Policies and procedures 1C. Inspection audit sheet 5A. Public/owner information and assistance	1A. Policies and procedures 1C. Audit and processing check sheets 2B. Early intervention – Pre BWoF stage (note previously grouped with 2A) 2C. Building Amendment Act 2012 requirements 2D. Quality of compliance schedules 2E. BWoF audits – Number (note previously grouped with 2F) 2F. BWoF audits – Compliance schedule	1B. Staff resources 2B. Early intervention – Pre BWoF stage (note previously grouped with 2A) 2C. Building Amendment Act 2012 requirements 2D. Quality of compliance schedules 2E. BWoF audits – Number (note previously grouped with 2F) 2F. BWoF audits – Compliance schedule alignment (note previously grouped with 2E)

			alignment (note previously grouped with 2E) 3A. Acceptance of less than 12 months compliance 3B. Vacant buildings	
Satisfactory	2A. Capture of residential pools 4A. Enforcement	1B. Staff resources 2A. Capture of residential pools 3A. Inspection quantity 4A. Enforcement	2A. Early intervention – Consent stage (note previously grouped with 2B). 3C. Percentage of buildings with a BWoF 3D. Processing BWoFs 3E. BWoF audits 4A. Enforcement 5A. Public/owner information and assistance	1A. Policies and procedures 1C. Audit and processing check sheets 2A. Early intervention – Consent stage (note previously grouped with 2B). 3A. Acceptance of less than 12 months compliance 3B. Vacant buildings 3C. Percentage of buildings with a BWoF 3D. Processing BWoFs 3E. BWoF audits 4A. Enforcement 5A. Public/owner information and assistance

Findings

Means of restricting access to residential pools

Tools to perform the function

1A. Policies and procedures			
Onsite Status July 2021	Strong Rec	Desktop Status March 2021	Strong Rec
<p>Desktop Findings</p> <p>HCC has a procedural document for carrying out audits of residential pool barriers. However, this document does not contain high-level objectives, such as the purpose under s162A of the Act or the requirement to inspect all residential pool barriers within a three-year timeframe (s162D). Additionally, the document does not cover several aspects that we consider need to be covered (see the 'outcomes' section).</p>			
<p>Desktop Recommendation</p> <p>We recommend HCC develop and adopt an overarching policy and procedure document covering the Council's implementation of the pool barrier legislation. This should include HCC's high-level objectives (For example, the s162D requirement to inspect all residential pool barriers within three years). The document should also contain objectives and procedures for the following where appropriate:</p> <ul style="list-style-type: none"> managing pools that come to the attention of the Council that are not already on the register how inspections will be scheduled/ordered how inspections will be carried out how to establish the compliance requirement for a particular pool to be inspected how to manage the process when an IQPI is undertaking the mandatory inspection under s162D the approach to ad hoc inspections (under s222 outside of the normal s162D requirements eg neighbour reports non-complaint fence) how owners will be/have been informed of their requirements to restrict access to residential pools how decisions will be made in relation to the issue of waivers/modifications under s67 and s67A (including notification to MBIE). <p>The procedures for the above should be to a level of detail that enables a person who has not worked in the job before to follow and adequately achieve the objective/task.</p>			
<p>HCC comment on draft report</p> <p>Hamilton City Council will review the recommendations provided by MBIE and have added them to our Continuous Improvement Log. HCC will update the desk file where appropriate and create practice notes/ guidance documents where required.</p>			
<p>HCC onsite update</p> <p>Desk file has been reviewed and updated to align to the recommendations from MBIE. Continuous Improvement item has now been closed.</p>			

MBIE onsite findings

HCC have amended their policy/procedure document to cover off most of the items C&A suggested as part of the desktop assessment. However, the following items could not be located in the policy and procedure document:

- how to establish the compliance requirement for a particular pool to be inspected
- how owners will be/have been informed of their requirements to restrict access to residential pools.

1B. Staff resources

Onsite Status July 2021	Satisfactory	Desktop Status March 2021	Corrective action
--------------------------------	---------------------	----------------------------------	--------------------------

Desktop Findings

HCC has 2.0 full-time equivalent (FTE) allocated to this function. As HCC has 4536 residential pools on its register, this works out to be a ratio of 756 pool barriers per FTE, per year. Based on our calculations¹, this ratio is not sufficient to ensure all pool barriers are inspected within the statutory three-year timeframe.

Desktop Recommendation

We recommend that HCC assess and confirm the extent of its backlog of residential pool barriers requiring an inspection and then resource as necessary to clear the backlog as early as possible. The additional or redeployed staff resource should also be sufficient to ensure all residential pool barriers can be inspected within the three-year time frame required in the future.

HCC comment on draft report

6912 number provided was all pools identified via satellite imaging, reports with pools in the name etc. Many of these pools were visited to identify they were removed historically or identified as pop-up pools which were since removed. These remained on the register with a completed status and tracking noting pool has been removed.

The number included also shows new pools added to the register during the 3-year period since the register has commenced which are not due for inspection yet.

We have 3 FTE in the compliance team (including pool monitoring), at any one time at least 2 FTEs are allocated to pool inspections however, other work is also variable meaning resourcing is regularly moved around.

Since reporting we have allocated an additional 2 resources to pool inspections to have the remaining pools completed by 1 July 2021

Based on MBIE calculation

Number of actual pools as of 18/03/2020 is 4536 which equals 1512 per year. This works out to be the ratio of 756 pool barriers per FTE, per year

With the calculation of 2 hours per inspection including admin would indicate the required FTE needed for 4536 pools this would be 1.7 FTE.

HCC onsite update

¹ Based on an average of two hours/inspection (including associated administration) and on the assumption the pool inspector spends 50% of their pool-related time on barrier inspections.

HCC have employed 2.0 extra FTE.
MBIE onsite findings HCC has employed an additional 2.0 FTE. The extra FTE has reduced the ratio of pool barriers/year/FTE to 378 (based on the original number provided of 4536). The 'Corrective Action' has now been cleared. <i>Note: as a result of HCC completing all inspections of pool barriers, their total number of pools subject to the section 162D requirements can now be confirmed as 3136. The numbers shown in the 'desktop findings' section reflect the numbers provided when the desktop report was issued.</i>

1C. Audit checksheet			
Onsite Status July 2021	Strong Rec	Desktop Status March 2021	Strong Rec
Desktop Findings HCC uses a digital residential pool barrier audit checksheet template with the ability to attach labelled photos as supplementary evidence. In general terms the audit sheet provides adequate means to undertake the pool audit inspection and document the process. However, there is potential for improvement (see the 'outcomes' section).			
Desktop Recommendation We recommend HCC make the following changes to its inspection audit sheet: R1 - include an indication of the compliance requirements that the pool barrier is being inspected against. For example, F9/AS1 or Schedule 1 of the Fencing of Swimming Pools Act (FOSPA) 1987. Noting the compliance requirement is not simply determined by the date the Building (Pools) Amendment Act 2016 or F9/AS1 came into force R2 - provide more contextual information to photo evidence.			
HCC comment on draft report Hamilton City Council will implement R1 noted above. Further consideration is required on R2, this has been added to our Continuous Improvement Log.			
HCC onsite update R1 – Item has been added to the Continuous Improvement Log. Inspection audit checklist is currently being reviewed and HCC will modify and implement the recommendations from MBIE R2- Has been added to our Continuous Improvement Log.			
MBIE onsite findings Strong recommendation is still outstanding. C&A will help HCC create an audit checksheet which accounts for the various compliance paths.			

2. Capture of residential pool barriers

2A. Capture of residential pool barriers			
Onsite Status July 2021	Satisfactory	Desktop Status March 2021	Satisfactory

Desktop Findings HCC has a process for capturing residential pools/pool barriers through the building consent process and actively seek out existing pools to include on the register.
Desktop Recommendation None
HCC comment on draft report Hamilton City Council has taken a lot of time to ensure that all pools are identified and actively seek out and ensure that the pool register is up to date.
HCC onsite update NA
MBIE onsite findings NA

3. Inspection of residential pool barriers

3A. Inspection quantity			
Onsite Status July 2021	Satisfactory	Desktop Status March 2021	Corrective action
Desktop Findings HCC has only carried out 2295 (50.5%) of the required 4536 pool barrier inspections that were to be completed by 1 July 2020. Two inspections were undertaken by independent qualified pool inspectors (IQPIs). It is acknowledged that some of 4536 were installed after 1 January 2017 and may have not been due for an inspection at the time of this assessment.			
Desktop Recommendation As a matter of urgency, the Council must carry out the remaining pool barrier inspections for all residential pools in order to complete the first round of inspections, as required by s162D of the Act. The first round of inspections was to be completed by 1 July 2020. We recommend that HCC assess and confirm the extent of the inspection backlog, resource as necessary and undertake the required inspections as early as possible.			
HCC comment on draft report The number provided did not account for the number of pools removed or pop-up pools which no longer require an inspection or reinspection. Of the 4536 inspections required 2295 (50.5%) were carried out by 1 July 2020. Hamilton City Council have additional resources to complete all remaining pool barrier inspections by 1 July 2021			
HCC onsite update 100% of inspections have now been carried out. This was done before 1 July 2021.			
MBIE onsite findings 100% of inspections are now complete. This 'Corrective Action' has now been cleared. <i>Note: as a result of HCC completing all inspections of pool barriers, its total number of pools subject to the s162D requirements can now be confirmed as 3136. Additionally, at the time of the on-site assessment, HCC advised</i>			

that the number of pool inspections carried out during the period 1 January 2017 – 1 October 2020 was 2732. The numbers shown in the 'desktop findings' section reflect the numbers provided when the desktop report was issued.

4. Enforcement

4A. Enforcement			
Onsite Status July 2021	Satisfactory	Desktop Status March 2021	Satisfactory
Desktop Findings During the period 1 January 2017 to 1 October 2020, HCC failed 1186 inspections, issued 89 NTFs and three infringement notices. This demonstrates HCC is willing to enforce the pool barrier requirements.			
Desktop Recommendation None			
HCC comment on draft report Hamilton City Council is committed to ensuring that all pools are compliant as required by the Building (Pools) Amendment Act 2016. We work with pool owners to achieve compliance and will issue notices as required.			
HCC onsite update NA			
MBIE onsite findings NA – Outcome already satisfactory at time of the draft report.			

5. Public/owner information and assistance

5A. Public/owner information and assistance			
Onsite Status July 2021	Strong Rec	Desktop Status March 2021	Strong Rec
Desktop Findings HCC has public information about pool barriers on its website which is up-to-date, covers some of the key topics, aligns with legislation and contains links to guidance on MBIE's website. In addition, HCC are part of the Waikato Building Consent Group (WBCG) providing shared services for a number of councils across the Waikato region. The WBCG website has pool barrier information with a number of useful resources. However, there is potential for improvement (see the 'outcomes' section).			
Desktop Recommendation We recommend HCC make the following changes to its public information: <ul style="list-style-type: none"> clearly identify persons who must ensure compliance as detailed under s162C of the Act provide details about the various compliance pathways 			

<ul style="list-style-type: none"> include a downloadable check sheet for pool owners to carry out their own review of their pool barrier, before the periodic inspection is undertaken provide assistance for impaired users ensure the three separate pool barrier webpages ('Swimming pool fencing', 'Swimming pool fence FAQs' and 'Technical swimming pool fence FAQs') all contained links to each other fix the broken link to MBIE's website under 'Can an Independent Qualified Pool Inspector (IQPI) do an inspection instead of the Council?' and 'What happens if an IQPI inspection fails?' provide a link to the WBCG pool barrier page ensure references to 'fence' are changed to 'barrier', in order to better align with legislative terminology.
<p>HCC comment on draft report</p> <p>Hamilton City Council have added the recommendations provided by MBIE to our Continuous Improvement Log.</p> <p>We will work with WBCG and our communications team to ensure that both websites are updated as required.</p>
<p>HCC onsite update</p> <p>Item has been added to the Continuous Improvement Log. WBCG website has been updated in test – awaiting sign-off prior to implementation into live.</p>
<p>MBIE onsite findings</p> <p>HCC have amended their online guidance to cover off most of the items C&A suggested as part of the desktop assessment. However, the following items could not be located:</p> <ul style="list-style-type: none"> ensure the three separate pool barrier webpages ('Swimming pool fencing', 'Swimming pool fence FAQs' and 'Technical swimming pool fence FAQs') all contained links to each other provide a link to the WBCG pool barrier page.

6. Performance of functions on-site

<p>Inspections</p> <p>Findings and Observations</p> <p>The C&A team observed the HCC pool inspector conduct several pool barrier inspections. The inspections were thorough and included a full walk around of the pool area by the inspector. The inspector took photos during the inspections and included a good level of notation. However:</p> <ul style="list-style-type: none"> the reasons for decisions were not always recorded. For example, during one inspection, there was a building door that formed part of the pool barrier which used FOSPA 1987 as the compliance pathway. The door did not satisfy clauses 8 to 10, but the reason(s) for the decision under clause 11 were not recorded. pool barriers were, in some cases, inspected/measured against multiple pathways rather than just the one to which they were installed.
<p>Outcome</p> <p>We recommend that HCC:</p> <ul style="list-style-type: none"> record reasons for the decisions made during an inspection

<ul style="list-style-type: none"> • take care to ensure the pool barrier is only inspected against the appropriate compliance path (eg FOPSA) and not a mixture of compliance paths. If the inspector finds one or more parts of the barrier that don't comply with other compliance paths, the inspector could add an informative note to any communication with the owner to advise them that it is an aspect where improvement to safety can be made.
HCC comment None

Use of systems and processes
Findings and Observations C&A observed HCC staff using their computer system to manage pool barrier related functions. HCC are working actively towards creating a robust pool monitoring system and have demonstrated continuous improvement in a number of key areas such as: <ul style="list-style-type: none"> • Audit checksheets • Pool data management • The identifying of ad-hoc pools <p>HCC store all their pool information in a database managed within 'Authority'. This information was collated from multiple systems where HCC used to store pool data. Each month HCC run a Cube report in Excel, which identifies those pools requiring a barrier inspection. The reporting tool also creates efficiencies by grouping pool barrier inspections by geographical area and allows a review in advance of the anticipated work load.</p> <p>For small heated pools that are exempt, HCC has decided to provide on the third anniversary, an owner follow up communication including a customer self-check sheet.</p> <p>HCC are working on an artificial intelligence (AI) solution that will be able to identify new pools.</p>
Outcome: None
HCC comment None

Findings

Compliance schedules and BWoFs

1. Tools to perform the function

1A. Policies and procedures			
Onsite Status July 2021	Satisfactory	Desktop Status March 2021	Strong Rec
Desktop Findings HCC have policies and procedures that are considered of above-average quality. They include clear objectives and show the tasks to be achieved and the procedures used to achieve these. However, while the documents cover most of the areas we consider need to be covered, they do not cover HCC's position on vacant buildings.			
Desktop Recommendation We recommend HCC amend its policy and procedure document to include its position, objectives and procedures relating to the management of compliance schedules for vacant buildings.			
HCC comment on draft report Hamilton City Council will review their desk files to add a section regarding vacant buildings. This has been added to our continuous improvement log.			
HCC onsite update R1 - Item has been added to the Continuous Improvement Log. Desk file is currently being reviewed and HCC will modify the current desk file to add a section regarding vacant buildings. R2 - Item has been added to the Continuous Improvement Log. Draft Processing Checklist has been created awaiting review from the Technical Officer.			
MBIE onsite findings A process around managing vacant buildings has been added to HCC's 'Monitoring Building Warrant of Fitness' document. The 'Strong Recommendation' has now been cleared.			

1B. Staff resources			
Onsite Status July 2021	Strong Rec	Desktop Status March 2021	Corrective Action
Desktop Findings HCC has 1.75 FTE dedicated to this function. As HCC has 2274 compliance schedules, this works out to a ratio of 1299 buildings (with compliance schedules) per FTE. Based on data we have received so far, it would suggest that these functions are currently under-resourced.			
Desktop Recommendation			

We recommend engaging an additional 1.0 FTE, which would create a more manageable workload and would enable a greater number of on-site BWoF audits to be undertaken.
<p>HCC comment on draft report</p> <p>Hamilton City Council has 2274 active buildings with compliance schedules. (This number is a snapshot in time as these numbers have grown over time and are always changing). This is broken down into 629 High risk and 1645 Low risk. HCC ensure all high risk are inspected annually with all low risk being inspected within a 5-year cycle. This equates to 958 inspections be carried out per year. Currently we're undertaking 951 inspections per year and in 2019 100% of buildings were completed within timeframe. While Covid-19 impacted the number of audits able to be undertaken in 2020 we still inspected 81%.</p> <p>Given the numbers in our assessment and while we agree resourcing needs to be constantly reviewed, we do not agree that we are currently non-compliant given we're auditing buildings within the required timeframes.</p> <p>We propose this recommendation is updated from 'performance issues' to 'some areas of concern'.</p>
<p>HCC onsite update</p> <p>1.0FTE has been added.</p>
<p>MBIE onsite findings</p> <p>HCC have dedicated an extra 1.0 FTE to carrying out these functions. HCC now has 2.75 FTE dedicated to this function. As HCC has 2274 compliance schedules, this works out to a ratio of 826 buildings (with compliance schedules) per FTE. Based on data we have received so far, it would suggest that these functions are currently under-resourced and this performance outcome would remain a 'Corrective Action'. However, based on the progress with amending compliance schedules to comply with the Building Amendment Act 2012 and high rate of BWoF audits this performance outcome has been categorised as a 'Strong Recommendation'. This means C&A believe more staff resource is required in this area but will not continuously monitor HCC to ensure it obtains this resource.</p>

1C. Audit and processing check sheets			
Onsite Status July 2021	Satisfactory	Desktop Status March 2021	Strong Rec
<p>Desktop Findings</p> <p>HCC has an audit check sheet for conducting on-site inspections but does not have a check sheet for processing submitted BWoFs /Form 12As.</p>			
<p>Desktop Recommendation</p> <p>In the interests of consistency, we recommend HCC develop a processing check sheet to audit submitted BWoFs and Form 12As.</p>			
<p>HCC comment on draft report</p> <p>We have added the recommendation to develop a processing checklist to review BWOs and Form 12As to our continuous improvement log.</p>			
<p>HCC onsite update</p> <p>HCC have produced a BWoF processing check sheet</p>			
<p>MBIE onsite findings</p>			

HCC now has a BWoF audit sheet and a BWoF processing check sheet. The 'Strong Recommendation' has now been cleared.

2. Accuracy of compliance schedules

2A/2B. Early intervention			
Onsite Status July 2021	Strong Rec	Desktop Status March 2021	Strong Rec
<p>Desktop Findings</p> <p>HCC appropriately refuses to accept building consent applications that do not contain sufficient information about specified systems in order to populate the building's compliance schedule.</p> <p>HCC's BWoF compliance officers do not attend the final inspection of new buildings (or building work) that either have or will have a compliance schedule.</p>			
<p>Desktop Recommendation</p> <p>In order to achieve an accurate compliance schedule at code compliance certificate time, we recommend a staff member with expertise in specified systems and the compliance schedule/BWoF system accompany the inspector on the final inspection.</p> <p>For new-build compliance schedules, we recommend an on-site inspection by a compliance officer is undertaken as early as possible, and no later than six months after the compliance schedule is issued. This will help owners to understand their compliance schedule responsibilities and obligations. Taking this early proactive step is likely to minimise compliance issues for the owner and potentially save time for council officers who would normally have to deal with resolving these issues at a later date.</p>			
<p>HCC comment on draft report</p> <p>Hamilton City Council have added the recommendation to our continuous improvement log. We will review this pro-active step to identify if this will be something we could implement against the perceived value to the customer.</p>			
<p>HCC onsite update</p> <p>Item has been added to the Continuous Improvement Log. Item to be reviewed to identify if this will be something we could implement against the perceived value to the customer.</p> <p>HCC advised they prefer to do an inspection post code compliance certificate (CCC) rather than have BWoF staff attend the CCC inspection. This way it can advise the owner of their obligations and check specified systems in the building align with the compliance schedule. There are timing and scheduling issues with having a BWoF officer attend a CCC inspection. Additionally, if issues are found during the inspection requiring amendments to the compliance schedule, this will further delay the issue of the CCC.</p>			
<p>MBIE onsite findings</p> <p>C&A support HCC carrying out an inspection within 12 months of the issue of the compliance schedule. However, until such time as this proposal is put in place, this performance outcome will remain a 'Strong Recommendation'.</p>			

2C. Building Amendment Act 2012 requirements			
Onsite Status July 2021	Strong Rec	Desktop Status March 2021	Strong Rec
<p>Desktop Findings</p> <p>HCC advised that approximately 1942 (85%) of its 2274 compliance schedules comply with the changes introduced in the Building Amendment Act 2012.</p>			
<p>Desktop Recommendation</p> <p>We recommend that HCC assess and confirm the extent of its backlog of compliance schedules requiring amendment to comply with the current legislation and then resource as necessary to clear the backlog as early as possible. The additional or redeployed staff resource should also be sufficient to enable regular on-site BWoF audits (including a 'walk-through') to be undertaken.</p> <p>HCC needs to be more proactive in seeking compliance schedule information from building owners or their agents, by contacting/visiting them and advising them of their obligations, or undertaking on-site audits and getting the information itself. If owners or their agents do not provide the required information in a timely manner, we recommend HCC issue an NTF. If this NTF is ignored, proceed to issuing an infringement notice. An infringement fee of \$1000 for ignoring the NTF may provide an incentive for non-compliant owners to comply and if compliance is achieved promptly the Council may elect to waive the payment of the infringement fee.</p>			
<p>HCC comment on draft report</p> <p>The number provided to MBIE was the number of compliance schedules updated at the time of the Building Amendment Act 2012, which were required to be completed by March 2013.</p> <p>Roughly at that time we would have had 1521 Compliance Schedules issued in the system, however due to the transition of systems at the time we do not have reporting on all that were completed.</p> <p>We can confirm 1189 or 78% were completed through manual reporting. As part of our IANZ Audit 2020 we have modified our Compliance Schedule template (Form 10). On receipt of a Form 12 during 2021 we are reviewing the issued Form 10 and amending as required to ensure they comply with act changes, IANZ updates and tracking added to ensure we have report going forward.</p>			
<p>HCC onsite update</p> <ul style="list-style-type: none"> HCC are going to start again with compliance schedule records – they will soon begin re-entering data into a new register New compliance schedules will be issued for all buildings with a new kind of branding (helps identify those that comply with s106) Currently there is no accurate way of providing the figures we are after Compliance schedules are currently updated when BWoF audits are carried out. 			
<p>MBIE onsite findings</p> <p>It is pleasing to see that HCC are putting in place measures to ensure all compliance schedules comply with the s106 requirements. However, as less than 100% of compliance schedules currently comply, this performance outcome remains a 'Strong Recommendation'</p>			

Note: The number of s106 compliant compliance schedules used in the draft report was incorrect due to a survey question error. The numbers above now reflect the estimated number of s106 compliant compliance schedules provided by HCC.

2D. Quality of compliance schedules			
Onsite Status July 2021	Strong Rec	Desktop Status March 2021	Strong Rec
<p>Desktop Findings</p> <p>It is pleasing to see that the Council has implemented most of our recommendations from the October 2014 technical review report. HCC is to be commended for its high-quality compliance schedule documents. However, there is potential for improvement (see the 'outcomes' section).</p>			
<p>Desktop Recommendation</p> <p>Although not a prescribed form, we recommend HCC make the following changes to its compliance schedules:</p> <ul style="list-style-type: none"> R1 replace the footer section in the compliance schedules from 'CSSform10-2020' which is incorrect to 'compliance schedule' or 'CS-2020' R2 ensure the original compliance schedule issue date (including the year) in CS40359 matches the compliance schedule statement issue date R3 ensure all the fields in the owner information are populated with relevant information instead of inappropriate text such as 'N/A'. 			
<p>HCC comment on draft report</p> <p>Hamilton City Council have added R1 and R3 to our continuous improvement log. We will ensure these will be implemented going forward.</p> <p>We have amended the compliance schedule as noted in R2. This item is now resolved.</p>			
<p>HCC onsite update</p> <p>R1 – Item has been added to the Continuous Improvement Log. Changes have been made in test environment – awaiting sign-off prior to implementation into live.</p> <p>R2- Resolved.</p> <p>R3 – Has been added to our Continuous Improvement Log.</p>			
<p>MBIE onsite findings</p> <p>The compliance schedules viewed as part of the desktop assessment were updated following our findings. While most changes were made, Compliance Schedule 40971 still used the term 'NA' in the field for 'Occupant load/level' (R3).</p> <p>Whilst at HCC offices, other examples of compliance schedules were viewed. It was noted that:</p> <ol style="list-style-type: none"> 1. There was no mention of, or field for stating, the status and presence of system interfacing on any of these examples. 2. The term 'competent and qualified personnel' was used in a number of compliance schedules to describe the persons required to carry out some of the inspections and/or maintenance. The term is similar to 'independent qualified person' (IQP) but appears to exclude building owners. C&A is unsure who these people are and suggest that, without a definition in the compliance schedule, use of this term will only create confusion for building 			

owners and IQPs trying to establish who is responsible for carrying out the applicable procedures.

2E/2F. BWoF audits – carrying out			
Onsite Status July 2021	Strong Rec	Desktop Status March 2021	Strong Rec
<p>Desktop Findings</p> <p>HCC conducted 2655 BWoF audits in the three-year period (1 October 2017 to 1 October 2020). This equates to 39% of buildings with compliance schedules inspected per year. This number would ensure all buildings are inspected in just over two years.</p> <p>HCC's BWoF audits do not check if the specified systems contained in the building match the specified systems covered by the building's compliance schedule which is an essential task to help ensure the accuracy of compliance schedules.</p>			
<p>Desktop Recommendation</p> <p>We recommend that HCC ensure its on-site BWoF audits include a rapid 'walk-through' of the building to visually confirm that all installed specified systems are on the compliance schedule. Without undertaking walk-throughs, the Council is presuming that all the specified systems are captured. MBIE's view is that undertaking on-site audits is a fundamental activity of the BWoF system. Additionally, the audit frequency of a given building should reflect the perceived risk for the use of that building. For instance, it might be appropriate to have annual audits for budget accommodation (eg backpackers' hostel) and five-yearly audits for low-occupancy industrial buildings.</p>			
<p>HCC comment on draft report</p> <p>Hamilton City Council has 2274 active buildings with compliance schedules. (This number is a snapshot in time as these numbers have grown over time and are always changing). This is broken down into 629 High risk and 1645 Low risk. HCC ensure all high risk are inspected annually with all low risk being inspected within a 5-year cycle. This equates to 958 inspections be carried out per year. Currently we're undertaking 951 inspections per year meaning we're undertaking audits within the required timeframes.</p> <p>We have added your recommendation for adding walk throughs to our Continuous Improvement log but while it's not currently a legislative requirement additional resourcing would need to be considered to establish this proactive step.</p>			
<p>HCC onsite update</p> <p>HCC advised that while they see value in 'walk-throughs', they have concerns about the increase in liability associated with 'walk-throughs' while on site for a BWoF audit. In addition, it would require more resourcing.</p> <p>HCC advised that they will seek legal advice on the perceived liability issue.</p>			
<p>MBIE onsite findings</p> <p>It is pleasing to see that HCC will investigate the possibility of doing walk-throughs as part of their BWoF audits. However, until such time as this is put into practice, this performance outcome will remain a 'Strong Recommendation'.</p>			

3. Assurance that inspection, maintenance and reporting (IMR) procedures are taking place

3A. Acceptance of less than 12 months compliance			
Onsite Status July 2021	Satisfactory	Desktop Status March 2021	Strong Rec
Desktop Findings HCC advised it does not accept reports in lieu of Form 12As but it does accept reduced-period BWoFs. This is in contradiction to s108 of the Act and does not align with MBIE's position on this matter.			
Desktop Recommendation We recommend HCC return any reduced-period BWoF or similar document to the building owner. Such documentation does not satisfy the requirements of s108 and will not allow a valid BWoF to be supplied and displayed.			
HCC comment on draft report HCC currently accepts reports in lieu and reduced-period BWoFs. We have added the recommendation to our continuous improvement log. We will review and ensure we comply with S108 of the Building Act 2004.			
HCC onsite update Item has been added to the Continuous Improvement Log. Report has identified the number of reduced-period BWoFs. Process is being reviewed to ensure compliance with s108 of the Act.			
MBIE onsite findings HCC have updated their position in the policy and will no longer accept reports in lieu of Form 12As or reduced-period BWoFs. This 'Strong Recommendation' has now been cleared.			

3B. Vacant buildings			
Onsite Status July 2021	Satisfactory	Desktop Status March 2021	Strong Rec
Desktop Findings HCC advised it places compliance schedules 'on hold' when the building is vacant or unoccupied. Note that the Act does not provide an exemption from compliance schedule requirements for vacant buildings.			
Desktop Recommendation Where a building with a compliance schedule is left vacant, we recommend HCC adopt a policy of working with the owner to amend the compliance schedule to include reduced IMR procedures for all relevant specified systems. Once the building is reoccupied, the compliance schedule can be amended to revert to its original IMR procedures.			
HCC comment on draft report We have added the recommendation to our continuous improvement log. We will review and ensure we have a process to address vacant buildings and aligns with the Act.			
HCC onsite update			

Item has been added to the Continuous Improvement Log. Report has identified the number of reduced-period BWoFs. Process is being reviewed to ensure compliance with s108 of the Act.
Policy on this has been updated – HCC position is to amend compliance schedules.
MBIE onsite findings HCC have updated their position in the policy and will now amend compliance schedules rather than putting them on-hold when the building is vacant. This 'Strong Recommendation' has now been cleared.

3C. Percentage of buildings with a BWoF			
Onsite Status July 2021	Satisfactory	Desktop Status March 2021	Satisfactory
Desktop Findings 90.37% of buildings with compliance schedules in the HCC district have a BWoF. Given some buildings will be operating under a compliance schedule statement, and HCC does not accept reports in lieu of Form 12As, and given the impact of Covid-19 restrictions, this percentage is considered acceptable.			
Desktop Recommendation None			
HCC comment on draft report We are working to ensure all buildings are compliant with a BWOF and issuing any notices / infringements to owners who do not comply.			
HCC onsite update NA			
MBIE onsite findings The following comment does not relate to a performance issue at HCC and is for future improvements only. MBIE will let HCC know what data it wants HCC to be able to extract from their database. HCC can then design the database accordingly.			

3D. Processing BWoFs			
Onsite Status July 2021	Satisfactory	Desktop Status March 2021	Satisfactory
Desktop Findings HCC carry out the appropriate checks when reviewing submitted BWoFs and their associated documents. For example, ensuring Form 12As are from registered IQPs.			
Desktop Recommendation None			
HCC comment on draft report HCC ensures that all documents are reviewed for acceptance and IQPs are checked against the WBCG IQP register.			
HCC onsite update NA			

MBIE onsite findings
NA

3E. BWoF audits			
Onsite Status July 2021	Satisfactory	Desktop Status March 2021	Satisfactory
Desktop Findings HCC's on-site BWoF audits include a check that a current BWoF is displayed and that records of IMR procedures have been completed.			
Desktop Recommendation None			
HCC comment on draft report HCC reviews the checklist annually to ensure that we are capturing all required information.			
HCC onsite update NA			
MBIE onsite findings NA			

4. Enforcement

4A. Enforcement			
Onsite Status July 2021	Satisfactory	Desktop Status March 2021	Satisfactory
Desktop Findings During the period 1 January 2017 to 1 October 2020 HCC issued 190 NTFs and 16 infringement notices . Use of enforcement is often an indicator of a council's willingness to use the tools available to ensure compliance.			
Desktop Recommendation None			
HCC comment on draft report We are working to ensure all buildings are complaint with a BWOF and issuing any notices / infringements to owners who do not comply.			
HCC onsite update NA			
MBIE onsite findings NA			

5. Public/owner information and assistance

5A. Public/owner information and assistance
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Onsite Status July 2021	Satisfactory	Desktop Status March 2021	Satisfactory
Desktop Findings HCC has public information on its website which is up-to-date, covers all the key topics, aligns with legislation and contains links to MBIE's guidance documents. Additionally, HCC makes an application to amend a compliance schedule (Form 11) available on its website. HCC does not have online access to compliance schedules (to ensure IQPs are always inspecting to the correct schedule).			
Desktop Recommendation None			
HCC comment on draft report HCC believe we have met the requirements of the Building Act and that the owner is responsible for the compliance schedule. We will give consideration to public information available on our website for additional customer service but given our process is in line with legislation we propose this be updated from 'some areas of concern' to 'satisfactory'.			
HCC onsite update NA			
MBIE onsite findings NA			

6. Performance of functions on-site

Inspections
Findings and Observations C&A accompanied and observed HCC staff on 4 on-site BWoF/compliance schedule inspections. Such inspections by HCC are limited to sighting and checking the on-site paperwork only and we observed this to be done thoroughly. However, at our request, a walk around of each building was undertaken to sight the installed specified systems against those specified systems stated on the compliance schedule. All 4 inspections required the respective compliance schedules to be up[dated to either add or remove specified systems and provide greater specificity (eg interfacing of specified systems, stating the version of nominated standards). The key findings were as follows: <ul style="list-style-type: none"> CS159 (260 Anglesea St): omitted SS 7 (3 backflow preventers found) CS2361 (846 Victoria St): SS 15/5 to be deleted CS39003 (645 Te Rapa Rd): SS 3/1 to be deleted CS40217 (12 Gilchrist St): omitted SS 3/1 and SS 15/3.
Outcome: We recommend HCC expand the scope of its BWoF/compliance schedule inspections to include a walk around the building in order to check the accuracy of the compliance schedule.
HCC comment HCC have concerns about potential liability issues if they include a walk around of the building as part of their on-site BWoF/compliance schedule inspections. HCC advised it would seek their own legal advice.

Hamilton City Council – statistical information*

	Subject	Period	Total for the period specified	Period	Total for the period specified
Means of restricting access to residential pools					
1	Residential pools (subject to means of restricting access requirements) on the Council's register/records subject to s162D inspections	As at 03 Dec 2020	4536	As at 29 July 2021	3136 [^]
2	On-site pool barrier inspections carried out under s162D by the Council (excl re-inspections)	1 Jan 2017 to 1 Oct 2020	2295	1 Jan 2017 to 29 July 2021	3136
3	Certificates of periodic inspection received from independent qualified pool inspectors (IQPIs)	1 Jan 2017 to 1 Oct 2020	2	1 Jan 2017 to 1 Oct 2020	2
4	Notices to fix (NTFs) re pool barriers issued for breaches of the means of restricting access requirements	1 Jan 2017 to 1 Oct 2020	89	1 Jan 2017 to 1 Oct 2020	89
5	Infringement notices issued for breaches of the means of restricting access requirements	1 Jan 2017 to 1 Oct 2020	3	1 Jan 2017 to 1 Oct 2020	3
Compliance schedules and BWoFs					
6	Buildings that have compliance schedules	As at 03 Dec 2020	2274	As at 29 July 2021	Not requested
7	Buildings that have a current BWoF	As at 03 Dec 2020	2055	As at 29 July 2021	Not requested
8	Compliance schedules amended to comply with the Building Amendment Act 2012	As at 22 Jan 2021	1189	As at 29 July 2021	Not requested
9	On-site BWoF audits carried out (excl re-inspections)	1 Oct 2017 to 1 Oct 2020	2655	1 Oct 2017 to 1 Oct 2020	2655
10	NTFs issued for breaches of compliance schedule and BWoF provisions	1 Oct 2017 to 1 Oct 2020	190	1 Oct 2017 to 1 Oct 2020	190
11	Infringement notices issued for breaches of compliance schedule and BWoF provisions	1 Oct 2017 to 1 Oct 2020	16	1 Oct 2017 to 1 Oct 2020	16

*As supplied by Hamilton City Council

[^]please note that the number of pools stated for 29 July 2021 is less than the number of pools for 3 December 2020 because, as a result of completing all inspections, it was found HCC had less pools in its district than originally estimated.

Council Report

Committee: Strategic Risk and Assurance Committee

Date: 30 March 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

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.

Staff Recommendation - *Tuutohu-aa-kaimahi*

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

Executive Summary - *Whakaraapopototanga matua*

4. There are no protected disclosures or instances of fraud or corruption to report since the last Strategic Risk and Assurance Committee meeting.
5. There is no significant non-compliance with the Privacy Act 2020 to report since the last Strategic Risk and Assurance Committee meeting.
6. Following the November meeting, staff were to provide the Strategic Risk and Assurance Committee an update on the progress of recommendations from the Conflict of Interest review undertaken by the office of the Auditor General, this forms a separate report to the Committee.
7. A list of current Council and Management Policies is attached to the report as **Attachment 1**.
8. 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

9. 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.
10. 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.
11. 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.
12. There are no protected disclosures to report to the Strategic Risk and Assurance Committee.
13. By way of update the Protected Disclosures (Protection of Whistleblowers) Bill was before the Committee of Whole House on 8 March 2022 (Members of Parliament considered the bill in detail and vote on proposed changes). The final stage for the Bill is the third Reading (final debate and vote. If successful, the bill has been passed) and Royal Assent (brings the Bill in to law).
14. 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.
15. Assuming the Bill passes into law in the near future, staff should be able to provide a draft for review at the June 2022 Strategic Risk and Assurance Committee meeting.
16. Key staff who are part of the Council's protected disclosures policy process will receive training from Mary Hill in March to ensure processes and best practice for managing protected disclosures is well understood.

Fraud and Corruption

17. Council has in place a Fraud and Corruption Management Policy.
18. 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.
19. 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.
20. 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.
21. No incidents of fraud or corruption have been established since the Strategic Risk and Assurance Committee last met in June 2021.

Privacy Act 2020

22. The Strategic Risk and Assurance Committee requested an update on compliance with the Privacy Act 2020. The Act strengthens privacy protections. It promotes early intervention and risk management by agencies (the name used for any organisation or person that handles personal information) and enhances the role of the Privacy Commissioner.
23. The Committee has requested an update on embedding compliance with the Privacy Act 2020 in the organisation. The Privacy training module is now part of the induction programme for on-boarding new employees and available for current employees as part of our training offering.
24. There are no notifiable breaches of the Privacy Act 2020 to report to the Committee.

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 1**. 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 - Council Policy List - March 2022

Council Policies						
Council Committee	Council Policy	Sponsor/ Group	Last review date	Next review date	Status	Related legal provisions
Community	Citizens Initiated Referenda Policy	Growth	Feb-16	Jul-19	Under review	Local Electoral Act 2001
Community	Naming of Roads, Open Spaces and Council Facilities Policy	Infrastructure Ops and Growth	Sep-16	Sep-19	Under review – deliberations Community Committee 26 April	N/A
Community	Dog Control Policy	Growth	May-15	May-23	Current – reviewed alongside Bylaw as per legal requirements	Dog Control Act 1996
Community	Community Occupancy Policy	Community	Nov-18	Apr-21	Review scheduled June 2022	N/A
Community	Open Space Provision Policy	Community	Jun-18	Dec-21	Under review	N/A
Community	TAB Board Venue Policy	Growth	Dec-18	Feb-22	Review alongside Class 4 Gambling Venue Policy November 2022	Racing Industry Act 2020.
Community	Disability Policy	Community	May-19	Jun-22	Under review	N/A
Community	Class 4 Gambling Venue Policy	Growth	Oct-22	Oct-22	Current – review scheduled Nov 2022	Gambling Act 2003
Community	Smokefree and Vapefree Outdoor Areas Policy	Community	Sep-20	Sep-23	Current	N/A
Community	Community Assistance Policy	Community	Oct-20	Oct-23	Current	N/A
Community	City Honours Policy	Strategy and Communications	Oct-20	Oct-23	Current	N/A
Community	Psychoactive Substances (Local Approved Products) Policy	Growth	Nov-18	Nov-23	Current	Psychoactive Substances Act 2013
Community	Trading in Public Places Policy	Community	Dec-20	Dec-23	Current	N/A
Community	International Relations Policy	People and Organisational Performance	Mar-21	Mar-24	Current	N/A
Community	External Funding Applications Policy	Community	Jun-21	Jun-24	Current	N/A
Community	Provisional Local Alcohol Policy (LAP)	Community	N/A	N/A	To be developed	Sale and Supply of Alcohol Act 2012
Community	Permanent Public Art Policy	Community	Nov-21	Nov-24	Current	N/A
Community	Monuments and Memorials Policy	Community	Nov-21	Nov-24	Current	N/A
Community	Domain Endowment Fund Policy	Growth	Nov-20	Nov-23	Current	N/A
Council	Delegations to Officers Specific to the Resource Management Act 1991	Growth	Oct-21	Oct-24	Current	Resource Management Act 1991
Council	Delegations to Positions Policy	People and Organisational Performance	Jun-21	Nov-22	Current	Local Government Act 2002
Council	Corporate Hospitality and Entertainment Policy	People and Organisational Performance	Jul-15	Jul-18	Under review	N/A
Council	Elected Members Support Policy	People and Organisational Performance	Mar-21	Nov-22	Under review	Local Government Act 2002
Council	Significance and Engagement Policy	Strategy & Communications	Aug-20	Sep-23	Current	Local Government Act 2002
Economic Development	Freeholding of Council Endowment Land Policy	Growth	Aug-21	Aug-24	Current	Hamilton Domain Endowment Act 1979
Economic Development	Event Sponsorship Policy	H3 & Events	Apr-19	Jun-22	Under review	N/A
Economic Development	Business Improvement District (BID) Policy 2019	Growth	June-19	Jul-22	Under review	N/A
Economic Development	Appointment and Remuneration of Board Members of COs, CCOs and CCTOs Policy	People and Organisational Performance	June-21	Nov-22	Current	Local Government Act 2002

Update as at 2 March 2022

Economic Development	Municipal Endowment Fund Policy	Growth	Sep-20	Sep-23	Current	N/A
Environment	Climate Change and Environment Policy	Strategy and Communications	New	n/a	Under development	N/A
Finance	Rates Remissions and Postponements Policy	People and Organisational Performance	Jun-21	Jun-22	Current	Local Government Act 2002
Finance	Rating Policy	People and Organisational Performance	Jun-21	Jun-22	Current	Local Government Rating Act and Local Government Act 2002
Finance	Revenue and Financing Policy	People and Organisational Performance	Jun-21	Jun-24	Current	Local Government Act 2002
Finance	Funding Needs Analysis Policy	People and Organisational Performance	Jun-21	Jun-24	Current	N/A (supports Local Government Act 2002 financial policy)
Finance	Investment and Liability Management Policy	People and Organisational Performance	Jul-21	Jun-24	Current	Local Government Act 2002
Infrastructure Operations	Streetscape Beautification and Verge Maintenance Policy	Community & Infrastructure Ops	Nov-12	Nov-18	Review deferred to 22/23 financial year	N/A
Infrastructure Operations	Seismic Performance of Buildings Policy	People and Organisational Performance	Apr-17	Apr-20	Under review	Building Act 2004
Infrastructure Operations	Dangerous and Insanitary Buildings Policy	Growth	May-18	Jun-23	Current	Building Act 2004
Infrastructure Operations	Three Waters Connections Policy	Infrastructure Operations	Sep-20	Sep-23	Under review	N/A
Strategic Growth	Hamilton Gateways Policy	Infrastructure Operations	Dec-15	Oct-18	Review deferred to 22/23 financial year	N/A
Strategic Growth	Sale and Disposal of Council Land Policy	Growth	Sep-19	Jul-22	Current	N/A
Strategic Growth	Growth Funding Policy	People and Organisational Performance	Jun-21	Jun-23	Current	N/A
Strategic Growth	Development Contributions Policy	Growth	June-21	Jun-24	Under review	Local Government Act 2002
Strategic Risk & Assurance	Risk Management Policy	People and Organisational Performance	June-20	Aug-23	Current	N/A

Other						
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	Nov-19	Nov-22	Under review	Local Government Act 2002

Management Policies with Committee Oversight						
Council Committee	Council Policy	Sponsor/ Group	Last review date	Next review date	Status	Related legal provisions
Strategic Risk & Assurance	Conflicts of Interest Management Policy	People and Organisational Performance	Mar-18	Mar-21	Under review	N/A
Strategic Risk & Assurance	Compliance Management Policy	People and Organisational Performance	Apr-19	Apr-22	Current	N/A
Strategic Risk & Assurance	Fraud and Corruption Management Policy	People and Organisational Performance	Sep-19	Sep-22	Current	N/A
Strategic Risk & Assurance	Protected Disclosure Management Policy	People and Organisational Performance	Sep-19	Sep-21	Under review	N/A
Strategic Risk & Assurance	Sensitive Expenditure Management Policy	People and Organisational Performance	May-18	May-21	Under review	N/A

Management Policies					
Policy owner	Management Policy	Last Review Date	Next Review Date	Status	Purpose
Communications	Advertising	Feb-10	Oct-12	Being replaced	To ensure Hamilton City Council receives best value from its advertising expenditure by providing advice and guidance in the buying and placement of advertisements.
Programme Manager – Assets Strategy	Asset Management	Jun-18	Jun-21	Under review	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.
Information Systems	Acceptable Use	Jan-18	Nov-21	Under review	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.
Risk and Insurance Manager	Business Continuity	Aug-19	Aug-22	Current	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.
Financial Controller	Capitalisation	Mar-19	Mar-22	Current	To provide guidance to council officers around the recognition and treatment of capital costs, revaluation, depreciation, impairment, disposal and accounting for assets.
Financial Controller	Cash Handling	Apr-17	Apr-20	Due for review	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.
People, Safety & Wellness	Child Protection	Jan-22	Jan-25	Current	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).
City Safe	Civil Defence and Emergency Management	Oct-18	Oct-21	Under review	To ensure that Hamilton City Council (HCC) meets the requirements of the Civil Defence Act 2002 and can effectively and efficiently respond to and recover from an emergency event.
People, Safety & Wellness	Staff Code of Conduct	Dec-18	Dec-21	Due for review	To set out the rules and expectations of staff while they are employees at Hamilton City Council.
Communications	Copyright Print Media	Oct-09	Oct-12	Being replaced	To outline the licensing provision which allows Council staff the right to use print media copyright material.
People, Safety and Wellness	Covid-19 Vaccination Policy	Dec-21	Jun-22	Current	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.
Customer Services	Customer Complaints	Sep-19	Sep-21	Due for review	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.
People, Safety & Wellness	Domestic Violence Leave	Sep-19	Sep-22	Current	To set out Council's commitment in protecting the wellbeing of all staff who may be subject to or perpetrators of Domestic Violence.
People, Safety & Wellness	Drug and Alcohol	Mar-19	Mar-22	Current	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.
Infrastructure Operations	Encroachment Policy	Aug-19	Aug-22	Current	To enable Council to reasonably control encroachments into Road Reserves and Reserves
Facilities	Energy and Carbon Management	Nov-19	Nov-22	Current	To minimise energy consumption and greenhouse gas emissions across the organisation in accordance with our sustainability principles.
Legal Services	Execution of Documents	Nov-19	Nov-21	Due for review	To provide procedure for execution and signing of documents having legal significance.
City Transportation	Fencing	Feb-19	Feb-22	Due for review	To provide guidance for how Council will apply their obligations under the Fencing Act 1978 regarding contributions towards fences that share a boundary
Facilities	Fleet	Jan-22	Jan-25	Current	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.
People, Safety & Wellness	Flexible Working Arrangements	Oct-20	Oct-23	Current	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.

Update as at 2 March 2022

Finance	Gifts and Hospitality	Mar-17	Jul-20	Under review	To explain the principles and procedures for Council Staff to follow when considering whether to accept or decline offers of Gifts or Hospitality.
Event Operations	H3 Venue Conditions of Entry	Aug-19	Jun-22	Current	To provide guidelines and support for the implementation of Conditions of Entry at Hamilton City Council event venues managed by H3.
Libraries	Hamilton City Libraries Collection	Nov-20	Nov-23	Current	To provide a framework for the development and management of Hamilton City Libraries' collections.
People, Safety & Wellness	Harassment, Bullying and Discrimination	May-18	May-21	Under review	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.
People, Safety & Wellness	Health and Safety	Jan-22	Jan-25	Current	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.
Parks and Open Spaces	Herbicide Use	Mar-15	Mar-18	Out of date - Under review	To provide high level guidelines around the use of herbicides in the management of unwanted vegetation.
People, Safety & Wellness	Intellectual Property and Ownership Rights	Dec-18	Dec-21	Due for review	To ensure Council retains ownership and rights of use of its assets, information, and intellectual property.
People, Safety & Wellness	Leave	Oct-20	Oct-23	Current	To provide guidance on how HCC manages Leave. This policy should be read in conjunction with the relevant employment agreement.
Parks and Recreation	Lighting on Parks	Aug-17	Aug-20	Due for review	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 way lighting will be provided.
City Safe	Litter Enforcement	Jan-22	Jan-25	Current	To provide guidance to Council officers on issuing infringement notices under the Litter Act 1979.
Communications	Media	Mar-14	Mar-17	To be replaced	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.
Waikato Museum	Museum Collection	Jun-18	Jun-21	Due for review	To guide the growth, development, and management of the Museum's collection.
People, Safety & Wellness	Performance Management and Disciplinary	Dec-18	Dec-21	Current	To ensure that HCC has a performance management and disciplinary process that is fair, transparent, and applied consistently.
Finance	Procurement Policy and Procedures Manual	Dec-21	Dec-24	Current	To provide clear direction to staff in relation to procurement activities and establish decision framework that ensures openness, fairness, integrity, value for money, lawfulness, accountability, and sustainability.
Information Systems	Records Management	Dec-14	Dec-17	Due for review	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.
People, Safety & Wellness	Recruitment and Selection	Jan-22	Jan-25	Current	To ensure that the recruitment and selection of HCC staff is undertaken in a fair, consistent, transparent and cost-effective way.
People, Safety & Wellness	Remuneration	Jun-20	Jun-23	Current	Our remuneration supports our strategy to attract and retain talented people to achieve key community outcomes that help to improve the wellbeing of Hamiltonians.
Financial Controller	Revaluation	Jul-18	Jun-21	Under review	To outline the organisations approach to revaluations to ensure that the value and depreciation held for the city assets is accurate.
Growth	Sensitive Development	Aug-19	Aug-22	Current	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.
People, Safety & Wellness	Smoke Free Workplace	Oct-16	Mar-20	Under review	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.
Communications	Social Media	Sep-13	Sep-16	To be replaced	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.
People, Safety & Wellness	Study Assistance Policy	Mar-18	Mar-21	Under review	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.
City Safe	Surveillance Camera	Oct-18	Oct-21	Due for review	To outline the guidelines for Council's collection, storage and use of images collected.
Financial Controller	Treasury	Jun-18	Jun-21	Under review	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.
Customer Services	Unreasonable Customer Conduct Policy	Sep-19	Sep-21	Due for review	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
Customer Services	Visitor Control	Oct-14	Oct-22	Current	To control visitors' exposure to workplace hazards and to control visitor access for all council buildings.

Update as at 2 March 2022

People, Safety and Wellness	Workplace Diversity and Inclusion	Oct-21	Oct-24	Current	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.
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Council Report

Item 16

Committee: Strategic Risk and Assurance Committee

Date: 30 March 2022

Author: Narelle Waite

Authoriser: David Bryant

Position: Governance Advisor

Position: General Manager People and Organisational Performance

Report Name: Draft Schedule of Reports for Council and Committee 2022

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

1. To inform the Strategic Risk and Assurance Committee on the Schedule of Reports for the Council and Committee meetings of 2022.

Staff Recommendation - *Tuutohu-aa-kaimahi*

2. 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.

Executive Summary - *Whakaraapopototanga matua*

3. The Schedule of Reports for the Council and Committee meetings provides a view of Council and Committee activities throughout the year.
4. The schedule will be regularly updated when new items arise or when timing or circumstances change.
5. Staff consider the decision in this report is of low significance and that the recommendations comply with the Council's legal requirements.

Discussion - *Matapaki*

6. At the 18 November 2021 Strategic Risk and Assurance Committee meeting, Members resolved that a wider Schedule of Reports for the Strategic Risk and Assurance Committee, Council and other committees for 2022 will be updated and provided to the Strategic Risk and Assurance Committee in 2022 [[Agenda](#), [Minutes](#)].
7. The Schedule of Reports for all Council and Committee meetings 2022 was received by the Council at the Council meeting of 16 December 2021 [[Agenda](#), [Minutes](#)].

8. The Schedule of Reports for Council and Committee meetings (**Attachment 1**) and Joint Committee meetings (**Attachment 2**) provides Members with oversight of the planned and upcoming activities/schedule of work for 2022 Council and Committee meetings.
9. Chairs and Deputy Chairs will continue to have close oversight of items for upcoming committee meetings via the agenda planning meetings. As per the normal process, the relevant Chairs approval will be sought where an upcoming agenda item needs to be added or removed post the agenda planning meeting having taken place.
10. The Governance Team and the Executive Leadership Team Executive Assistants will take responsibility for maintaining an up-to-date document. Members can request updates to the schedule via the Governance Team or Principal Advisors.
11. The schedule has been developed by the Governance team in consultation with Principal Advisors and other key staff. Input has also been sought from Chairs and Deputy Chairs of each Committee. The schedule covers:
 - i. standing agenda items and regular reports;
 - ii. the development, review, and status reporting of strategic plans and policies;
 - iii. anticipated submissions and legislative reports;
 - iv. items relating to the Annual Plan and 10 Year Plan;
 - v. reporting of joint organisations, stakeholder groups, and established taskforces; and
 - vi. business as usual matters identified by staff as requiring governance decisions or oversight.
12. At the time of writing this report several meetings have already taken place and have been greyed out in the schedule.
13. For Members to have a current view of Council and Committee activities throughout the year, the schedule will be regularly updated when new items arise or when timing or circumstances change. Members will have access to the updated schedules on Diligent and will be able to use the search function to find relevant information in the schedule easily.

Financial Considerations - *Whaiwhakaaro Puutea*

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

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

15. Staff confirm that the recommendations in the report comply with Council's legal and policy requirements.

Wellbeing Considerations - *Whaiwhakaaro-aa-oranga tonutanga*

16. 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').
17. 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.
18. The recommendations set out in this report are consistent with that purpose.

Social

19. The draft schedule of reports Strategic Risk and Assurance provides the Community oversight of the planned and upcoming schedule of work for 2021 Committee meetings. This increases transparency and encourages greater engagement in the democratic process.

20. There are no known economic, environmental or cultural considerations associated with the matters of this report.

Risks - *Tuuraru*

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

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

Significance

22. 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

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

Attachments - *Ngaa taapirihanga*

Attachment 1 - Council and Committee Schedule of Reports 2022

Attachment 2 - Joint Committee, Panels and Advisory Groups Schedule of Reports 2022 .

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	Council	Finance	Infrastructure Operations	Strategic Growth	Environment	Community	Economic Development	Hearings and Engagement	Strategic Risk and Assurance	District Plan
February 2022	3 February 2022	10 February 2022	24 February 2022	15 February 2022	22 February 2022			16 February 2022		
	<ul style="list-style-type: none">▪ Safety & Wellness Report (David Bryant)▪ Risk Management Report (David Bryant)▪ 2022 Triennial Elections Information (David Bryant)▪ Reform Response Programme (Blair Bowcott)	<ul style="list-style-type: none">▪ Capital Portfolio Monitoring Report (Chris Allen)▪ Financial Performance and Strategy Report (David Bryant)▪ Overdue Debtors Update - Public Excluded (David Bryant)▪ Kotui Libraries Contract (Helen Paki)▪ Information Services Renewal Contracts (David Bryant)▪ Facilities Painting Contract (Chris Allen)	<ul style="list-style-type: none">▪ GM Report (Eeva-Liisa Wright)<ul style="list-style-type: none">- Vision Zero Progress Update- Biking & Mirco-mobility- Engineered Overflows▪ External Committee Updates (Eeva-Liisa Wright)▪ Speed Management Plan (Eeva-Liisa Wright)▪ Tristram / Collingwood Peer Review of options (Chris Allen)▪ Water Stimulus Funding Update (Eeva-Liisa Wright)▪ (Eeva-Liisa Wright)▪ Public Transport Infrastructure Improvements (Eeva-Liisa Wright)▪ Transport Maintenance & Renewal Activity Annual Report (Eeva-Liisa Wright)▪ Infrastructure Alliance Achievement Report (Eeva-Liisa Wright)	<ul style="list-style-type: none">▪ GM Report (Blair Bowcott)▪ Future Proof (including H2A, HWMSP, Transit, Waters (Blair Bowcott)▪ Hamilton-Waikato Metro Wastewater Detailed Business Case (Andrew Parsons)▪ Growth Programmes Update – (Blair Bowcott)<ul style="list-style-type: none">- Central City- Peacocke- Northwest Ruakura & East- Emerging Areas▪ Metro Spatial Plan Transport Business Case (Chris Allen)▪ HUGS Update (Blair Bowcott)▪ Rotokauri Arterial Designation (Chris Allen)	<ul style="list-style-type: none">▪ 2021/22 Climate Change Action Plan Monitoring Report (Sean Hickey)▪ Peacocke Bat Management Plan (Blair Bowcott)▪ GMs Report (Sean Hickey)			<ul style="list-style-type: none">▪ Naming of Roads, open spaces, and council facilities Policy (Eeva-Liisa Wright)		
	17 March 2022	29 March 2022 (1/2 Day)		31 March 2022		3 March 2022	1 March 2022		30 March 2022	10 March 2022
March 2022	<ul style="list-style-type: none">▪ Annual Plan Consultation Document Approval (Sean Hickey)▪ DC Policy Review – adoption of consultation document (Blair Bowcott)▪ Reform Response Programme (Blair Bowcott)▪ Community Based Boards Trial/ Proposal - (David Bryant)▪ Rates Remission and Postponement Policy Consultation Document (David Bryant)▪ Wel Energy Draft Annual plan submission (Blair Bowcott)▪ PX Rototuna Pool Watercare Board of Enquiry High Court Appeal (Andrew Parsons)	<ul style="list-style-type: none">▪ Capital Portfolio Monitoring Report (Chris Allen)▪ Financial Performance and Strategy Report (David Bryant)▪ Overdue Debtors Update (Public Excluded) (David Bryant)▪ LGFA – Half Year report (David Bryant)▪ Long Term Plan Performance Measures Bi-Annual Update (Sean Hickey)▪ Authority Port Procurement Management System Project (Murray Heke)▪ Information Services Contract Renewals (Murray Heke)▪ Information Services Contract Variation (Murray Heke)<ul style="list-style-type: none">▪ Toilet and Changing Room Design and Construction (Chris Allen)		<ul style="list-style-type: none">▪ GM Report (Blair Bowcott)▪ Future Proof (Blair Bowcott)▪ Hamilton-Waikato Metro Wastewater Detailed Business Case (Andrew Parsons)▪ Hamilton-Waikato Metro Wastewater Detailed Business Case (Chris Allen)▪ Growth Programmes Update – (Blair Bowcott)<ul style="list-style-type: none">- Central City- Peacocke- Northwest- Ruakura & East- Emerging Areas▪ HUGS update (Blair Bowcott)▪ Peacocke Macroscope confirmation (Blair Bowcott)▪ Rotokauri Arterial Designation (Chris Allen)▪ Borman Road Extension (Chris Allen)		<ul style="list-style-type: none">▪ GMs Report (Helen Paki)▪ Parks Classification and naming report (Helen Paki)▪ Naming of Roads, open spaces, and council facilities Policy deliberations (Helen Paki)▪ Community Occupancy – Te Papanui Enderley Community Centre Trust, Te Kohao Health, Waikato Kindergarten Association Hamilton Rowing Club (TBC), Model Engineers TBC) - (Helen Paki)▪ Play Strategy Update (Helen Paki)▪ Accessible playgrounds proposal (Helen Paki)▪ He Pou Manawa Ora Work Plan (Sean Hickey)▪ City Investments Programme (Helen Paki)▪ One Victoria Trust Funding Request (Sean Murray)▪ Aquatics Strategy Action Plan (Helen Paki)	<ul style="list-style-type: none">▪ GM Report (Blair Bowcott)▪ H3 Q2 2021/22 Activity Report (Sean Murray)▪ Waikato LASS /Co-Lab Proposal for Additional Shareholder (Western Bay of Plenty DC) (Blair Bowcott)▪ Sister Cities/International Relations quarterly report (Blair Bowcott/Mayors office)▪ Municipal Endowment Fund – quarterly update (Blair Bowcott)▪ HCBA – approval of annual activation plan, budget and 6 monthly review (Blair Bowcott)▪ WRAL 6 monthly report to 31 Dec 2021 & Draft Statement of Intent 2022-23 (Sean Murray)▪ HWT 6 monthly report to 31 Dec 2021 (Sean Murray)▪ Economic update (Blair Bowcott)▪ WIGL – draft Statement of Intent and half year results - TBC (Blair Bowcott)	<ul style="list-style-type: none">▪ CE Report (Lance Vervoort)▪ Safety and Wellness Report (David Bryant)▪ Risk Management Report (David Bryant)▪ PWC - Internal Audit Update Report (David Bryant)<ul style="list-style-type: none">- Draft Internal Audit Plan (PWC) for 2022▪ HCC - Internal Audit Update Report (David Bryant)<ul style="list-style-type: none">- Draft Internal Audit Plan for 2022▪ Final Management Report – Audit NZ (David Bryant)▪ Audit report planning update (David Bryant)▪ Conflict of Interest Management Policy review (David Bryant)▪ Organisational Improvement Register (David Bryant)▪ Power Resilience at the WWTP (Eeva-Liisa Wright)▪ 2022 schedule of reports update (David Bryant)▪ PX Legal Risks (David Bryant)▪ PX Cyber Risks (Murray Heke)	<ul style="list-style-type: none">▪ GM report (Blair Bowcott)▪ Update in the District Plan programme of work (Blair Bowcott)	

			12 April 2022			26 April 2022		5 April 2022		
April 2022			<ul style="list-style-type: none">GM Report (Eeva-Liisa Wright)External Committee Updates (Eeva-Liisa Wright)<ul style="list-style-type: none">Waikato Regional Council - Public Transport Update (Eeva-Liisa Wright)<ul style="list-style-type: none">Parking Activity Report Update (Eeva-Liisa Wright)Public Transport Update form WRC (Eeva-Liisa Wright)Public Transport Route Studies on Infrastructure needs – WDHB and Rototuna (Eeva-Liisa Wright)Water Stimulus Funding Update (Eeva-Liisa Wright)PX - Application for water connection (Eeva-Liisa Wright)Future of Fleet high level road map (Eeva-Liisa Wright) Hamilton City Submission on Review of Road User Charges System – Approval (Blair Bowcott)			<ul style="list-style-type: none">Zoo Waiwhakareke Shared Entry Precinct Update (Helen Paki)Community Occupancy (TBC) – Glenview Community Centre, South East Kirikiriroa Community Centre, Riverglade Archers (Helen Paki)Zoo Branding (Helen Paki)Waikato Museum Projects Update (Helen Paki)Fairfield Park Reclassification deliberations report (Helen Paki)GMs Report (Helen Paki)Community Occupancy Lease – Hamilton Old Boys Sports and Rugby Club (Helen Paki)Water safety Improvements and potential funding partners (Helen Paki)He Pou Manawa Ora Work Plan (Sean Hickey)Community Development Strategy (Helen Paki)		<ul style="list-style-type: none">Fairfield Park Reclassification (Helen Paki)		
	12 May 2022	17 May 2022 (1/2 Day)	31 May 2022	19 May 2022	10 May 2022		24 May 2022			3 May 2022
May 2022	<ul style="list-style-type: none">Safety & Wellness Report (David Bryant)Risk Management Report (David Bryant)Reform Response Programme (Blair Bowcott)Climate Change and Environment Policy (Sean Hickey)	<ul style="list-style-type: none">Capital Portfolio Monitoring Report (Chris Allen)Financial Performance and Strategy Report (David Bryant)Overdue Debtors Update (Public Excluded) (David Bryant)	<ul style="list-style-type: none">GM Report (Eeva-Liisa Wright)<ul style="list-style-type: none">Vision Zero Progress UpdateBiking & Micro-mobilityEngineered OverflowsExternal Committee Updates (Eeva-Liisa Wright)<ul style="list-style-type: none">Regional Transport Committee (RTC)Regional Connections Committee (RCC)Rail GovernanceWaka Kotahi update (Eeva-Liisa Wright)Transport Low Cost/Low Risk 2022/23 Proposed Programme (Eeva-Liisa Wright)Transport Strategy (Access Hamilton) (Eeva-Liisa Wright)Parking Policy (Eeva-Liisa Wright)City Fringe Commuter Parking (Eeva-Liisa Wright)Water Stimulus Funding Update (Eeva-Liisa Wright)PX - Application for water connection (Eeva-Liisa Wright)Parking Activity (6 monthly)	<ul style="list-style-type: none">GM Report (Blair Bowcott)Future Proof (Blair Bowcott)Hamilton-Waikato Metro Wastewater Detailed Business Case (Andrew Parsons)Growth Programmes Update – (Blair Bowcott)<ul style="list-style-type: none">Central CityPeacockeNorthwestRuakura & EastEmerging AreasDC Remissions Q3 2021/22 (Blair Bowcott)Metro Spatial Plan Transport Business Case (Chris Allen)HUGS Update (Blair Bowcott)Adoption of strategic land agreement with Waipa District Council (Blair Bowcott)Draft Future Proof Strategy – Hearings Deliberation Report (PX) (Blair Bowcott)	<ul style="list-style-type: none">2021/22 Climate Change Action Plan Monitoring Report (Sean Hickey)Waste Management and Minimisation Plan (Eeva-Liisa Wright)		<ul style="list-style-type: none">GM Report (Blair Bowcott)H3 Q3 2021/22 Activity Report (Sean Murray)Event Sponsorship Policy Review (Sean Murray)Major Event Sponsorship Fund 2021/22 update and Approvals 2022/23 (Sean Murray)Sister Cities/International Relations quarterly report (Blair Bowcott/Mayors office)Municipal Endowment Fund – quarterly update (Blair Bowcott)Economic update (Blair Bowcott)Event Sponsorship Policy Review – May TBC (Sean Murray)Civic Financial Services Ltd – Annual Report (Blair Bowcott)HCBA report on Activation Fund (Blair Bowcott)		<ul style="list-style-type: none">GM report (Blair Bowcott)Update in the District Plan programme of work (Blair Bowcott)	

	25 May 2022 AP <ul style="list-style-type: none"> Annual Plan Deliberations (Sean Hickey) DC Policy review – Deliberation’s report (Blair Bowcott) Rates Remission and Postponement Policy Consultation Document (David Bryant) 		(Eeva-Liisa Wright) <ul style="list-style-type: none"> Pukete WWTP Resource Consenting (Eeva-Liisa Wright) 3 Waters Reticulation Renewals Contract Award (Eeva-Liisa Wright) Tristram/Collingwood design update (Chris Allen) PX - Car Share – Trial Update (Eeva-Liisa Wright) 							
	30 June 2022					14 June 2022		21 June 2022	9 June 2022	16 June 2022
	<ul style="list-style-type: none"> Annual Plan Adoption (Sean Hickey) DC Policy review – adoption of new policy (Blair Bowcott) Reform Response Programme (Blair Bowcott) Rates Remission and Postponement Policy Consultation Document (David Bryant) Peacocke Contract Updates (Andrew Parsons) Adoption of final Future Proof Strategy (Sean Hickey) Magical Bridge Trust Concepts Report (Helen Paki) 					<ul style="list-style-type: none"> GM Report (Helen Paki) Civic Defence Emergency Management Update (Helen Paki) Kaute Pasifika Trust – sub-lease (Helen Paki) Waikato Settlement centre report (Helen Paki) Community Occupancy - Te Whare O Te Ata (Fairfield Hall) (Helen Paki) Community Facilities - renewal programme (Helen Paki) Hamilton Gardens Visitor Arrival Centre Update (Helen Paki) Hamilton I-SITE proposal (Helen Paki) Arts and Culture Strategy (Helen Paki) Open Space Provision Policy (Review) (Helen Paki) Libraries Strategy (Helen Paki) Open Space Strategy (Helen Paki) Naming of Roads, open spaces, and council facilities Policy deliberations (Helen Paki) Dame Hilda Ross Proposal (Helen Paki) Allocation of denominational area at Hamilton Park Cemetery (Helen Paki) CIP Programme & Working Groups (Helen Paki)		Hamilton Speed Management Plan (Eeva-Liisa Wright)	<ul style="list-style-type: none"> CE Report (Lance Vervoort) Safety and Wellness Report (David Bryant) Risk Management Report (David Bryant) HCC - Internal Audit Update Report (David Bryant) PWC - Internal Audit Update Report (David Bryant) Organisational Improvement Register (David Bryant) PX Legal Risks (David Bryant) Compliance, Fraud and Protected Disclosures (David Bryant) PX Cyber Risks (Murray Heke) Economic Dev committee request for a review of the Victoria Street Dev project. (Blair Bowcott) External audit plan (David Bryant) Policy Review Schedule Update report (David Bryant) Accounting Treatment Review (David Bryant) Annual Report – Letter of engagement of auditors (David Bryant) Annual pre-renewal Insurance Report (David Bryant) Protected Disclosures Management Policy review (David Bryant) Business Continuity Planning – review (2 yearly) (David Bryant) Tax Compliance review (David Bryant) Update on Security Review (David Bryant) <ul style="list-style-type: none"> Sensitive Expenditure Policy review (David Bryant) 	<ul style="list-style-type: none"> GM report (Blair Bowcott) Update in the District Plan programme of work (Blair Bowcott)

	July 2022			28 July 2022 <ul style="list-style-type: none">▪ GM Report (Blair Bowcott)▪ Future Proof (Blair Bowcott)▪ Hamilton-Waikato Metro Wastewater Detailed Business Case (Andrew Parsons)▪ Growth Programmes Update – (Blair Bowcott)<ul style="list-style-type: none">- Central City- Peacocke- Northwest- Ruakura & East- Emerging Areas▪ DC Remissions Q4 2021/22 (Blair Bowcott)▪ IAF update on RFPs (Blair Bowcott)▪ Sale and Disposal of Council Land Policy – August TBC (Blair Bowcott)						
		18 August 2022 <ul style="list-style-type: none">▪ Safety & Wellness Report (David Bryant)▪ Risk Management Report (David Bryant)▪ District Plan – approval to notify plan change (Blair Bowcott)▪ Reform Response Programme (Blair Bowcott)▪ Peacocke Contract Awards (Blair Bowcott)	23 August 2022 <ul style="list-style-type: none">▪ Capital Portfolio Monitoring Report (Chris Allen)▪ Financial Performance and Strategy Report (David Bryant)▪ Overdue Debtors Update (Public Excluded) (David Bryant)▪ Long Term Plan Performance Measures Bi-Annual Update (Sean Hickey)	9 August 2022 <ul style="list-style-type: none">▪ GM Report (Eeva-Liisa Wright)<ul style="list-style-type: none">- Vision Zero Progress Update- Biking & Mico-mobility- Engineered Overflows▪ External Committee Updates (Eeva-Liisa Wright)<ul style="list-style-type: none">- Regional Transport Committee (RTC)- Regional Connections Committee (RCC)- Rail Governance▪ School travel planning (Eeva-Liisa Wright)▪ Vision Zero report (Eeva-Liisa Wright)▪ Horotiu Landfill Site – Property (Eeva-Liisa Wright and David Bryant)▪ Water Stimulus Funding Update (Eeva-Liisa Wright)▪ Project Watershed (Eeva-Liisa Wright)▪ Waste Minimisation Levy Update (Eeva-Liisa Wright)▪ PX - Application for water connection under the Three Waters Connections Policy (Maire Porter)		2 August 2022 <ul style="list-style-type: none">▪ 2021/22 Climate Change Action Plan End of Year/Delivery Report (Sean Hickey)	30 August 2022 <ul style="list-style-type: none">▪ Age Friendly Plan Annual update (Helen Paki)▪ Cemetery Bylaw determination (Helen Paki)▪ Trading in Public Places Policy economic impacts Deferment Dec 2022 (Helen Paki)▪ Reserve Management Plan review (tbc) –Approval to consult (Helen Paki)▪ Libraries Strategy adoption (Helen Paki)▪ Parks Renaming (Helen Paki)▪ CDEM Quarterly Update (Helen Paki)	11 August 2022 <ul style="list-style-type: none">▪ GM Report (Blair Bowcott)▪ H3 Q4 and Year End 2021/22 Activity Report (Sean Murray)▪ Sister Cities/International Relations quarterly report (Blair Bowcott/Mayors office)▪ Municipal Endowment Fund – quarterly update (Blair Bowcott)▪ HCBA 6 monthly report▪ WRAL YE report to 30 June 2022 (Sean Murray)▪ HWT YE report to 30 June 2022 (Sean Murray)▪ Economic update (Blair Bowcott)▪ Business WIGL/NZFIWL Amendments to Shareholders Agreement (Blair Bowcott)		4 August 2022 <ul style="list-style-type: none">▪ GM report (Blair Bowcott)▪ Update in the District Plan programme of work (Blair Bowcott)▪ Proposed Plan Change for implementing the NPS-UD and RMA legislation (Blair Bowcott)

	22 September 2022							8 September 2022	13 September 2022	
	<div>September 2022</div> <ul style="list-style-type: none">▪ Reform Response Programme (Blair Bowcott)▪ End of Triennium matters (David Bryant)								<ul style="list-style-type: none">▪ CE Report (Lance Vervoort)▪ Safety and Wellness Report (David Bryant)▪ Risk Management Report (David Bryant)▪ Internal Audit (David Bryant)▪ Internal Audit (PWC) (David Bryant)▪ Organisational Improvement Register (David Bryant)▪ PX Legal Risks (David Bryant)▪ Compliance, Fraud and Protected Disclosures (David Bryant)▪ PX Cyber Risks (Murray Heke)▪ External Audit (Audit NZ) (David Bryant)• Review of Annual Report and letters of representation (David Bryant)• Annual Report - Interim Management Report (Audit NZ) (David Bryant)• Annual SRA Committee Self Review (shifted to September in 2022 due to elections) (David Bryant)• Annual Council Controlled Organisations Material Risks review and update on annual report audits (David Bryant)• Fraud and Corruption Management Policy review (David Bryant)• Gifts and Hospitality Management Policy review (David Bryant)• Climate change report (Helen Paki)• Terms of Reference – review and feedback to Council at end of triennium (David Bryant)	

Future	2022 Triennium	2022 Triennium	2022 Triennium	2022 Triennium	2022 Triennium	2022 Triennium	2022 Triennium	2022 Triennium	2022 Triennium	2022 Triennium
		<ul style="list-style-type: none">▪ Rates Remissions and Postponements Policy (David Bryant)▪ Rating Policy (David Bryant)▪ Revenue and Financing Policy (David Bryant)▪ Security Operations – (Murray Heke)▪ LGFA – Annual report (Oct) (David Bryant)	<ul style="list-style-type: none">▪ Seismic Performance of Building policy (Chris Allen)▪ Rubbish and Recycling Service Review (Eeva-Liisa Wright)▪ Waste Audit Report - Oct/Nov 2022 (Eeva-Liisa Wright)▪ Streetscape Beautification and Berm Maintenance Policy /Gateways Policy Review (Eeva-Liisa Wright)▪ NZ Police Verbal Update (Eeva-Liisa Wright)▪ Waste Management and Minimisation Bylaw 2024 (Eeva-Liisa Wright)	<ul style="list-style-type: none">▪ Access Hamilton Strategy (Eeva-Liisa Wright)	<ul style="list-style-type: none">▪ Climate Change Disclosure (Julie Clausen)	<ul style="list-style-type: none">▪ Trading in Public Places Policy: Investigation into economic impacts (Helen Paki)▪ Class 4 Gambling Venue Policy (Helen Paki)▪ Animal Nuisance Bylaw Review Update (Helen Paki)▪ Aquatics Strategy annual progress report (Helen Paki)▪ Swimming safety in the river (Helen Paki)▪ Open Space Provision Policy (Review) (Helen Paki)	<ul style="list-style-type: none">▪ Waikato Local Authority Shared Services (WCLASS) (David Bryant)▪ Appointment and Remuneration of Board Members Policy (David Bryant)▪ Event Sponsorship Policy Review (Sean Murray)▪ WIGL/NZFIWL Amendments to Shareholders Agreement (Blair Bowcott)	<ul style="list-style-type: none">▪ Commuter Parking Hearings (Eeva-Liisa Wright)▪ Trade Waste and Wastewater Bylaw (2016) Review (Eeva-Liisa Wright)▪ District Plan (Blair Bowcott)	<ul style="list-style-type: none">▪ Risk Management Policy Review (David Bryant)▪ Annual Credit Rating Update (David Bryant)▪ Civil Defence and Emergency Management capability review (2 yearly) (Helen Paki)▪ Annual Post-Renewal Insurance Update Report (David Bryant)▪ Draft work programme and meeting dates 2023 (David Bryant)	

	CE Review Committee	Central City and River Plan Advisory Group	Dog Control Hearing Panel (Scheduled as required)	Traffic Panel Hearing	Waikato-Tainui/ HCC Co-Governance Forum	Community Grants Allocation Sub-Committee
January 2022						
February 2022	Workshop 8 February 2022		8 February 2022			
	- Interim Performance Review for 2021-22 KPIs		- Objection to disqualification from dog ownership (Helen Paki)			
March 2022	10 March 2022	8 March 2022		15 March 2022	16 March 2022	
	- Interim Performance Review for 2021-22 KPIs	- Central City programme update (Blair Bowcott) - Review of outdoor dining permits (COVID-19) (Helen Paki)		- Parking restrictions and traffic bylaw register changes (Eeva-Liisa Wright) - Hamilton City Speed Limit Bylaw Register Changes (Eeva-Liisa Wright)	- GMs Report (Sean Hickey) - Unlocking housing opportunities for WT tribal members (Blair Bowcott) - Response to Central Government Reform (Sean Hickey)	
April 2022						13 April 2022
						- Single year community grant (Helen Paki) - Creative partnership fund (Helen Paki)
May 2022	Workshop 17 May 2022	5 May 2022	jnhmoll	3 May 2022		
	- Setting 2022-23 KPIs	- Central City programme update (Blair Bowcott) - Public Realm Design Guidelines progress update (Blair Bowcott)		- Parking restrictions and traffic bylaw register changes (Eeva-Liisa Wright) - Hamilton City Speed Limit Bylaw Register Changes (Eeva-Liisa Wright)		
June 2022	9 June 2022				2 June 2022	
	- Setting 2022-23 KPIs				- GMs Report (Sean Hickey) - Unlocking housing opportunities for WT tribal members (Blair Bowcott) - Response to Central Government Reform (Sean Hickey)	
July 2022				26 July 2022 - Parking restrictions and traffic bylaw register changes (Eeva-Liisa Wright) - Hamilton City Speed Limit Bylaw Register Changes (Eeva-Liisa Wright)		
August 2022	Workshop 17 August 2022	25 August 2022			3 August 2022	16 August 2022
	- Annual performance review and remuneration review based on 2021-22 KPIs	- Central City programme update (Blair Bowcott)			- GMs Report (Sean Hickey) - Unlocking housing opportunities for WT tribal members (Blair Bowcott) - Response to Central Government Reform (Sean Hickey)	- Community event fund (Helen Paki) - Creative partnership fund (Helen Paki)
September 2022	6 September 2022					
	- Annual performance review and remuneration review based on 2021-22 KPIs					

October 2022						
Future	Future	Future	Future	Future	Future	Future
						- Creative Partnership Fund (as needed)

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 - 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)