

Agenda for a meeting of the Audit & Risk Committee of the Waikato District Council to be held in Committee Rooms 1 & 2, District Office, 15 Galileo Street, Ngaruawahia on **WEDNESDAY 22 MARCH 2017** commencing at **1.00pm**.

Information and recommendations are included in the reports to assist the Board in the decision making process and may not constitute Council's decision or policy until considered by the Board.

1. APOLOGIES AND LEAVE OF ABSENCE

2. CONFIRMATION OF STATUS OF AGENDA

Representatives from Audit New Zealand will be in attendance.

3. DISCLOSURES OF INTEREST

4. CONFIRMATION OF MINUTES

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5. REPORTS – FOR DISCUSSION AND DECISION

- | | | |
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GJ Ion

CHIEF EXECUTIVE

Agenda2017\A&R\170322 A&R OP.docx

Open Meeting

To	Audit & Risk Committee
From	Gavin Ion Chief Executive
Date	23 February 2017
Prepared by	Rose Gray Council Support Manager
Chief Executive Approved	Y
Reference #	GOV1318
Report Title	Confirmation of Minutes

1. EXECUTIVE SUMMARY

To confirm the minutes of the Audit & Risk Committee held on Monday 19 December 2016.

2. RECOMMENDATION

THAT the minutes of the Audit & Risk Committee held on Monday 19 December 2016 be confirmed as a true and correct record of that meeting.

3. ATTACHMENTS

Minutes

MINUTES of a meeting of the Audit & Risk Committee of the Waikato District Council held in the Committee Rooms 1 and 2, District Office, 15 Galileo Street, Ngaruawahia held on **MONDAY 19 DECEMBER 2016** commencing at **9.00am**.

Present:

Ms M Devlin (Chairperson)
His Worship the Mayor Mr AM Sanson
Cr A Bech
Cr JM Gibb
Cr B Main

Attending:

Cr Fulton
Cr Lynch
Mr TG Whittaker (Acting Chief Executive)
Ms S Duignan (General Manager Customer Delivery)
Mr T Harty (General Manager Service Delivery)
Mrs RJ Gray (Council Support Manager)
Ms A Diaz (Finance Manager)
Mr R Java (Procurement Manager)
Mr C Clarke (Roading Manager)
Mrs K Jenkins (Project Management Advisor)
Ms M Russo (Corporate Planner)
Mrs A Parquist (Customer Delivery Manager)
Mr K Lockley (Zero Harm Manager)
Mr V Ramduny (Strategy & Planning Manager)
Mr M Wilcock (Chief Information Officer)
Ms B Nand (KPMG)
Mr D Sutton (KPMG)
2 staff

APOLOGIES AND LEAVE OF ABSENCE

Resolved: (Crs Gibb/Bech)

THAT an apology be received from and leave of absence granted to Cr Sedgwick.

CARRIED on the voices

A&R1612/01

The Chair noted an apology from Mr Pieterse and Ms Proctor, Audit New Zealand.

CONFIRMATION OF STATUS OF AGENDA ITEMS

Resolved: (Crs Gibb/Bech)

THAT the agenda for a meeting of the **Audit & Risk Committee** held on **Monday 19 December 2016** be confirmed and all items therein be considered in open meeting with the exception of those items detailed at agenda item 7 which shall be discussed with the public excluded;

AND THAT in accordance with **Standing Order 3.7.2** the order of business be changed with agenda item **6.2 [Zero Harm Update]** being considered after agenda item **5.2** and agenda item **2.3 [Cash-Free Council Operations]** being considered as the first report on the public excluded agenda.

CARRIED on the voices

A&R1612/02

DISCLOSURES OF INTEREST

The Chair advised members of the Committee that she would declare a non-financial conflict of interest in items containing discussion on City Care.

RECEIPT OF MINUTES

Resolved: (Cr Gibb/His Worship the Mayor)

THAT the minutes of a meeting of the **Audit & Risk Committee** held on **Tuesday 27 September 2016** be received.

CARRIED on the voices

A&R1612/03

REPORTS

Procurement and Contract Management Review

Agenda Item 5.1

The report was taken as read. The General Manager Strategy & Support provided a brief overview on the report including support of the recommendations by the Executive Team. He acknowledged further work was required on the 'one up' approval process which has been committed to. It was noted that the project was in place to deliver the outcome on the electronic 'one up' approval purchase ordering system. The software will be more prescriptive to enable reporting on risk transactions. A pilot group has been set up to work through the process prior to the wider rollout by the end of the financial year.

The overall recommendations have been included into a procurement work programme which includes a 'simplification' project. Mr Sutton, representing KPMG, provided key highlights from their internal audit and answered questions from the Committee.

Key issues raised:

- Opportunity to consolidate suppliers
- The need to take a more strategic approach to procurement ie what you are trying to achieve with the spend.
- Contract Management documentation. Agreed that Council needs to improve this as a centralisation of reporting is not readily accessible to all.
- The need to tighten up the approved supplier process.

Members were happy with responses and timelines in the KPMG report.

KPMG suggested that once management work through the issues in the Procurement and Contract Management Review Draft Report a follow up review might be useful to ensure risks have been appropriately mitigated.

The Committee noted that a balance between a system which provided rigour and efficiency must be achieved.

Resolved: (Crs Gibb/Bech)

THAT the report from the Acting Chief Executive be received.

CARRIED on the voices

A&R1612/04/1

Waikato District Council Health and Safety Framework

Agenda Item 5.2

The report was taken as read and the Zero Harm Manager provided the following highlights:

- busy year for Council in terms of zero harm programme
- tertiary level of achievement in the Work Safety Management Programme with ACC
- compliance with the new H&S at Work Act 2015
- emerging culture within the organisation.

The General Manager Strategy & Support agreed that the safety framework is continuing to improve, including enhanced reporting through to the Executive Team. He confirmed the strategy is tested to ensure compliance with legislation.

The Zero Harm Manager advised that there is a programme for maintenance of assets that could cause a health and safety issue, eg chemical storage included in the Strategic Plan but there is an opportunity to have a much more structured programme.

The Chair requested to attend a site visit of a Council operation to gain an improved understanding of the nature of the operations and hazards and risks associated with Council operations.

The Committee were supportive of the progress made during the year.

Resolved: (Crs Main/Gibb)

THAT the report from the Chief Executive be received.

CARRIED on the voices

A&R1612/04/2

Zero Harm Update

Agenda Item 6.2

The report was taken as read and the Zero Harm Manager provided a brief overview of key items for noting.

Resolved: (Crs Main/Bech)

THAT the report from the Acting Chief Executive be received.

CARRIED on the voices

A&R1612/04/3

NZ Transport Agency Investment Audit 2016

Agenda Item 5.3

Tabled: NZ Transport Agency Investment Audit Report

The report was taken as read. The Roading Manager provided an overview and spoke on the tabled item.

The General Manager Strategy & Support agreed to review the audit report to see if any lessons could be learned to support the recommendations in the KPMG internal audit around contract management. The Roading Manager agreed to confirm the issues in the tabled report at the next Audit & Risk meeting.

Resolved: (Crs Main/Bech)

THAT the report of the General Manager Service Delivery be received.

CARRIED on the voices

A&R1612/04/4

Risk Management Framework Maturity Assessment

Agenda Item 5.4

The report was taken as read and the General Manager Strategy & Support confirmed that the Executive Team has received the report and has endorsed the recommendations. A key strategy to support moving forward was more regular reporting on progress to the Executive Team.

Mr Sutton advised that the level of risk maturity is consistent with other councils. The expectation is not for councils to be at the high level. The assessment is no criticism and is looking for re-energising of the framework. More effective governance can be achieved by managing the key risks (ie those risks that matter). It was suggested that Council look at the risk profile during the development of the LTP. It was agreed that small but meaningful changes will result in a more effective risk framework. Staff will consider the roadmap in the report and develop a work programme, an update of which will be regularly reviewed by the Committee.

The General Manager Strategy & Support advised that staff are managing risks every day. The objective now is to ensure they use the appropriate framework.

The Committee was comfortable with the road map and requested that staff work with KPMG to fast track some of the recommendations.

Resolved: (Crs Bech/Gibb)

THAT the report from the Acting Chief Executive be received

CARRIED on the voices

A&R1612/04/5

Internal Audit Programme
Agenda Item 5.5

The report was taken as read. Additional internal audit work carried out externally not included on list: conflicts of interest and the subsequent broader procurement management report. KPMG has also been asked to undertake an internal audit of the Raglan Kopua Camp.

The Chair noted that the focus should now be on reducing the outstanding audit recommendations from the previous internal audits, including the Audit New Zealand Audit Management report items.

The General Manager Strategy & Support agreed with the comments provided by the Chair and advised that in the early part of 2017 staff would formulate an internal audit programme based on the revised strategic risks recently updated by the Committee.

Resolved: (Crs Bech/Main)

THAT the report from the Acting Chief Executive be received;

AND THAT the Committee support focus on resolving existing audit recommendations rather than progressing additional internal audit activity at this stage;

AND FURTHER THAT an allocation of internal audit funding be used to progress the recommendations from the Risk Maturity Assessment;

AND FURTHER THAT the updated Strategic Risk Register be used to formulate a new list of internal audit activity.

CARRIED on the voices

A&R1612/04/6

The meeting was adjourned at 10.26am and resumed at 10.46am.

Project Management Audit Actions Update
Agenda Item 6.1

The report was taken as read. The Project Management Advisor provided a brief overview.

The General Manager Strategy & Support advised that simplification was a key theme of the audit. The establishment of the Project Management Forum is a key cross organisation team of leaders who have been mandated to implement outcomes defined in a terms of reference. This terms of reference has been signed off by the Executive Team and will deliver on the recommendations in the audit. This will ensure broad organisation support for the recommendations rather than being the responsibility of a Project Management Adviser.

Resolved: (Crs Gibb/Bech)

THAT the report from the Acting Chief Executive be received.

CARRIED on the voices

A&R1612/04/7

Post Project Reviews
Agenda Item 6.3

The report was taken as read. The Chief Information Officer provided a brief overview of the Crypto Virus report and noted the team is continually looking at business continuity practices. He considered the organisation is well protected. It was agreed that constant reinforcing to staff regarding the risks around emails is important.

It was agreed that subcontractor management from an IT security perspective was important in terms of protecting our network. The Chief Information Officer would review controls in place.

The Committee was pleased that staff had a process in place to learn from project/process outcomes and looked forward to further reviews in the future.

Resolved: (Crs Gibb/Bech)

THAT the report from the Acting Chief Executive be received.

CARRIED on the voices

A&R1612/04/8

Update on Progress Against Issues Raised in the Interim Management Report
Agenda Item 6.4

The report was taken as read. The Corporate Planner provided a brief overview and answered questions from the Committee.

Resolved: (His Worship the Mayor/Cr Gibb)

THAT the report from the Acting Chief Executive be received.

CARRIED on the voices

A&R1612/04/9

Strategic Risk Update
Agenda Item 6.5

The report was taken as read. The Corporate Planner advised that the Strategic Risk Register will be completed by the next Audit & Risk Committee meeting in March 2017.

As this had not been shared with the full Council it was agreed that following a workshop with the Committee, a report be provided to Council advising of work in progress. A further report was requested for the Audit & Risk Committee meeting in March.

Resolved: (Crs Gibb/Bech)

THAT the report from the Acting Chief Executive be received;

AND THAT the revised Strategic Risk Register be provided to Council for information.

CARRIED on the voices

A&R1612/04/10

ICT Security Risk Assessment Update
Agenda Item 6.6

The report was taken as read. The Chief Information Officer spoke of some key points;

- focussing on Information Strategy and Business Continuity planning
- Disaster recovery (Tuakau Office)
- Back up recovery testing.

The Chair raised the impact of disruptive technology. The General Manager Strategy & Support agreed this was relevant and important it was considered as part of future thinking.

The General Manager Service Delivery advised of progress on strategic plans around wastewater, transport, looking at where growth is at and where things are occurring. The team were exploring options to rationalise infrastructure around waters, parks and study on transport around facilities and infrastructure.

It was agreed that there is an additional opportunity and risk in the Waikato district coping with growth and putting a strain on the business. Forward thinking is required in this area, eg libraries and modern communities.

The Chair and Committee were keen to follow progress and close off some risks in this area.

Resolved: (Crs Gibb/Main)

THAT the report from the Acting Chief Executive be received.

CARRIED on the voices

A&R1612/04/11

Updated Future Workplan
Agenda Item 6.7

The Council Support Manager agreed to schedule dates for the Audit & Risk meetings for 2017.

Resolved: (Crs Bech/Gibb)

THAT the report from the Acting Chief Executive be received.

CARRIED on the voices

A&R1612/04/12

Update on Internal Audit and Quality Improvement
Agenda Item 6.8

The report was taken as read. The General Manager Customer Support shared some observations regarding the staff turnover level of 16%. The Executive Team is reviewing a more structured work programme in this area. It was agreed there was a need to understand the metrics better, to form a plan (early in the New Year) that is more intuitively dealing with the challenges rather than ad hoc responses. This is a strategic risk to the business and the Committee was keen to ensure it was being appropriately managed.

Resolved: (Crs Gibb/Bech)

THAT the report from the Acting Chief Executive be received.

CARRIED on the voices

A&R1612/04/13

EXCLUSION OF THE PUBLIC

Agenda Item 7

Resolved: (His Worship the Mayor/Cr Bech)**THAT the report of the Chief Executive be received;****AND THAT the public be excluded from the meeting during discussion on the following items of business:**

- a. **Receipt of Minutes dated Tuesday 27 September 2016.**

REPORTS

- a. **Fraud Declaration**

This resolution is made in reliance on section 48(1)(a) and 48(2)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by sections 6 or 7 of that Act which would be prejudiced by the holding of the whole or the relevant part(s) of the proceedings of the meeting in public are as follows:

Reason for passing this resolution to Ground(s) under section 48(1) for the withhold exists under: passing of this resolution is:

Section 7(2)(f)(i)(h)(i)(j)

Section 48(1)(a)(d)

- b. **Register of Members' Interests Elected Members & Senior Staff**

This resolution is made in reliance on section 48(1)(a) and 48(2)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by sections 6 or 7 of that Act which would be prejudiced by the holding of the whole or the relevant part(s) of the proceedings of the meeting in public are as follows:

Reason for passing this resolution to Ground(s) under section 48(1) for the withhold exists under: passing of this resolution is:

Section 7(2)(f)(i) (h) (i) (j)

Section 48(1)(a)(d)

- c. **Cash-free Council Operations**

This resolution is made in reliance on section 48(1)(a) and 48(2)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by sections 6 or 7 of that Act which would be prejudiced by the holding of the whole or the relevant part(s) of the proceedings of the meeting in public are as follows:

Reason for passing this resolution to Ground(s) under section 48(1) for the withhold exists under: passing of this resolution is:

Section 7(2)(d)

Section 48(1)(d)

d. Committee Time with Audit New Zealand

This resolution is made in reliance on section 48(1)(a) and 48(2)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by sections 6 or 7 of that Act which would be prejudiced by the holding of the whole or the relevant part(s) of the proceedings of the meeting in public are as follows:

Reason for passing this resolution to Ground(s) under section 48(1) for the withhold exists under: passing of this resolution is:

Section 7(2)(f)(g)(h)(i)(j)

Section 48(1)(a)(d)

CARRIED on the voices**A&R1612/05**

Resolutions A&R1612/06 – A&R1612/08 are contained in the public excluded section of these minutes.

There being no further business the meeting was declared closed at 12.05pm.

M Devlin

CHAIRPERSON

Minutes2016/A&R/161219 A&R M.docx

Open Meeting

To	Audit & Risk Committee
From	Tony Whittaker General Manager Strategy & Support
Date	06 March 2017
Prepared by	Katja Jenkins Project Management Advisor
Chief Executive Approved	Y
Reference #	GOV1318 / 1690892
Report Title	KPMG Waikato LASS Internal Audit Insights Panel Session

1. EXECUTIVE SUMMARY

This report provides the Audit & Risk Committee an overview of the KPMG Waikato LASS Internal Audit Insights Panel Session held on Wednesday, 01 March 2017.

2. RECOMMENDATION

THAT the report from the General Manager Strategy & Support be received.

3. BACKGROUND

As part of the commitment to the LASS internal audit objectives, KPMG agreed to conduct an annual insights session on common areas of internal audit activity and focus within the sector. On Wednesday, 01 March KPMG shared their insights and experience at a session held at the Waikato Regional Council offices. The session agenda included:

- Common areas of Internal Audit focus – current and emerging
- Health and Safety – Practical challenges of implementation
- Procurement – What are we seeing and where things are heading
- Risk Management

Waikato District Council has recently had audits completed in the three most common areas of focus being: Contract Management; Procurement; and risk management.

Other Councils' audit schedules included: Asset Management; Business Continuity; Finance; Health & Safety; IT; Project management; Resource Consents; and System Design.

KPMG communicated that future sessions will include a hot topic from LASS council members for discussion. The session is seen as work in progress but was a useful oversight of audit focus and networking within the Waikato and Bay of Plenty at least. A copy of the presentation is attached for the Committee's information.

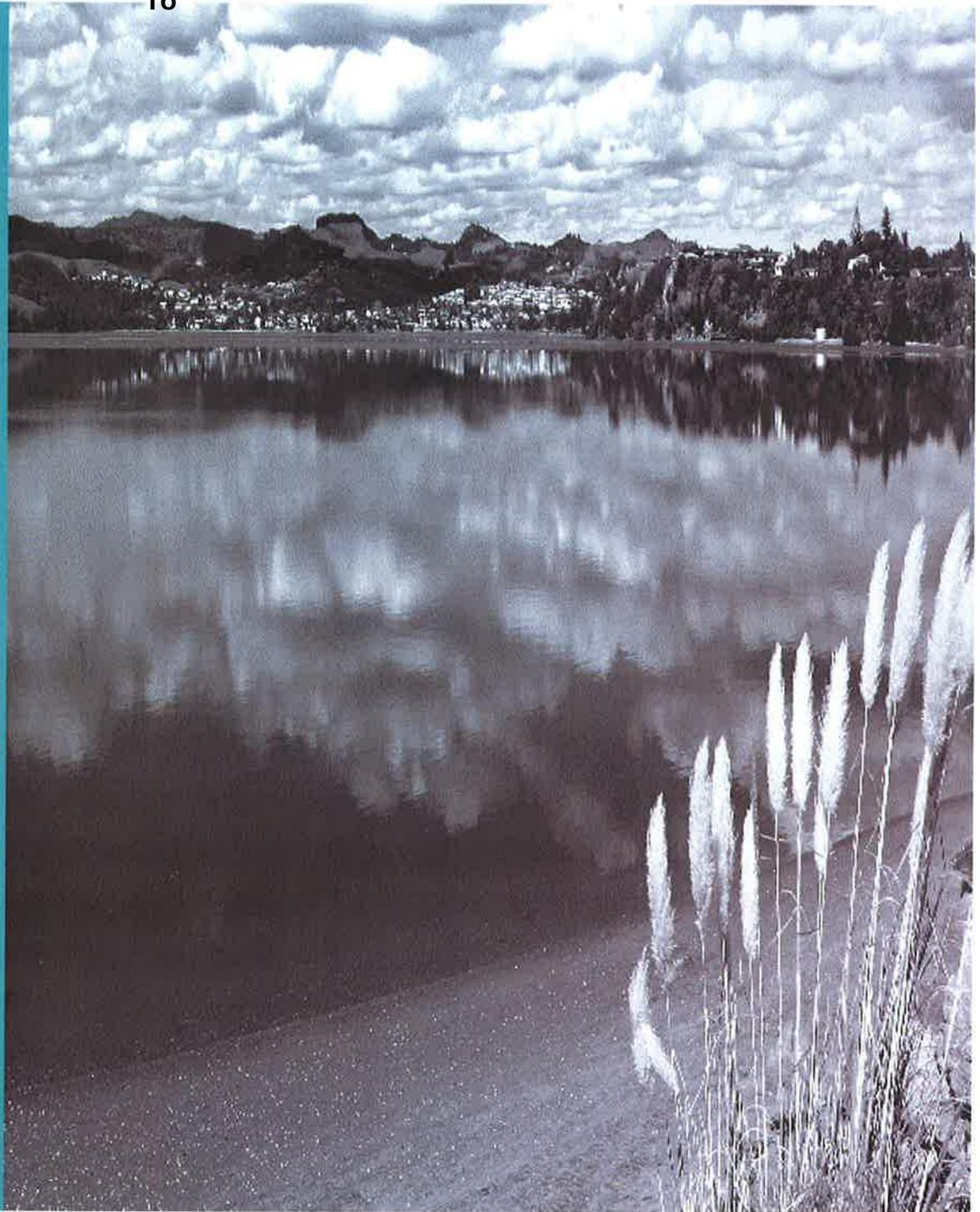
4. ATTACHMENTS

KPMG Waikato LASS Internal Audit Insights Panel Session presentation



Waikato LASS Internal Audit Insights Panel Session

March 2017



Agenda for today

Time	Item
1:00-1:15	Introductions and overview
1:15-1:30	Internal Audit common areas of focus – current and emerging
1:30-2:15	Health & Safety – Practical challenges of implementation
2:15-3:00	Procurement – What are we seeing & where things are heading
3:00-3:30	Afternoon tea
3:30-4:15	Risk management
4:15-4:30	Closing Remarks

Internal Audit common areas of focus - current and emerging

Internal Audit Area of Focus	BOPLASS				Waikato LASS					
	BOPRC	KDC	TCC	WBOPDC	WRC	Waipa DC	Waikato DC	Waitomo DC	TCDC	HDC
Asset Management	■									■
Business continuity			■	■		■				
Contract Management	■			■			■	■	■	
Finance			■		■	■				■
Health & Safety					■					
IT	■		■						■	
Procurement			■	■		■	■	■	■	■
Project Management			■							
Resource Consents	■				■					
Risk Management	■	■	■		■		■	■	■	
System design	■		■							

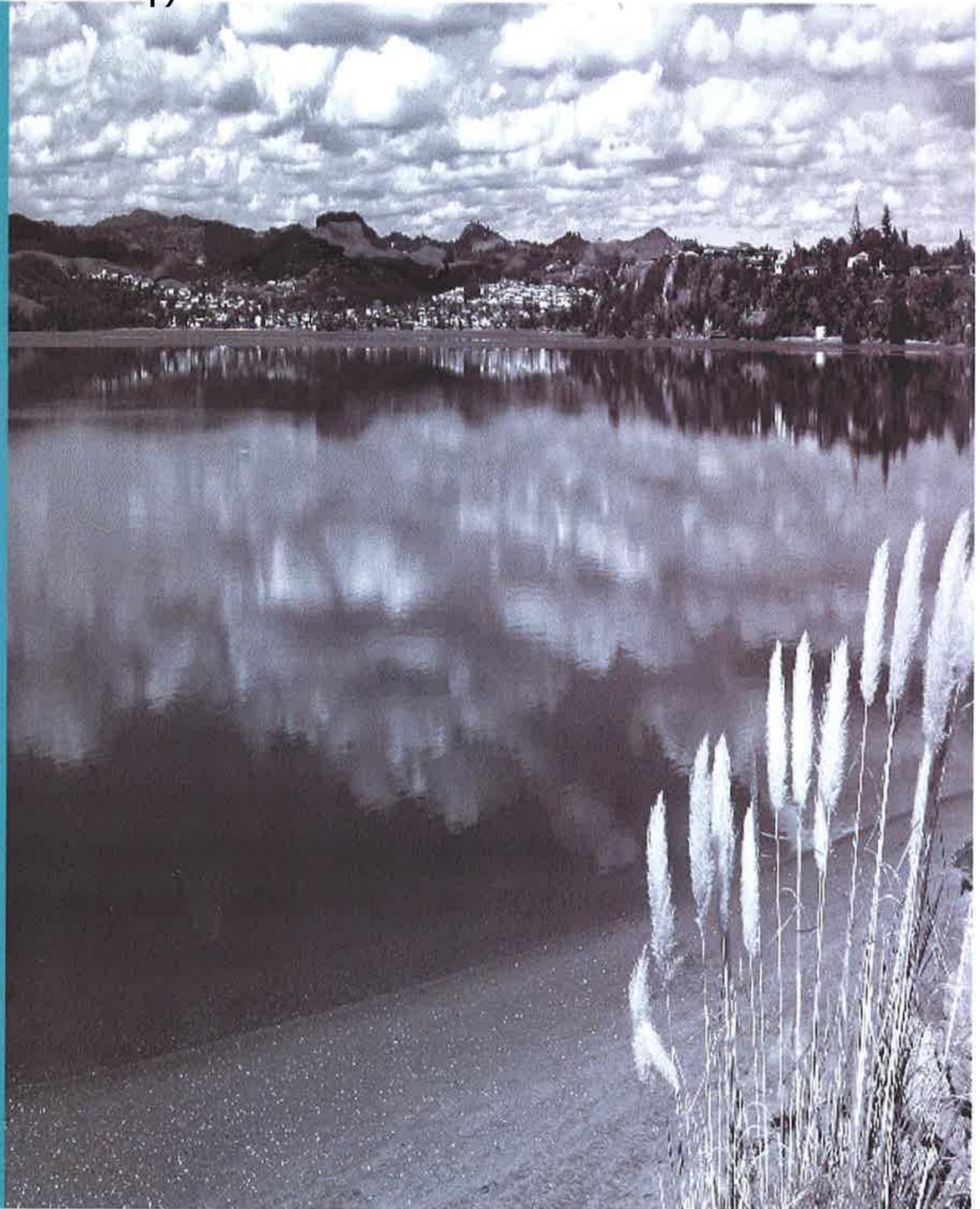


Health and Safety

Practical challenges of implementation

Erica Miles
Director, Advisory

March 2017



Topics

LEGISLATION

Risk Management under HSWA.

PRACTICE

Common findings.

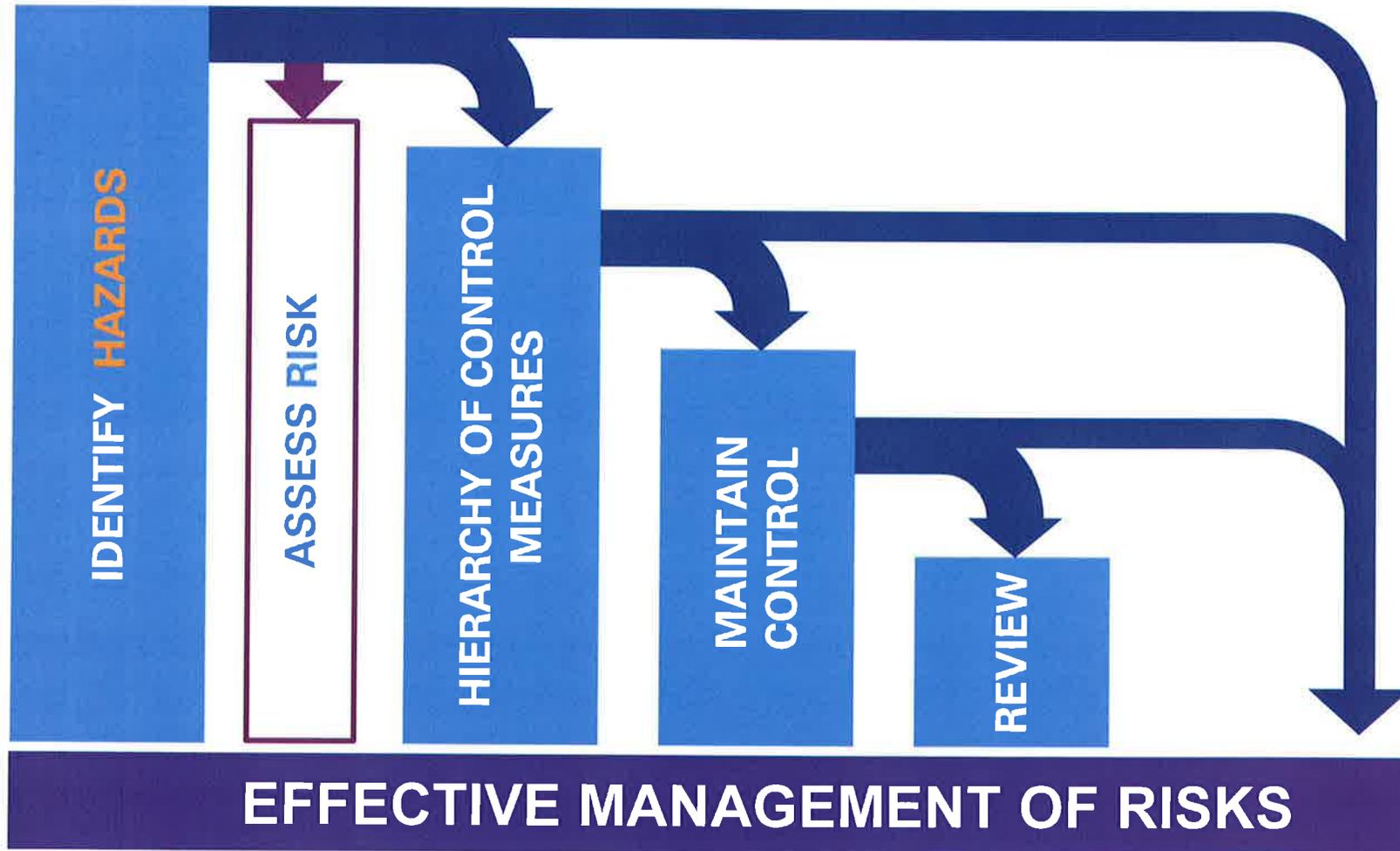
ACTIONS

Your next steps.

Why focus on risk?



Management of risks - general duty



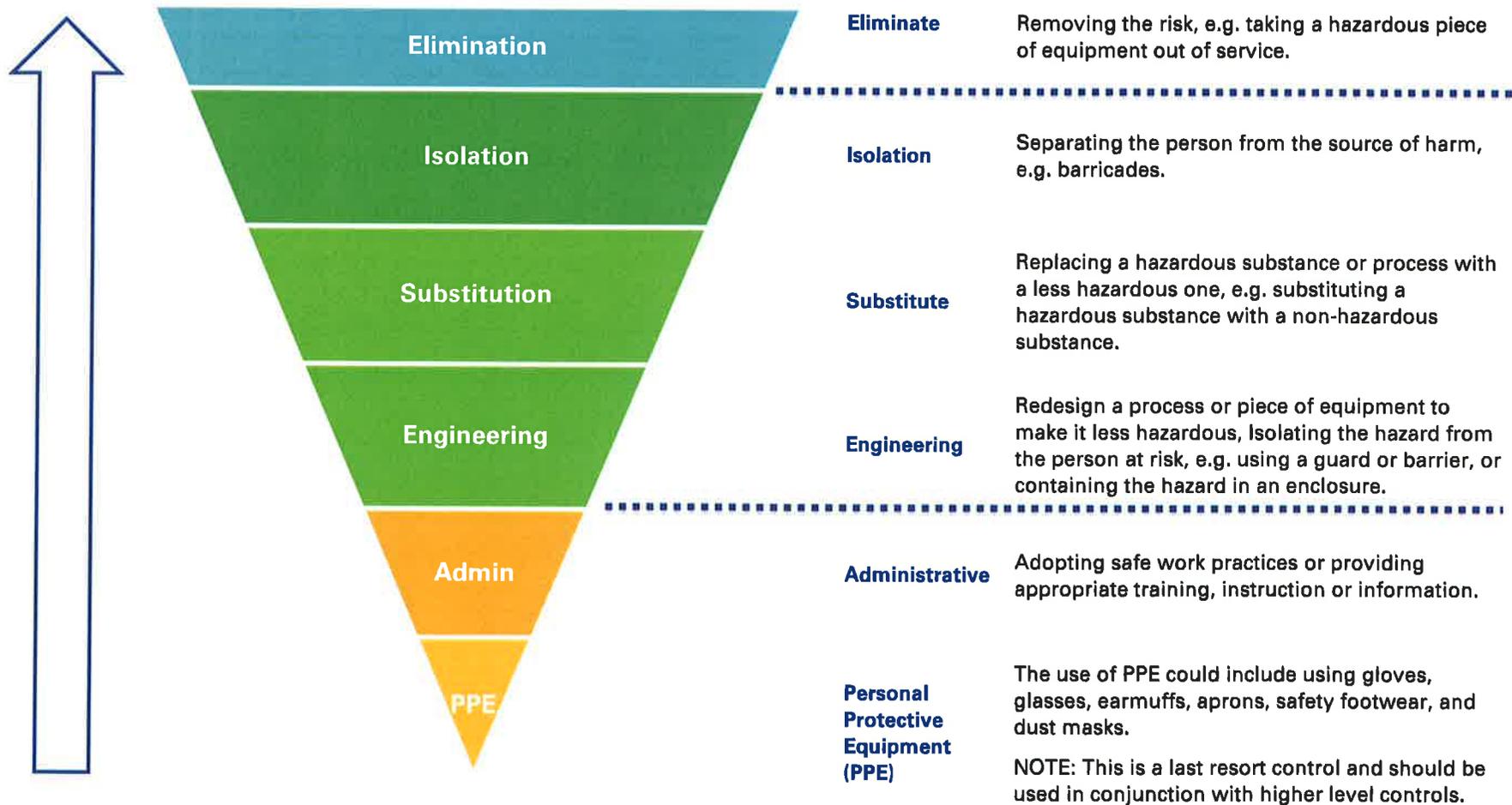
Key steps under HSWA

Move from hazard to risk

So far as reasonably practicable test

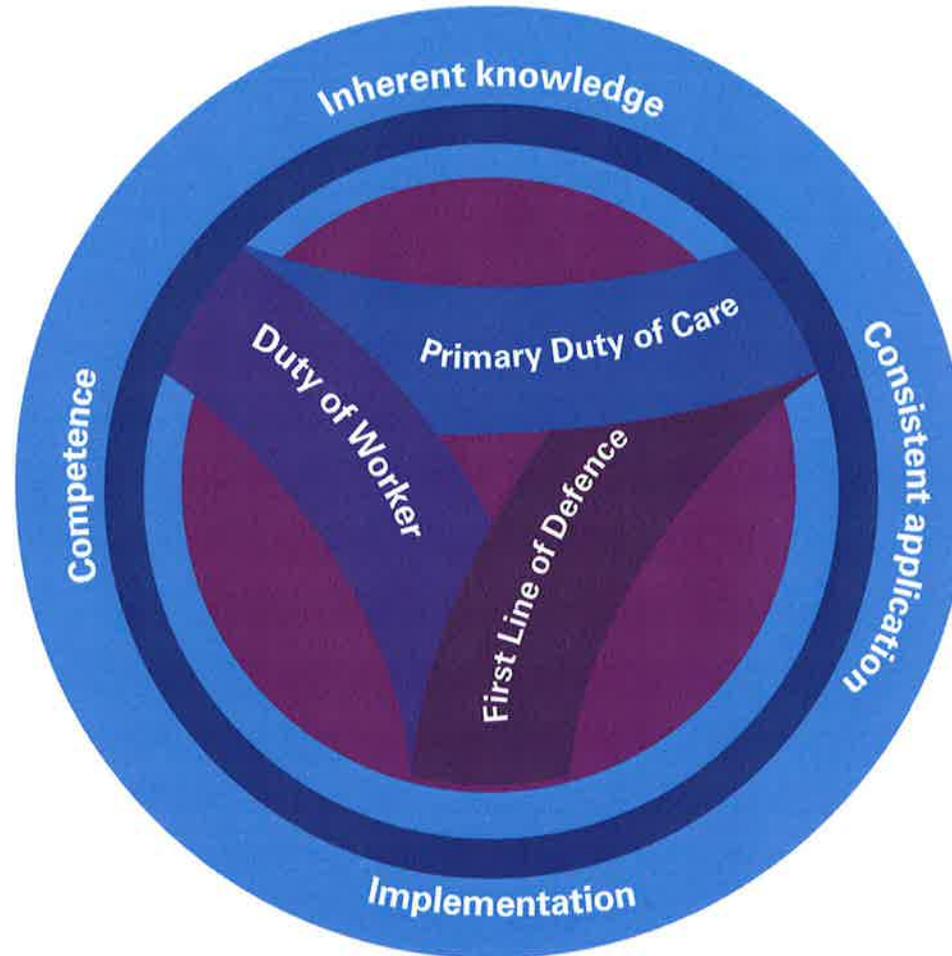
Application of hierarchy of control measures

Hierarchy of control measures



1 Common findings

Worker engagement & communication



2 Common findings

Complete and consistent compliance

- Hierarchy of control measures
- So far as reasonably practicable test
- Overlapping duties



3 Common findings

Integration into operational risk

Health and Safety should be integrated

- What is the risk appetite of the council?
- How are consequences to “people” documented within the risk matrix?
- Are Health and Safety risks identified and communicated as per other risks?
- How do diverse teams understand the risks they face?

4 Common findings

Risk awareness and reporting

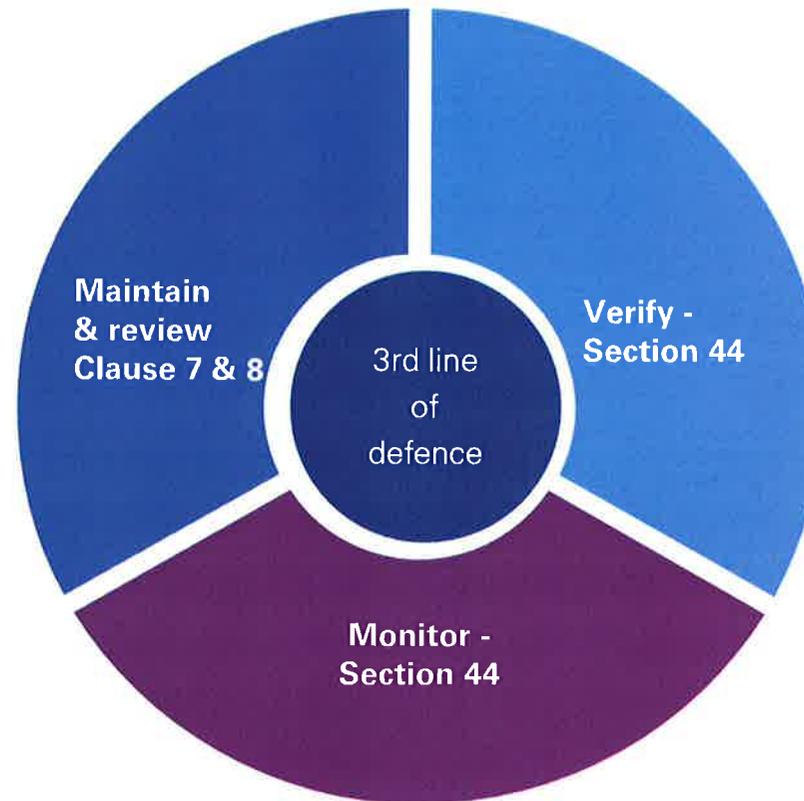
Are all “Officers” receiving (and responding to) appropriate information so they can meet Due Diligence obligations - s44(4)(b)?

- Deep dive into a risk
- Accurate information on controls
- Sharing of identified improvements across directorates

5 Common findings

Monitoring & review

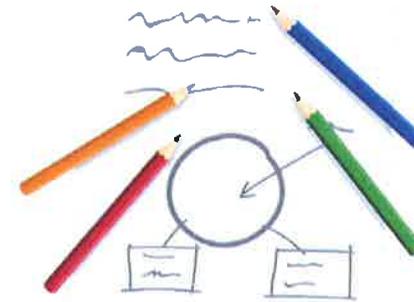
Are Health and Safety risks included in your assurance programme?



Practical exercise

Lone Worker

- Who are your lone workers?
- How have you engaged with lone workers?
- What controls are in place?
- Do they focus on elimination?
- Are the controls consistently applied across the TA?
- What register does 'lone worker' sit on?
- When and how is the risk and control communicated to officers?
- What is your process for monitoring and reviewing the controls across the whole TA?



Next steps



10 Top Tips: successful H&S risk management



A team approach



Identify top risks and those with high consequences



Document your process



What are the options for control?
Assess the effectiveness of each option



Involve key stakeholders



Eliminate in the first instance



Workshop all ideas



List 'minimise' actions, with timeline
include all the BAU activities (routine monitoring, auditing)



Use the Risk Matrix and Risk Appetite/Standards



Review Residual Risk
What will be the post-mitigation (residual) risk rating?

Thank you

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavour to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

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Procurement

What we are seeing and where things are heading

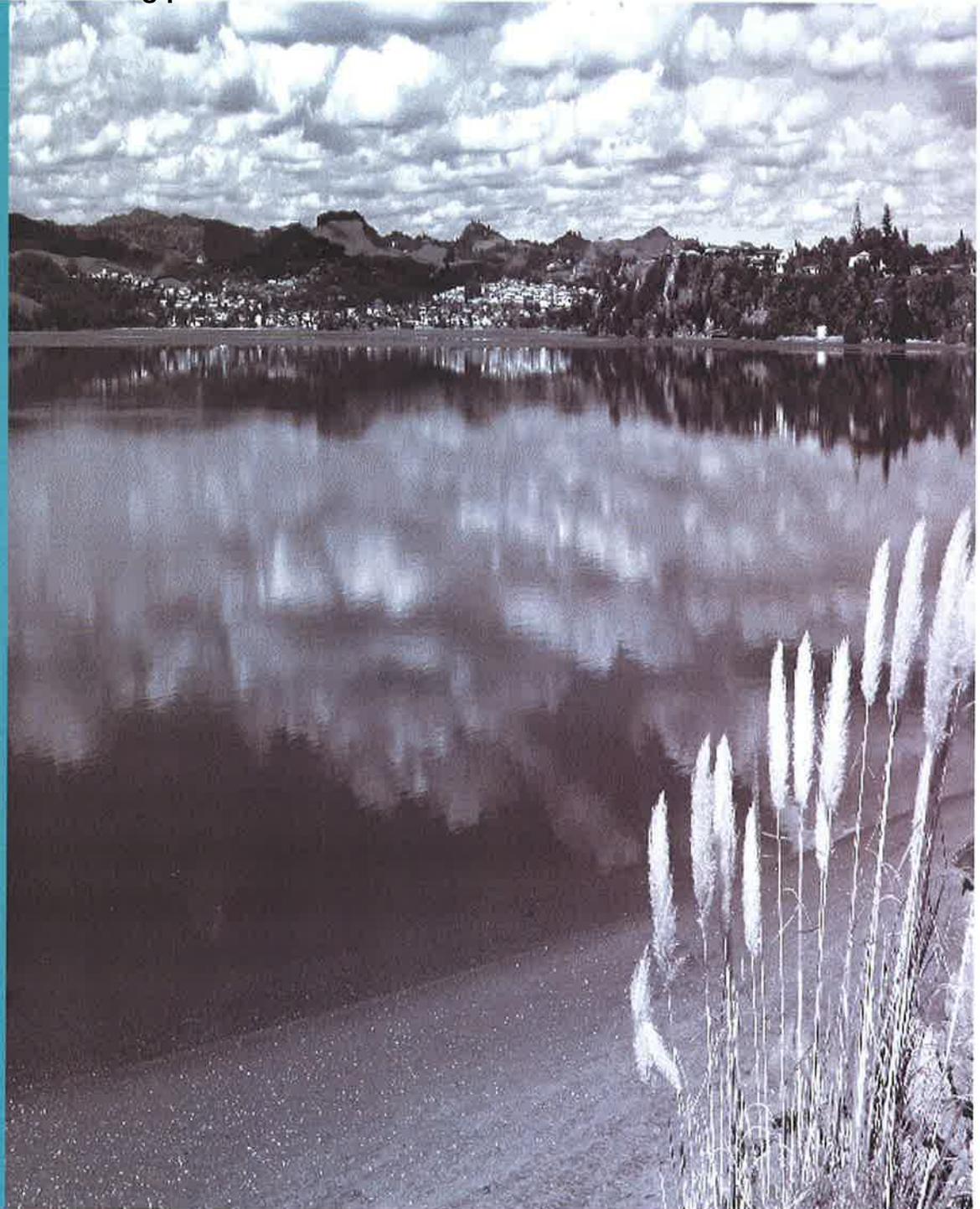
Julie Kim

Procurement Specialist, Advisory

Bineeta Nand

Director, Advisory

March 2017



Topics

CURRENT STATE

Where are we now and what are we seeing?

PROCUREMENT STRATEGY

Where are we headed?

What is the modern view of procurement?

“The term ‘procurement’ covers all aspects of the acquisition and delivery of goods or services, spanning the whole contract life cycle from the identification of needs to the end of a service contract, or the end of the useful life and subsequent disposal of an asset.” - MBIE

Key points:

- All aspects of acquisition (not just the purchase transaction)
- Whole contract life cycle (including ongoing supplier and contract management)

Q: How does this differ from the traditional view of procurement? Which view do you take?

KPMG Insights

- **Technological advances** are changing the landscape of procurement as we know it
- Internal procurement **transformation and modernisation** is required to keep up with the pace of change in Government
- Government with **modern procurement capabilities**:
 - **Reduce costs** for goods and services
 - Increase the **productivity** of the central procurement department and staff across the business
 - Make **more informed** sourcing decisions
 - Provide **greater transparency** into spending for legislators and the public



Government Procurement



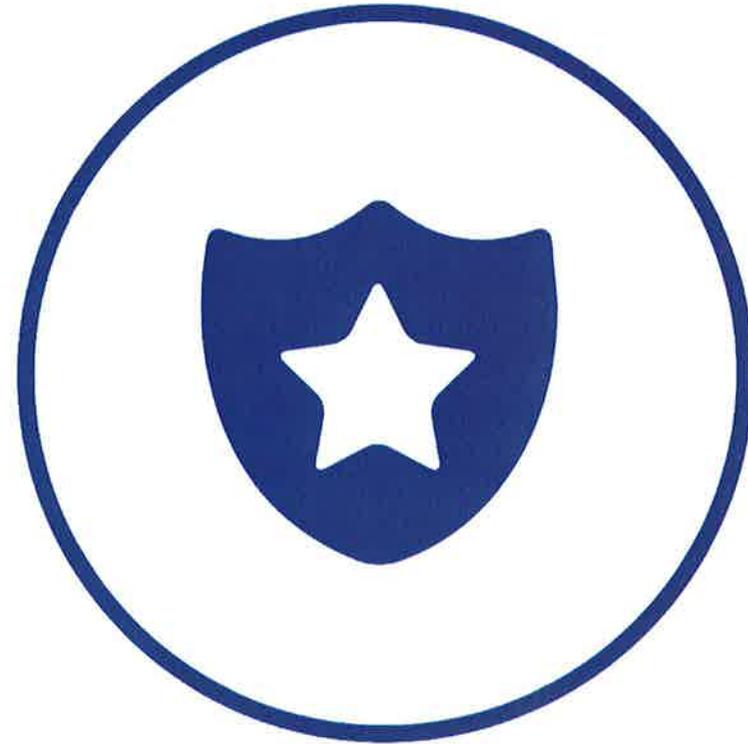
Good public service outcomes depend on good procurement. Properly planned and effectively executed procurement is essential for all agencies.



Government Procurement Solutions – Ministry of Economic Development
2011

Common procurement fraud themes

- Potential for bribery and corruption to occur
- Conflict of interest / kick-back
- Inflated invoices for goods and services provided
- Goods receipting issues
- False invoicing / fictitious or duplicate suppliers / amended bank accounts
- Out of policy behaviour (purchase orders etc.)



Common areas for improvement in Councils



Topics

CURRENT STATE

Where are we now and what are we seeing?

PROCUREMENT STRATEGY

Where are we headed?

Tactical vs strategic procurement

Tactical



- Short range decisions
- Transactional relationship with suppliers
- Sourcing decisions predominantly driven by price
- Reactive

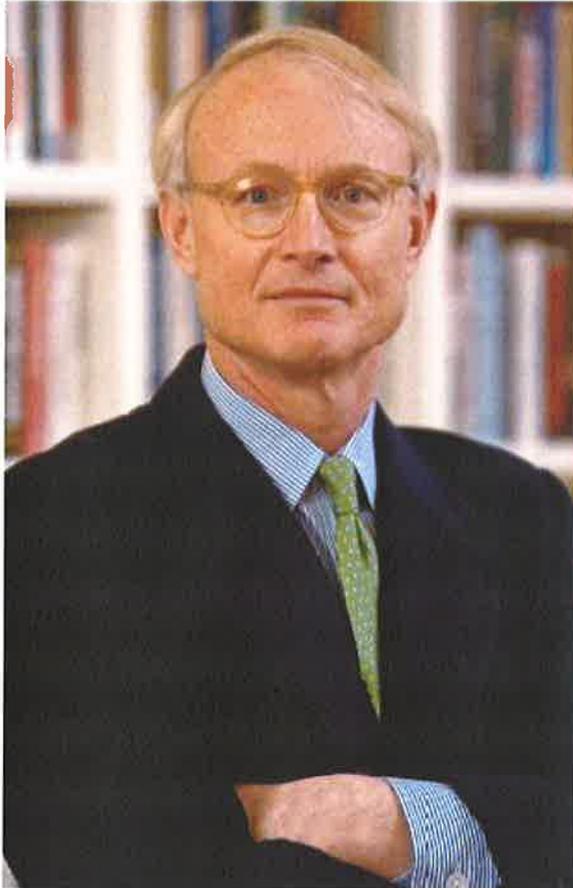
Strategic



- Long term outlook
- Collaborative partnership with suppliers and across the business
- Holistic approach to sourcing
- Systematic
- Focus on demand
- Internal consultants

What is strategy?

Let's reflect on what a strategy guru has to say about strategy first...



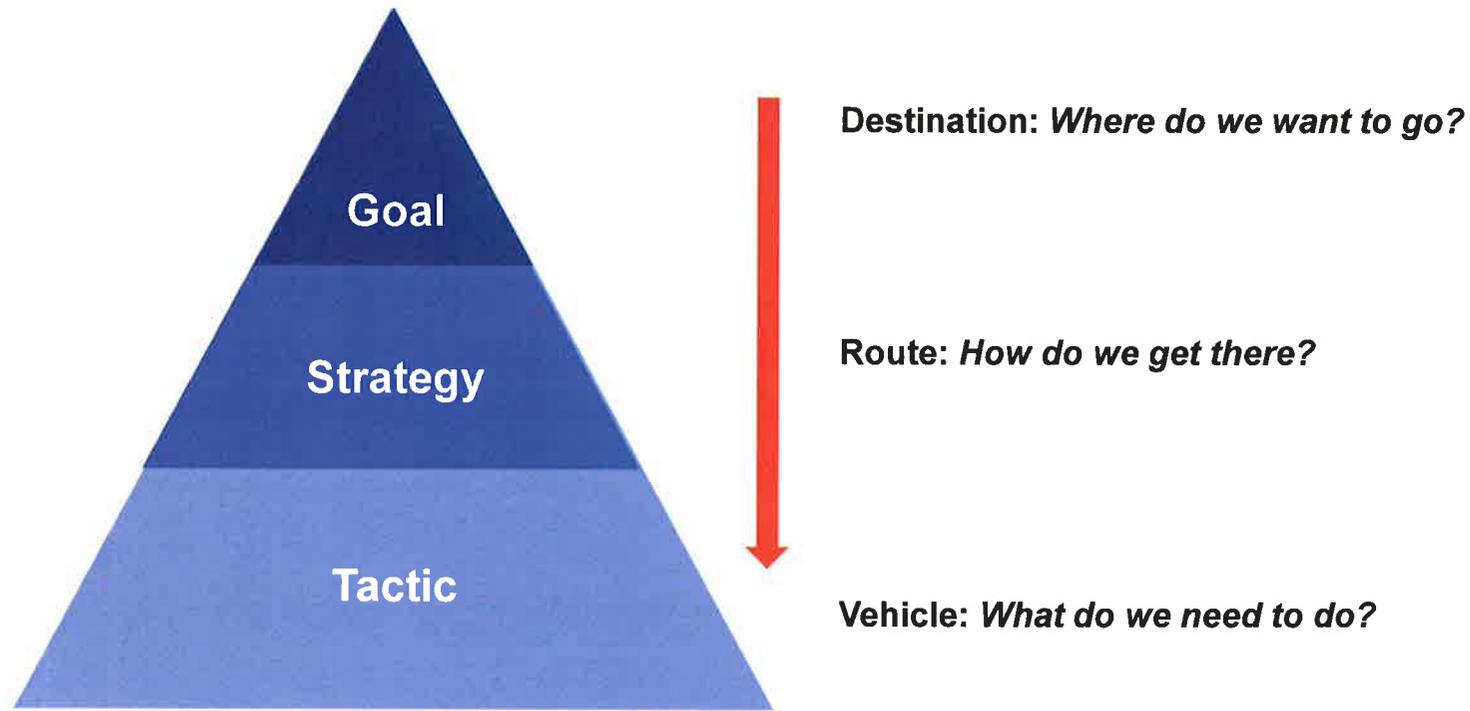
“Strategy is about being different.
It means deliberately choosing a different set
of activities to deliver a unique mix of value.”

“Strategy requires you to make trade-offs in
competing –
to choose what not to do.”

***Michael Porter,
Professor Harvard Business School***

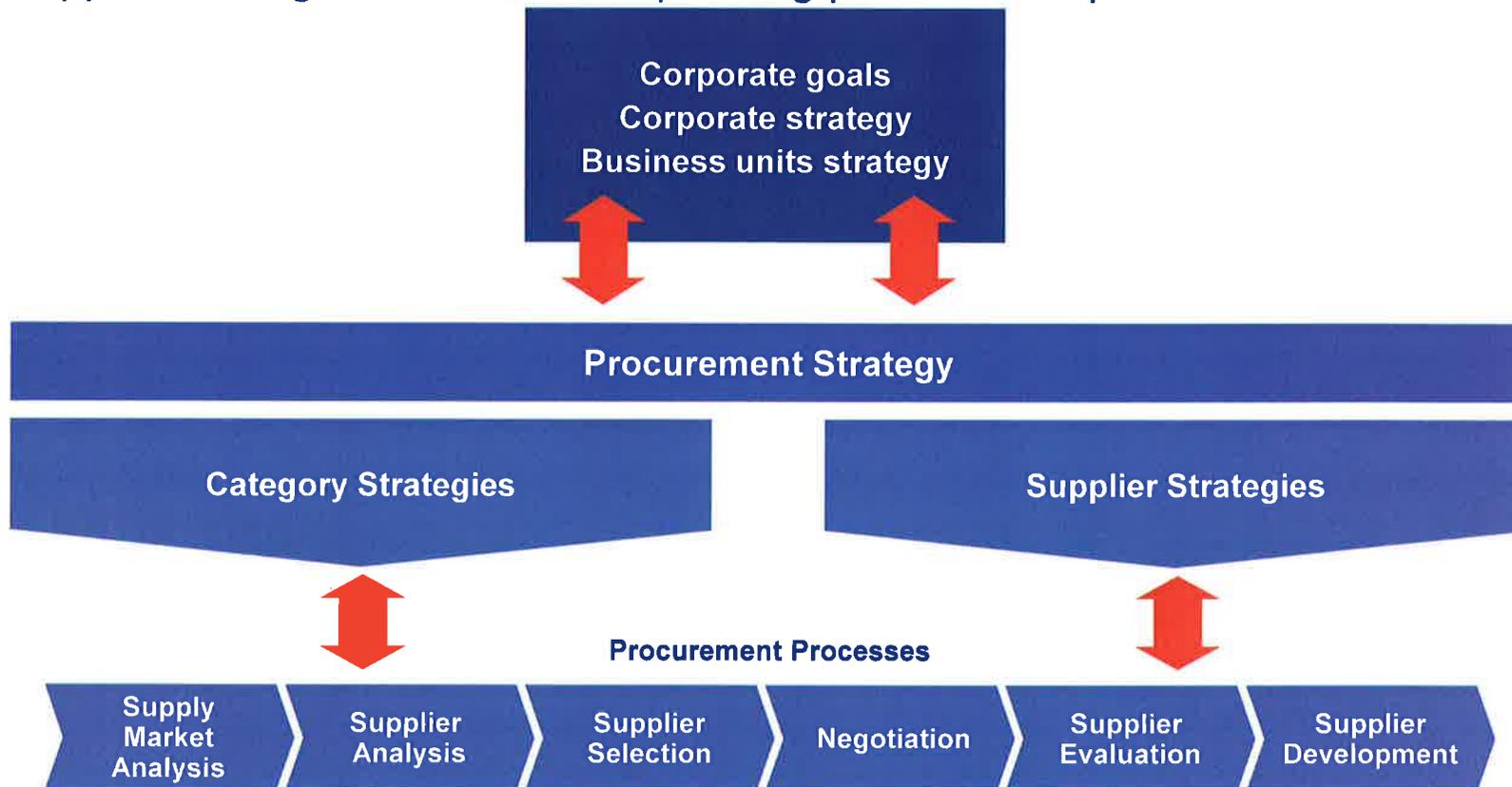
What is strategy?

A strategy is dependent on the company goals which are to be achieved. A strategy will be executed through tactic.



Strategy Alignment

Procurement strategy provides the overarching framework for category and supplier strategies and the corresponding procurement processes



Future-proofing procurement



Why future-proof?

- The need for a new key competency: **dynaxibility** – the ability to competently manage dynamic and complex (dynaxic) developments
- Future-oriented planning such as building scenarios, as opposed to past-focused methods such as benchmarking
- Effectively using the broad datasets now available to Governments
- Great uncertainty about the future state of procurement, further intensified by automation and digitalisation

Futurology:

- Degree of digitalisation
- Age of algorithms
- Era of decentralism

Thank you

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Risk Management

David Sutton
Partner, Advisory

March 2017



Topics

OVERLAPS & OUTLIERS

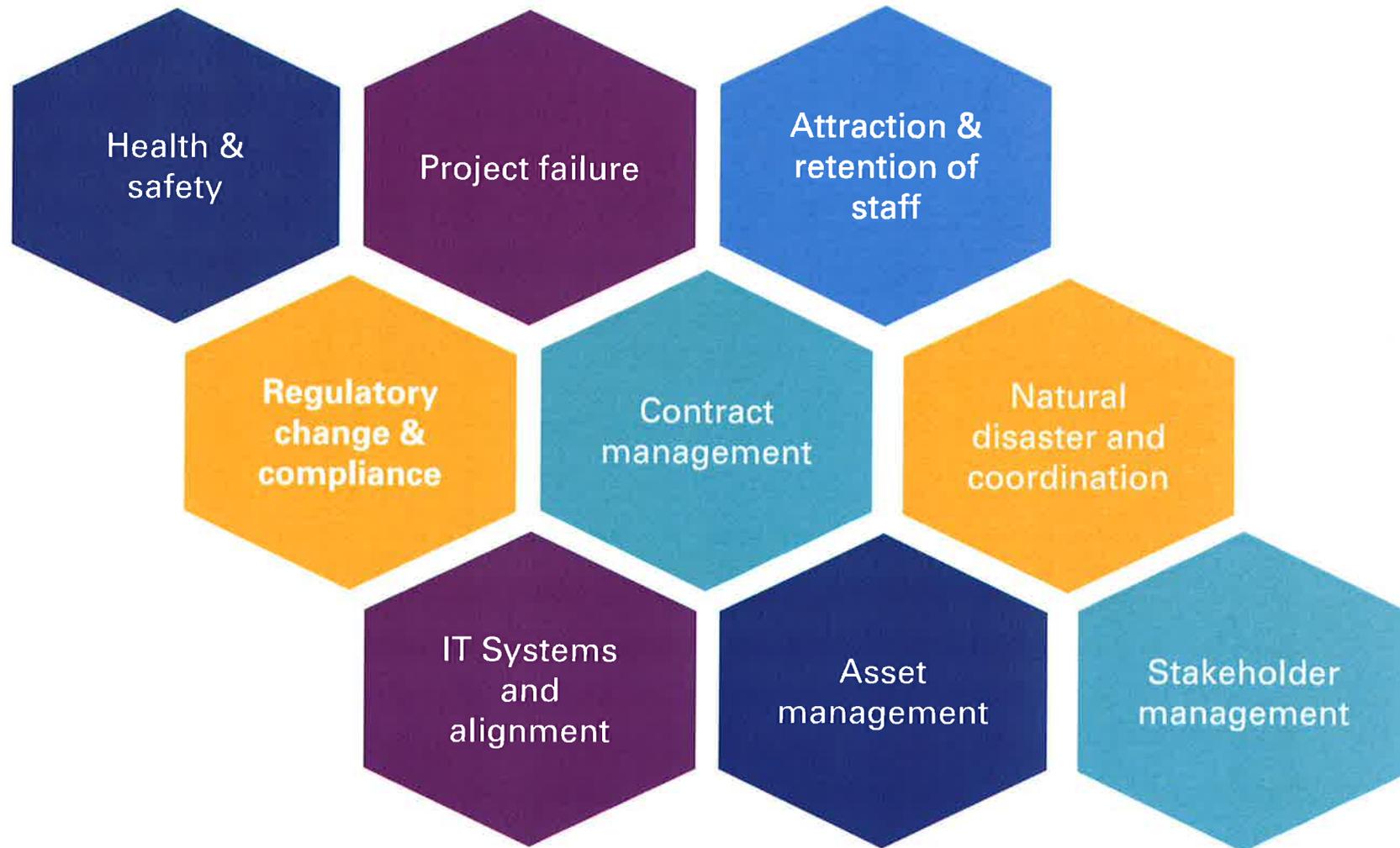
RISK MANAGEMENT MATURITY

TOP 5 AREAS FOR FOCUS

1 OVERLAPS AND OUTLIERS

1 OVERLAPS

Common Risk Areas across Waikato and BOP LASS



1 OUTLIERS

**Population
growth**
(TCC, WBOPDC)

**Lack of
funding**
(TCC, ODC)

**Cyber
Security**
(TCC, WDC)

Fraud
(TCC, WBOPDC)

2 RISK MANAGEMENT MATURITY

2 RISK MANAGEMENT MATURITY

 RISK STRATEGY & APPETITE	 RISK GOVERNANCE	 RISK CULTURE	 RISK ASSESSMENT & MEASUREMENT	 RISK MANAGEMENT & MONITORING	 RISK REPORTING & INSIGHTS	 DATA & TECHNOLOGY
Linkage to Corporate Strategy	Board Oversight & Committee	Knowledge & Understanding	Risk Definition & Taxonomy	Risk Mitigation, Response & Action Plans	Risk Reporting	Data Quality & Governance
Risk Strategy	Company Risk Operating Structure	Belief & Commitment	Risk Identification	Testing, Validation & Management's Assurance	Business/Operational Requirements	Risk Analytics
Risk Appetite & Tolerance	Risk Guidance	Competencies & Context	Assessment & Prioritization	Monitoring	Board & Senior Management Requirements	Technology Enablement
	Roles & Responsibilities	Action & Determination		Risk in Projects/Initiatives	External Requirements	
	Decision Support					

2 Risk management maturity

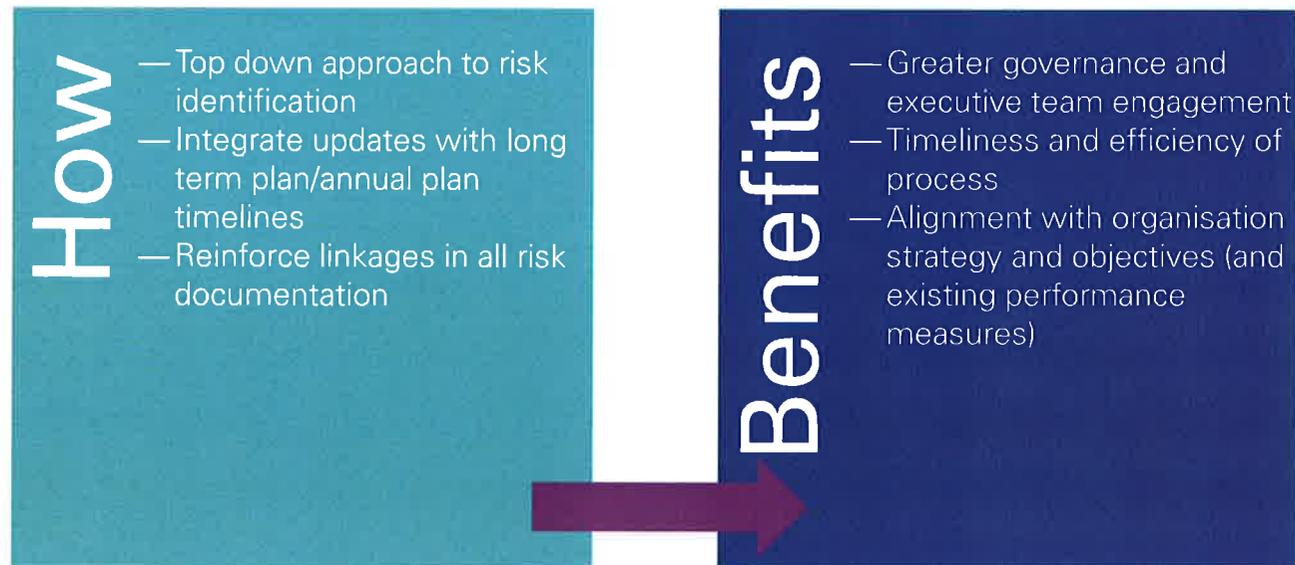
“Mature” level
for non financial
services



3 TOP 5 AREAS FOR FOCUS

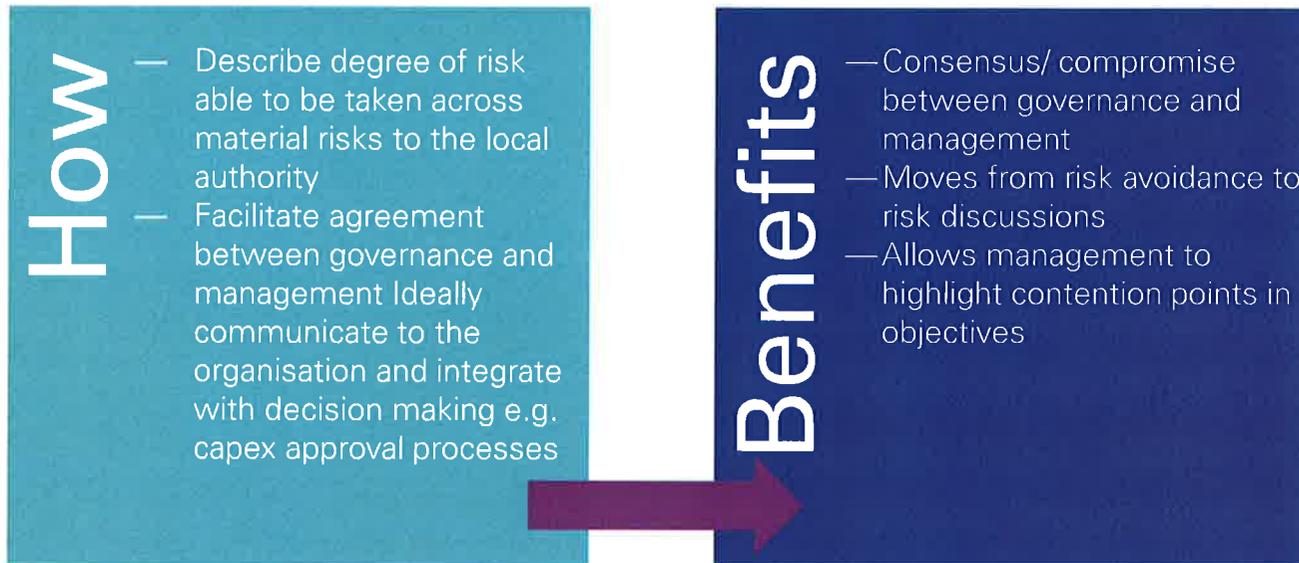
3 Improving maturity - top 5

A. Linkage to strategy



3 Improving maturity - top 5

B. Articulating risk appetite



Illustrative risk appetite example

Risk type		Low <i>Not willing to accept risk</i>	Moderate <i>Accept some risk</i>	High <i>Pursue more opportunity</i>
Strategic	Project failure			
	Population growth			
	Liquidity risk / Funding availability			
	Development risk			
	Reliance on key 3 rd parties			
Operational	Asset Management			
	Cyber risk			
	Talent management			
	Communications management			
Compliance	Natural disaster management			
	Sustainability			
	Health & safety			
	Regulatory Change and Compliance			

3 Improving maturity - top 5

C. Rationalise risk registers



3 Improving maturity - top 5

D. Invest more into monitoring



3 Improving maturity - top 5

E. Focus on culture



Setting a Strategy for Risk Management



Thank you

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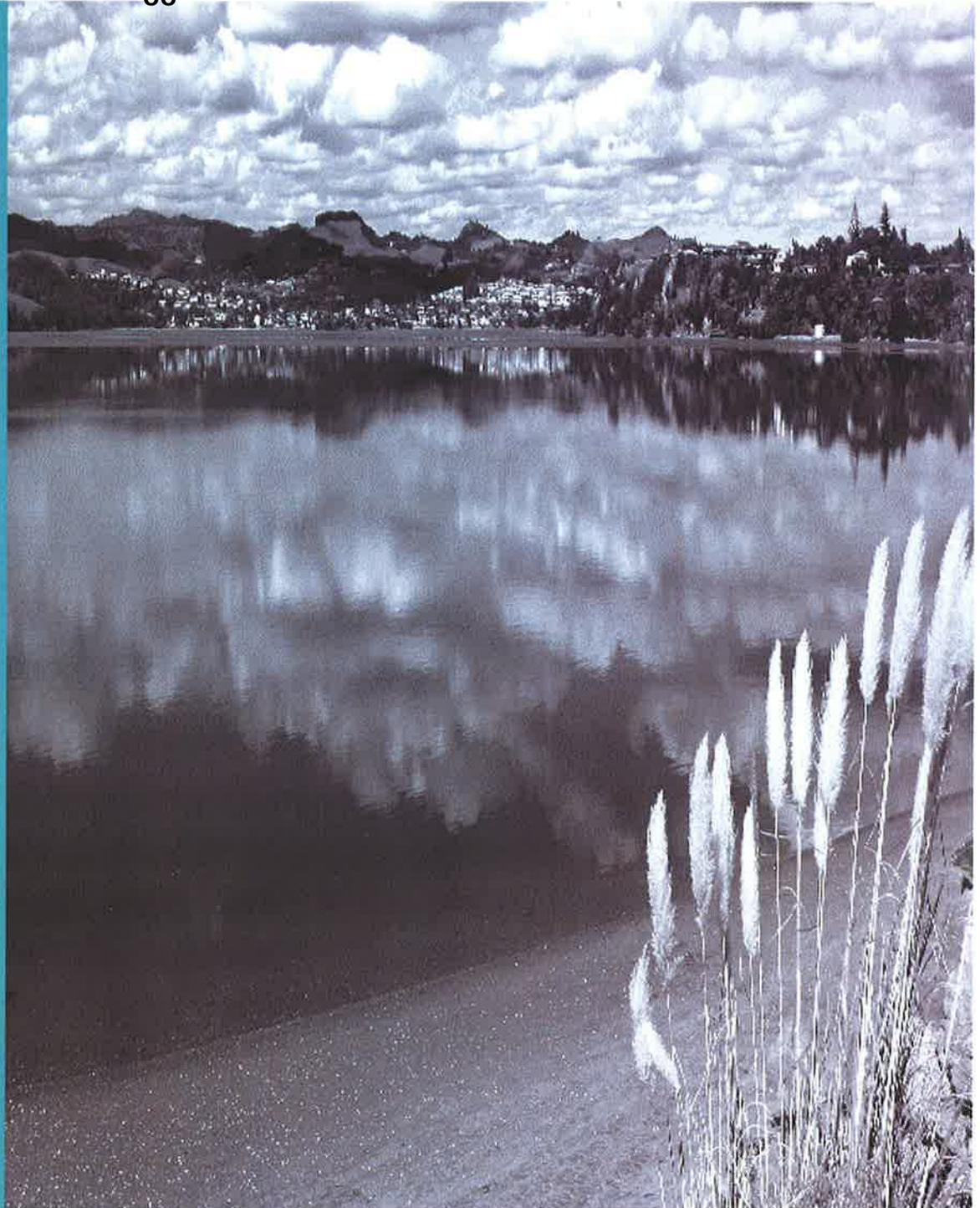
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Closing Remarks



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Open Meeting

To	Audit & Risk Committee
From	Tony Whittaker General Manager Strategy & Support
Date	17 February 2017
Prepared by	Surya Pandey Asset Management Team Leader, Waters
Chief Executive Approved	Y
DWS Document Set #	GOV1318 / 1683007
Report Title	Waikato District Council's approach to the impact of disruptive technology

I. EXECUTIVE SUMMARY

A disruptive technology is a new emerging technology that unexpectedly displaces an established one. Disruptive technology is likely to play a major role in improving the quality of life of people, global economies, and business models of companies.

Waikato District Council ("Council") undertook a council-wide study to understand from a risk perspective Council's approach to the impact of disruptive technology. In particular the study addressed the impact of disruptive technology on long term investment decisions and the technologies that mattered for Council.

This report outlines work undertaken and planned to support understanding of disruptive technology across Council.

2. RECOMMENDATION

THAT the report from the General Manager Strategy & Support be received.

3. DISCUSSION

2.1. Disruptive technology

A disruptive technology is one that displaces an established technology and shakes up the industry or a ground-breaking product that creates a completely new industry. It can be separated into two categories: sustaining and disruptive. Sustaining technology relies on incremental improvements to an already established technology. Disruptive technology lacks refinement, often has performance problems because it is new, appeals to a limited audience and may not yet have a proven practical application.

Here are a few examples of disruptive technologies:

- The personal computer displaced the typewriter and forever changed the way we work and communicate.
- The Windows operating system's combination of affordability and a user-friendly interface was instrumental in the rapid development of the personal computing industry in the 1990s. Personal computing disrupted the television industry, as well as a great number of other activities.
- Email transformed the way we communicate, largely displacing letter-writing and disrupting the postal and greeting card industries.
- Cell phones made it possible for people to call us anywhere and disrupted the telecom industry.
- The laptop computer and mobile computing made a mobile workforce possible and made it possible for people to connect to corporate networks and collaborate from anywhere. In many organizations, laptops replaced desktops.
- Smartphones largely replaced cell phones and PDAs and, because of the available apps, also disrupted: pocket cameras, MP3 players, calculators and GPS devices, among many other possibilities.
- Cloud computing has been a hugely disruptive technology in the business world, displacing many resources that would conventionally have been located in-house or provided as a traditionally hosted service.
- Social networking has had a major impact on the way we communicate, especially for personal use, has disrupted telephone, email, instant messaging and event planning.

2.2. Identifying the technologies that matter

The various views and discussions about the next big thing can make it difficult to identify which technologies truly matter. There have been many attempts, both within the Local Government and the wider industrial platforms, to sort through the many claims to identify the technologies that have the greatest potential to drive substantial economic impact and to identify which potential impacts leaders should know about. Important technologies can come in any field or emerge from any scientific discipline, but they share four characteristics:

1. High rate of technology change;
2. Broad potential scope of impact;
3. Large economic value that could be affected; and
4. Substantial potential for disruptive economic impact.

Many technologies have the potential to meet these criteria eventually, but we need to focus on technologies with potential impact that is near enough at hand to be meaningfully anticipated and prepared for.

The Society of Local Government Managers (“SOLGM”) has prepared a comprehensive paper dealing with disruptive technology.

A number of meetings and discussions with selected key Council staff have taken place in the last few weeks. This had led to the identification of a number of potentially economically disruptive technologies for Council. These are listed in Table I below.

Table I. Potentially economically disruptive technologies for WDC

Mobile Internet	Increasingly inexpensive and capable mobile computing devices and Internet connectivity.
Automation of knowledge work	Intelligent software systems that can perform knowledge work tasks involving unstructured commands and subtle judgments.
The Internet of Things	Networks of low-cost sensors and actuators for data collection, monitoring, decision making, and process optimization.
Cloud technology	Use of computer hardware and software resources delivered over a network or the Internet, often as a service.
Advanced financial management	Finance is increasingly recognising the importance of disruptive technology and transitioning to a new operating environment with an integrated architecture, which enables consistent, straight-through processing of granular data for reporting and analytics. The integrated end-to-end approach could include the ability to capture granular data for financial events, the implementation of master data management for data consistency, and near-real-time data visibility. This could be assisted by e-purchasing and e-payment.
Advanced Customer Service	In the age of the customer, organisations don't decide how customer-centric their companies are — customers do. Changing customer expectations for easy and effective service that is deeply personal are shaping customer service technology priorities. There is a big push for three Es in Top Customer Service Trends — Ease, Effectiveness and Empowerment.
Advanced water purification	Could benefit millions of people facing water shortages, but approaches with substantially better economics than currently known approaches hold the future. The new purification technologies will purify water to such levels that it will be suitable for a variety of future uses, including the potential future expansion of drinking water supplies and industrial purposes.

Advanced wastewater treatment	Future wastewater treatment plants will no longer be just pure waste management facilities, but rather resource recovery facilities that have the potential to produce clean water, recover nutrients (such as phosphorus and nitrogen), and reduce the dependence on fossil fuels through the production of renewable energy.
Transport of the future	Self-driving vehicles are already hitting public roads in limited tests around the world. Vehicles that can navigate and operate with reduced or no human intervention. A number of key aspects of the transit ecosystem that will need to evolve alongside self-driving technologies include: New pavement, paint, and signage; Responsive speed limits; Advanced vehicle to infrastructure (V2I) communications; and Tighter street design.

2.3. How are we dealing with disruptive technology at Council?

A number of high-level strategies and strategic documents cover various aspects of disruptive technology at Council. These include 50 year strategies, Activity Management Plans, Risk register, Business Plans, etcetera.

2.3.1 Corporate Risk Management Framework

Council has adopted a corporate level risk management framework using the AS/NZS 4360: Risk Management as a basis.

Risks are identified and managed at three levels; Strategic, Operational and Project level. Each risk level has corresponding processes that provide systematic steps to assess and manage risks relative to the risk level. Risk management processes and resources (guides, notes and templates) are made available to staff through the online process management tool - Promapp.

Once identified, risks are structured into meaningful risk statements and entered into the relevant risk register with the risk consequence category noted, i.e. Financial, reputation/Image etc.

Strategic, Operational and in some instances, major project risks will use the Promapp risk register. Project risks will be recorded within the project files of the Integrated Project Manager (“IPM”) software.

Examples from some such strategies and plan are produced below in Table 2.

Table 2. Examples of Council strategies to address disruptive technology

Waikato District Council Strategy/Plan	Coverage/Statement
<p>Wastewater Activity Management Plan 2015-25</p> <p><i>Business effectiveness and efficiency are compromised because of ineffective, insufficient or unreliable technology</i></p>	<p>Sustainability Initiatives for the Future</p> <p>‘Develop sub-regional optimised decision-making processes for three waters management and apply them when assessing technology (including new and green technology), infrastructure, processes and programmes of work’.</p> <p>New technologies and processes are routinely assessed as part of wastewater treatment plant renewals and upgrades, or during new sub-division consents process.</p>
<p>Risk Register (Business continuity, technical information management, operational, strategy and support)</p> <p>Information Services</p> <p><i>Business effectiveness and efficiency are compromised because of ineffective, insufficient or unreliable technology.</i></p>	<p>Implementation of Technical Work Programme 16/17. The technical work programme is specific technical tasks to deliver improvements to the IT infrastructure. This treatment impacts the likelihood by providing scheduled work plan and the consequence by ensuring technology is current.</p>
<p>Strategic Risk Register (Current)</p> <p>(Compliance/regulatory, people, technical, strategic (Audit & Risk committee)</p> <p>Cyber security</p> <p><i>Council systems and or processes are compromised by cyber crime resulting in significant financial and or business impact.</i></p>	<p>IM Business Continuity Plan: The IM team are developing a BCP to align the technical IT recovery procedures to the overall enterprise BCP. This will include: a communication plan -prioritising the critical systems for recovery first; regular tests of back up and recovering procedures-simulations with various scenarios.</p> <p>This impacts the consequence by detailing priority procedures in the case of an incident, ensures systems/process are fully functional and that staff are aware of their responsibilities and trained to manage them in the case of an event.</p>

Waikato District Council Strategy/Plan	Coverage/Statement
Waikato District Council IS strategy, December 2016	We will improve the speed and accuracy of information delivered to digital devices. We will do this in an intuitive, predictive and visual way that gives us insights into our business. We will refresh and invest in enterprise grade systems that are cloud based and can scale up and down as required, to manage our core services, including GIS and asset information. Our physical records will continue to be scanned and categorised. Each core system will benefit from an active business and information owner.
Customer Delivery Business Plan 2016/17	<ul style="list-style-type: none"> a) Increased bandwidth to all sites (roll over from FY15/16) b) Thin clients replaced with PCs (roll over from FY15/16) c) Customer Count tool introduced into all sites (roll over from FY15/16) – supports first point resolution and resource planning/management d) Electronic notice boards/customer communication at all sites (roll over from FY15/16) e) Call Centre status boards throughout offices (roll over from FY15/16) <p>* all initiatives in conjunction with IM Team</p>

4. FUTURE WORK

Staff are considering disruptive technology as part of business planning, albeit not necessarily framed in this way. It is intended to refine the focus by:

1. As part of the 2018-2028 Activity Management Plan (“AMP”) update, workshops are held with staff from all Council groups outlining the importance of disruptive technology and its implications for Council. This will help all staff understand from a risk perspective Council’s approach to the impact of disruptive technology.
2. The workshops will contribute to the fine-tuning of potentially economically disruptive technologies for Council, as presented in Table I above. This will confirm the list of priorities to be addressed in AMP update and subsequent Long Term Plan proposals to Council.

3. An external speaker, specialising in disruptive technology and their implications, make two all staff presentations on topics selected and prioritised during the workshops in Table I above to maximise the staff buy-in.

5. ATTACHMENTS

NIL

Open Meeting

To	Audit & Risk Committee
From	Tony Whittaker General Manager Strategy & Support
Date	08 March 2017
Chief Executive Approved	Y
Reference #	GOV1318
Report Title	Conflicts of Interest

1. EXECUTIVE SUMMARY

Council has placed more emphasis on having a complete and robust interests register over the last few years. This register now includes key management who are involved in decision making. Questions are often asked by Councillors in regard to the breadth of interests required to be disclosed, including what specifically is a conflict of interest. The attached article written by the Independent Commission Against Corruption was seen to clearly articulate the position and hence is offered to the Committee for their information.

2. RECOMMENDATION

THAT the report from the General Manager Strategy & Support be received.

3. ATTACHMENTS

Independent Commission Against Corruption Article: Identifying and managing conflicts of interest in the public sector

JULY 2012

Identifying and managing conflicts of interest in the public sector

I·C·A·C

INDEPENDENT COMMISSION
AGAINST CORRUPTION

As a public official, you have a responsibility to perform your role efficiently, effectively and fairly. Your personal situation, inclination or preferences and those of your family, friends and associates should not influence you when making decisions in a public capacity.

Who does this apply to?

The information in this brochure is aimed at public officials working in the NSW Public Service. Those public officials working in local government should refer to the information on conflict of interests contained in the model Code of Conduct and the *Local Government Act 1993*.

What is a conflict of interest?

A conflict of interest occurs when you as a public official are in a position to be influenced, or appear to be influenced, by your private interests when doing your job. A conflict of interest can involve avoiding personal disadvantage as well as gaining personal advantage. A conflict of interest is not limited to circumstances where you, or others close to you, may gain or lose financially from your public position. It includes situations where your official decisions may be influenced by your private interests in social and professional activities, and interests with individuals or groups, including family and friends.

What are the different types of conflicts of interest?

Actual conflict of interest	Perceived conflict of interest	Potential conflict of interest
You hold a public position where right now you can be influenced by your private interests when doing your job.	You hold a public position where you appear to be influenced by your private interests when doing your job.	You hold a public position where you may in future be influenced by your private interests when doing your job.

Is it wrong to have a conflict of interest?

Conflicts of interest are not wrong in themselves. It is how they are managed that is important.

Public officials are also private individuals, and there will be occasions when your own private interests may come into conflict with your public duty to put the public interest first at all times. All conflicts of interest must be disclosed and effectively managed.

Why managing a conflict of interest properly is important

The community has a right to expect that public officials at all levels perform their duties in a fair and unbiased way, and that the decisions they make are not affected by self interest, private affiliations, or the likelihood that they, or those close to them, will financially gain or lose. The perception that a conflict of interest has influenced an outcome can undermine public confidence in the integrity of the organisation and the individual.

Unresolved or badly managed conflicts of interest can actually lead to corruption or abuse of public office, or the perception that these exist.

What is my responsibility?

Where reasonably possible, you should avoid conflicts between your personal interest and the public interest. Where conflicts of interest cannot reasonably be avoided, you have a responsibility to identify and effectively manage any conflicts of interest you may have, in consultation with your supervisor.

How do I know if I have a conflict of interest?

A personal interest outside of work does not automatically mean that there is going to be a conflict of interest. If something arises at work that is associated with those interests, then you may have a conflict of interest.

There are some factors you need to consider when making a decision about whether your public duty and your private interests are in conflict. Factors that may put you at risk of a conflict of interest include:

- financial and economic interests, such as debts or assets
- a family or private business
- a secondary employment commitment
- affiliations with for-profit and non-profit organisations, sporting bodies, clubs and associations

- affiliations with political, trade union or professional organisations, and other personal interests
- obligations to professional, community, ethnic, family or religious groups in a personal or professional capacity
- obligations because of relationships to people living in the same household
- enmity towards, or competition with, another individual or group
- significant family or other relationships with clients, contractors or other staff working in the same (or a related) organisation
- highly specialist skill(s) in an area where demand for the skill(s) frequently exceeds supply
- future employment prospects or plans (that is, post-separation employment).

It is not always possible to avoid having a conflict of interest, particularly in smaller communities or specialist industries. What is important is what you do, or do not do, once you become aware of the conflict of interest.

What do I do if I identify a conflict of interest?

Depending on the legislation and policy that apply to your organisation generally, you would be required to formally register details of the conflict of interest and report the conflict to your supervisor. Situations might arise where you may need to disclose your conflict of interest verbally (for example, in a meeting), though, you should also ensure your disclosure is properly recorded.

It is always better that you disclose and discuss a possible conflict of interest rather than conceal the matter. There are a number of strategies that you and your supervisor can choose from, to help you manage your conflict of interest effectively and transparently.

What strategies can I use to manage a conflict of interest?

Strategy	What this strategy means	When it is most suitable
Register *	You formally register details of the existence of a possible or potential conflict of interest.	<ul style="list-style-type: none"> ■ For very low-risk conflicts of interest. ■ Where recording the conflict of interest is sufficient to maintain transparency.
Restrict	Restrictions are placed on your involvement in the matter to oversee part or all of the process that deals with the matter.	<ul style="list-style-type: none"> ■ You can be effectively separated from parts of the activity or process. ■ The conflict of interest is not likely to arise frequently.
Recruit	Recruit a disinterested third party to oversee part or all of the process that deals with the matter.	<ul style="list-style-type: none"> ■ It is not feasible or desirable for you to remove yourself from the decision-making process. ■ In small or isolated communities where your particular expertise is necessary and genuinely not easily replaced.
Remove	You choose to remove yourself completely from the matter.	<ul style="list-style-type: none"> ■ For ongoing serious conflicts of interest, where restriction or recruitment of others is not appropriate.
Relinquish	You relinquish the private interest that is creating the conflict.	<ul style="list-style-type: none"> ■ Where your commitment to public duty outweighs your attachment to your private interest.
Resign	You resign from your position with the agency.	<ul style="list-style-type: none"> ■ No other options are workable. ■ Where you cannot or will not relinquish your conflicting private work. ■ Where you prefer this course as a matter of personal principle.

* All conflicts of interest should be registered, regardless of what additional management strategies are adopted.

Frequently asked questions about conflicts of interest

Why should I worry about conflicts of interest?

Managing conflicts of interest is important because the public has entrusted you and others with powers and public resources, and expects you to carry out your official duties without bias.

Isn't it better to keep quiet about conflicts of interest?

No, it is better to manage conflicts of interest transparently. Things kept behind closed doors are more likely to attract suspicion and allegations of possible misconduct.

What can I be asked to do if I have a conflict of interest?

You can be asked to register the interest, to discuss it with your supervisor, and come to some agreement about how the interest will be managed.

Do I still need to disclose a conflict of interest if there is no financial benefit or loss involved?

Yes, conflicts of interest cover a range of activity that is wider than financial concerns – therefore your personal relationships, feelings and associations should also be taken into account.

Where do I get more information about conflicts of interest?

Contact the Independent Commission Against Corruption on 02 8281 5999 or 1800 463 909 (outside the Sydney metropolitan area) and ask for the corruption prevention advice line. Email queries can be sent to icac@icac.nsw.gov.au. Information is available on the Commission's website via the online toolkit, www.icac.nsw.gov.au/preventing-corruption/knowing-your-risks/conflicts-of-interest.



INDEPENDENT COMMISSION AGAINST CORRUPTION

Level 21, 133 Castlereagh Street
Sydney, NSW, Australia 2000

Postal Address: GPO Box 500,
Sydney, NSW, Australia 2001

T: 02 8281 5999

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E: icac@icac.nsw.gov.au

www.icac.nsw.gov.au

Business Hours: 9.00 am - 5.00 pm Monday to Friday

Open Meeting

To	Audit & Risk Committee
From	Tony Whittaker General Manager Strategy & Support
Date	08 March 2017
Prepared by	Madelina Baena-Escamilla Continuous Improvement Analyst
Chief Executive Approved	Y
Reference #	1692091
Report Title	Update on Process Audit and Quality Improvement

I. EXECUTIVE SUMMARY

This report outlines work planned and undertaken to support quality improvement throughout the business. It covers the process audit programme, policy review and process improvement.

2. DISCUSSION

2.1. Process Audit Programme

The process audit programme for 2016/2017 is in progress; 15 audits were scheduled to audit 34 business processes. During the first quarter, a total of six audits (covering 15 Processes) have been carried out and another two (covering 7 processes) are in progress. The outcome of the six completed audits is six major non-conformance, five minor non-conformance and 36 recommendations for improvement. One Audit hasn't yet been done and will be included in the next audit schedule (see attached Process Audit Status (2016-2017) Activity Report).

Auditor training has been scheduled to be undertaken in the next three months. This will increase the number of auditors from 18 to 30, and allow more audits to be undertaken.

2.2. Policy

The work programme for reviewing internal and external Council policies is progressing as planned.

One new policy has been published this quarter:

- Drug and Alcohol Policy

One policy has been reviewed:

- Records Management Policy

New policies being created are:

- Child Protection Policy
- Disability Policy

Other policies being reviewed are:

- Lone Worker Policy
- 'Long Long' (long sleeve/long pants) Policy
- Harassment and Bullying Policy
- Corporate Uniform Policy
- Community Engagement
- Internet Use Policy
- Email Use Policy
- Email Release Policy
- Remote Access Policy

2.3. Process Improvement Forum

Excellent progress against process capture and improvement has been achieved in the past quarter. The main focus has been to review and re-publish out of date processes (processes that haven't been reviewed in the past 12 months). There are currently 941 published processes mapped (an additional 70 since December 2016) and 100 processes in draft status (20 less than in December 2016). To date, we have 1100 processes in Promapp.

The Improvement Forum meets on a monthly basis to drive our quality management system and encourage process mapping and continuous improvement. Process champions have been delivering training to new staff and helping process experts to finalise and publish their processes focussing on the Business Continuity processes.

The Promapp World initiative to inform all staff about new processes and policies has received good feedback after five months of the commencement of the initiative. These stories have been written by Process Champions and have covered different topics of interest such as the new Drug and Alcohol Policy and Working Alone Policy.

Process champions have been attending the Promapp Regional User Group, this is a hub of excellence where process experts from different organizations get together to discuss case studies and share ideas. We have shared the results that we have accomplished in process mapping and process improvement. In the region, Waikato District Council is recognised as a leader in robust business processes and improvement tools and has been a reference site for other council and private organisations.

3. RECOMMENDATIONS

THAT the report from the **General Manager Strategy & Support** be received.

4. ATTACHMENTS

Process Audit Status (2016-2017)

Process Audit Programme 2016-2017 - Audit Status @ 08-03-2017

Status of agreed actions following Process Audit recommendations

Macro process	Processes	owners and experts	Auditors	Date of Audit/ Status	Outcome			Progress update
					Major NC (high)	Minor NC (medium)	Rec (Low)	
Community Funding	<ul style="list-style-type: none"> Manage WDC Heritage Fund Provide Funding Accountability Report for all Grants Received 	Lianne Van Den Bemd Vishal Ramduny	Pam Osborne Elijah Tamati	14 th Nov 2016	0	1	7	Audit was carried out, and owners have made changes in the process. Audit is closed
Human Resources	<ul style="list-style-type: none"> Apply for Parental leave 	Vanessa Jenkins Hayleigh Evett	Phyllis Hefang and Ross Bartley	25 & 30 August 2016	0	0	4	Audit was carried out, and owners have made changes in the process. Audit is closed
Zero Harm	<ul style="list-style-type: none"> Report and Investigate a Near Miss Work Event (Non Injury) Report and Investigate a Work Incident or Injury Manage Lone Workers 	Kevin Lockley Kylie Anderson	Helen Geddes Kay Warren	TBC				Date hasn't been scheduled yet. Due to staff time availability. This audit will be included in the next schedule.
	<ul style="list-style-type: none"> Report a Notifiable Incident or Event - Injury, Illness or Incident 	Kevin Lockley	Debbie Dalbeth Madelina Baena-Escamilla	18 & 20 July 2016	0	0	8	Audit was carried out, and owners have made changes in the process. Audit is closed
Water Compliance and Income	<ul style="list-style-type: none"> Raise a New Water Connection Application Application for Restrictor Removal Manage Water Relief Application 	Rosemary Towl Karl Pavlovich	Claude Shaw Phyllis Hefang	24 & 31 January 2017				First meeting has been carried out. Another interview needs to be done.
Roading	<ul style="list-style-type: none"> Review Crash Analysis 	Nathan Hancock Wayne Furlong Paul Harrison	Adam Van Niekerk Deidre MacDonald	31st January & 08 March 2017				Audit has been done, Auditors are writing the report.

Macro process	Processes	owners and experts	Auditors	Date of Audit/ Status	Outcome			Progress update
					Major NC (high)	Minor NC (medium)	Rec (Low)	
Business Continuity	<ul style="list-style-type: none"> Assess - Understand the significance and impact of the incident Plan - Understand how we are going to resolve the incident Resolve the incident 	Kelly Newell Kurt Abbot	Debbie Dalbeth Reece Turner	30 November 2016	7	0	14	Audit was carried out, and owners have made changes in the process. Audit is closed
Contractor Zero Harm	<ul style="list-style-type: none"> Carry out Contractor H&S Induction Carry out Initial Contractor Health & Safety Assessment Inspect/Audit Contract Health & Safety Record Contractor's H&S performance 	Reuben Rink Kevin Lockley	Sandra Kelly Susan Toogood	22 February 2017				The initial interview has been done; some documents need to be checked in another interview to be schedule.
Parks and Facilities	<ul style="list-style-type: none"> Calculate KPI - Percentage of satisfied customers as per the council housing for the elderly survey 	Stephanie Courtney Gavin Benseman	Madelina Baena-Escamilla	10/02/2017	2	2	6	Audit has been done, Report has been sent to Process owner and experts.
	<ul style="list-style-type: none"> Calculate KPI - Percentage progress of the Playground Strategy implementation plan 	Duncan MacDougall Mark Janssen	Madelina Baena-Escamilla	13/02/2017	0	0	3	Audit has been done, Report has been sent to Process owner and experts.
	<ul style="list-style-type: none"> Calculate KPI - Percentage of customers who are satisfied with the pool facility Calculate KPI - Percentage of natural areas (categorised in parks strategy) which have had restoration efforts undertaken Calculate KPI - Percentage of time that pool water meets the NZS5826 Part 1 Water Standards : 2000 code of practice for the operation of swimming pools 	Elton Parata Annetta Purdy Ben Wolf	Madelina Baena-Escamilla	14/02/2017	2	1	8	Audit has been done, Report has been sent to Process owner and experts.

Macro process	Processes	owners and experts	Auditors	Date of Audit/ Status	Outcome			Progress update
					Major NC (high)	Minor NC (medium)	Rec (Low)	
Housing for the Elderly	<ul style="list-style-type: none"> Housing for the Elderly - Application Process Housing for the Elderly - Tenant Unit Housing for the Elderly - Terminate Tenancy 	Gavin Benseman Samantha Frederick Stephanie Courtney	Beryl McAuley Christine Cunningham	20/02/2017	0	0	12	Audit has been done, Report has been sent to Process owner and experts.
Front Counter	<ul style="list-style-type: none"> Manage Front Counter Customers Create a Visitor in the Visitor Management System Create a Visit in the Visitor Management System 	Elizabeth Saunders Jenna I. Smith Sally Clark Reece Turner	Sarfraz Hapuku Sharlene Jenkins	16 Jan 2017	2	2	5	Audit has been done, Report has been sent to Process owner and experts.
Environmental Health	Manage certificate Processes: <ul style="list-style-type: none"> Process Application for Manager's Certificate Issue Manager's Certificate Process Manager's Certificate Renewal Issue Manager's Certificate Renewal 	Sudhir Kumar Alan Parkes Christine J. Cunningham	Annetta Purdy Teresa Howe	20/02/2017	0	0	2	Audit has been done, Report has been sent to Process owner and experts.
Total					13	6	69	

Open Meeting

To	Audit & Risk Committee
From	Tim Harty General Manager Service Delivery
Date	13 March 2017
Prepared by	Karl Pavlovich Compliance Income Team Leader
Chief Executive Approved	Y
DWS Document Set #	Audit & Risk Committee (22/03/2017)
Report Title	Drinking Water

I. EXECUTIVE SUMMARY

Over the 2014/15 and 2015/16 compliance years, Council has spent approximately \$7 million on a range of projects that have delivered tangible improvements to the standard of drinking water provided to residents. Most significantly, Council has been able to raise its level of compliance with New Zealand Drinking Water Standards. With continuing improvements to services and reporting, all Council supplies are expected to meet full compliance with New Zealand Drinking Water Standards in the 2016/17 compliance year.

2. RECOMMENDATION

THAT the report from the General Manager Service Delivery be received.

3. BACKGROUND

Hastings District Council recently experienced a *Campylobacter* outbreak in the Havelock North Community. This Community is supplied from three bores and faecal contamination of these is thought to be the likely cause of the outbreak. The incident has drawn significant media attention and has increased public awareness of the quality of its drinking water supply.

This report is intended to update Councillors on the compliance status of Council's drinking water supplies and also an update on the works undertaken over recent years to ensure public safety and compliance.

4. DISCUSSION

4.1 COMPLIANCE

The October 2007 (Drinking Water) amendment to the Health Act 1956 served to focus the attention of drinking water suppliers on compliance with the New Zealand Drinking Water Standards (2005). The amendment announced a legislative compliance date for all water suppliers, determined by the size of the supply. Waikato District Council was categorised as a medium supplier and had a compliance date of 1 July 2010.

In June 2009 the legislative compliance dates were revised and Council received a revised compliance date of 1 July 2013.

Results presented in the Ministry of Health's Annual Report on Drinking-Water Quality 2013-2014, show that Council was unable to meet compliance with Drinking-Water Standards. A summary of these results showed that only 67% of zones (a zone is an isolatable section of the distribution or piped network) supplied by Council met Bacteriological compliance requirements while no zone met the protozoological compliance requirement, (though this result does improve to 17% when zones supplied by the Hamilton City Water Treatment Plant are taken into consideration).

Several barriers to compliance were identified including inadequate treatment, lack of reliable online monitoring data and human error. In order to remove these barriers a multifaceted works programme was developed and approved by Council. A majority of works required were completed over the 2014/15 and 2015/16 compliance years.

4.2 WORKS PROGRAMME

Notable works completed in the 2014/15 compliance year include:

- The replacement of the Raglan Water Treatment Plant with a new treatment plant fitted with UV disinfection units capable of deactivating protozoa present in the source water (\$850,000).
- Installation of a bulk watermain from Watercare's Tuakau Water Treatment Plant to Pokeno (\$2,400,000), allowing the Pokeno Water Treatment Plant to be decommissioned and risk profile of the supply significantly reduced.
- Further to these physical works, Council undertook an upgrade of the SCADA network (\$400,000) to improve connectivity by removing reliance upon radio communication, while standardising plant control with the installation of Orchestra control software across all sites. This work significantly improved the reliability of the online data required to confirm compliance.

These projects were followed in the 2015/16 compliance year with projects including:

- Installation of a bulk watermain from Watercare's Tuakau Water Treatment Plant to Tuakau (\$907,000).
- Installation of a bulk watermain from the Ngaruawahia Water Treatment Plant to Hopuhopu (\$1,635,000) and subsequent decommissioning of both the Peter Springs and Hopuhopu Water Treatment Plants.
- Also during this time Huntly, Ngaruawahia and Te Kauwhata Water Treatment Plants received new online instrumentation (\$400,000) providing redundancy in measurement for both compliance and process control.

These works have resulted in significantly improved compliance with technical aspects of the Drinking-Water Standards, highlighted by an increase in both bacteriological and protozoological zone compliance to 94% and 83% respectively in quarter 4 of 2015/16.

Further improvements scheduled for completion in the 2016/17 compliance year include:

- Construction of a bulk watermain from the Huntly Water Treatment Plant to Hopuhopu (\$3,715,000), building redundancy in supply.
- Installation of UV treatment to the Huntly Water Treatment Plant (\$600,000), providing additional disinfection.
- Bleed valve installed in the Rotongaro zone to improve turnover of water in this zone and maintain residual chlorine levels.

4.3 OVERALL COMPLIANCE

4.3.1 Compliance Matters

Current compliance with New Zealand Drinking Water Standards to date for the 2016/17 compliance year is as follows:

- Bacteriological compliance, 50% for plant, 100% for zone.
- Protozoological compliance, 75% for plant, 94% for zone.

4.3.2 Protozoological Compliance

Protozoological compliance is not at 100% due to an issue at the Ngaruawahia Water Treatment Plant during quarter 1. An operator performed a verification on a turbidity meter without removing the attached filter from service, resulting in a transgression. – Reviewed by Drinking Water Assessors, plant remains compliant.

Protozoological compliance is at 75%/94% due to UV faults experienced in Raglan over quarter 1 and 2 of 2016/17. These faults were the result of some programming errors in the treatment plant code, which have now been corrected. These incidents are also under review by drinking water assessors for compliance.

4.3.3 Bacteriological Compliance

Bacteriological plant compliance is 50% (two plants out of four) due to chlorination issues experienced at the Huntly and Raglan plants.

- The Huntly Water Treatment Plant experienced process issues during July 2016. While bringing the plant back online the residual chlorine concentration dropped below drinking water standards. This water was not delivered to the community and the event is being reviewed by Drinking Water Assessors for compliance.
- Following the November 2016 Kaikoura earthquake, the Raglan Water Treatment Plant was unable to treat the spring water and was shutdown until conditions improved. While bringing the plant back online the residual chlorine concentration dropped below drinking water standards. This water was not delivered to the community and the event is being reviewed by Drinking Water Assessors for compliance.

4.3.4 Overall

The rate of progress has been rapid and condensed, providing improvements quarter on quarter, unfortunately improvements on this time scale are not accurately reflected in current Ministry of Health reporting. With drinking water compliance measured annually, there has been little change in overall statistics presented in Annual Reports on Drinking-Water Quality 2014/15 and 2015/16. Improvements must be in place and operating for a full compliance year before the benefits become visible in the Annual Report on Drinking-water Quality. Furthermore, compliance with New Zealand Drinking-Water Standards is a very blunt measurement of public health risk. Drinking water compliance makes no distinction between technical transgressions and transgressions that increase the public health risk.

It should be emphasised that whilst Council work to the New Zealand Drinking-Water Standards, non-compliances can, and do, occur. If and when these events do occur, Council has a number of robust emergency response plans that minimise the impact of these events and protect public health.

4.4 RISK

Though improvement has been achieved through investment in infrastructure, Council supplies have remaining risks that need to be managed or mitigated. All Council supplies share the common risks of non-compliance due to human error or mechanical failure as well as the potential zone infection by water carriers (water tankers) resulting from inadequate sanitary practice. Council continues to work to mitigate these wider risks through the implementation of Water Safety Plans across all supplies, development and maintenance of robust processes, continual operator training, improvement to plant programming, instrument maintenance and working closely with Waikato District Health Board to have all water carriers within the District registered with Drinking Water New Zealand.

In addition to these wider risks, more specific risks exist associated with the failure of treatment processes utilised at Council treatment plants or management of distribution zones. The significance of these risks is a function of their likelihood and the potential impact on the community. Taking these factors into account, the most significant specific risks are:

- Ngaruawahia Water Treatment Plant relies upon a single protozoological barrier, failure of this barrier may expose our second largest population to protozoa such as Giardia or Cryptosporidium.

- Huntly Water Treatment Plant, until the UV upgrade is completed, also relies upon a single protozoological barrier.
- Port Waikato Water Treatment Plant is a remote site serving a population with significant seasonal population change and while the plant has multiple treatment barriers, these treatment processes require intensive management to be effective.

A risk assessment table for all Council supplies is presented in appendix 2.

5. CONCLUSION

Recent events in Havelock North have focussed attention on the robustness of water supplies. This Council has invested in projects that provide significant benefits to drinking-water quality; and where possible, decommissioning smaller treatment plants, replacing them with bulk supply.

6. ATTACHMENTS

- Compliance dashboard
- Risk table

Drinking Water Incident Report: 2016 - 2017					
Area	Period	Part 4 Incident	Part 5 Incident	Zone Incident	Total
Huntly (4 zones)	Jul-Sep	3	0	0	3
	Oct-Dec	0	0	0	0
	Jan-Mar	0	0	0	0
	Apr-Jun	0	0	0	0
Ngaruawahia (2 zones)	Jul-Sep	0	0	0	0
	Oct-Dec	0	0	0	0
	Jan-Mar	0	0	0	0
	Apr-Jun	0	0	0	0
Onewhero (1 zone)	Jul-Sep			0	0
	Oct-Dec			0	0
	Jan-Mar			0	0
	Apr-Jun			0	0
Port Waikato (1 zone)	Jul-Sep			0	0
	Oct-Dec			0	0
	Jan-Mar			0	0
	Apr-Jun			0	0
Raglan (1 zone)	Jul-Sep	0	3	0	3
	Oct-Dec	1	4	0	5
	Jan-Mar	0	1	0	1
	Apr-Jun	0	0	0	0
Te Akau (1 zone)	Jul-Sep			0	0
	Oct-Dec			0	0
	Jan-Mar			0	0
	Apr-Jun			0	0
Te Kauwhata (2 zones)	Jul-Sep	0	0	0	0
	Oct-Dec	0	0	0	0
	Jan-Mar	0	0	0	0
	Apr-Jun	0	0	0	0
Tuakau/Pokeno (3 zones)	Jul-Sep			0	0
	Oct-Dec			0	0
	Jan-Mar			0	0
	Apr-Jun			0	0
Southern/Western Districts (3 zone)	Jul-Sep			0	0
	Oct-Dec			0	0
	Jan-Mar			0	0
	Apr-Jun			0	0

Supply	Population served (2005)	Treatment					Reticulation			Overall Health Risk		
		Barriers		Risks	Risk Management	Health Risk Presented by Treatment Failure	Risk	Risk Management	Health Risk Presented			
Raglan	3187	UV	CI	Faults, UVI, UVT, Turb, Flow	Dosing pump failure, empty cylinders			Moderate (Unlikely x Minor supply)	Poor sanitary practice used when connecting to the reticulation system, low chlorine	SOP developed for working on water infrastructure, water carriers require registration with DWNZ, DWS compliant zone sampling plan	Moderate (Possible x Minor supply)	Moderate
Te Akau	45	Cartridge filters	CI	Breakthrough, incorrect filters	Dosing pump failure, incorrect batching, empty dose tank			Low (Possible x Neighbourhood supply)			Low (Possible x Neighbourhood supply)	Low
Ngaruawahia	6150	Coag, sed, filt	CI	Dosing pump failure, floc carryover, poor filter performance	Dosing pump failure, empty cylinders			Moderate (Possible x Medium supply)			Moderate (Possible x Medium supply)	Moderate
Huntly	7340	Coag, sed, filt	CI	Dosing pump failure, floc carryover, poor filter performance	Dosing pump failure, empty cylinders			Moderate (Unlikely x Medium supply)			High (Likely x Medium supply)	Moderate
Te Kauwhata	2149	Coag, sed, filt	UV CI	Dosing pump failure, floc carryover, poor filter performance	Faults, UVI, UVT, Turb, Flow	Dosing pump failure, empty cylinders	Water Safety Plan, Training, Maintenance program	Low (Rare x Minor supply)			Low (Possible x Minor supply)	Moderate
Onewhero	36	Cartridge filters	UV	Breakthrough, incorrect filters	Faults, UVI, UVT, Turb, Flow			Low (Possible x Neighbourhood supply)			Low (Possible x Neighbourhood supply)	Low
Port Waikato	60	Coag, sed, filt	CI UV	Dosing pump failure, floc carryover, poor filter performance	Dosing pump failure, incorrect batching, empty dose tank	Faults, UVI, UVT, Turb, Flow		Low (Unlikely x Neighbourhood supply)			Low (Possible x Neighbourhood supply)	Low
Hopuhopu	729	Coag, sed, filt	CI	Dosing pump failure, floc carryover, poor filter performance	Dosing pump failure, empty cylinders		Plant decommissioned, replaced by bulk supply from Ngaruawahia	Moderate (Unlikely x Minor supply)			Moderate (Possible x Minor supply)	Moderate
Pokeno	519	Cartridge filters	UV CI	Breakthrough, incorrect filters	Faults, UVI, UVT, Turb, Flow	Dosing pump failure, incorrect batching, empty dose tank	Plant decommissioned, replaced by bulk supply from Watercare	Moderate (Unlikely x Minor supply)			Moderate (Possible x Minor supply)	Moderate
Tuakau	3942	CI		Dosing pump failure, empty cylinders				Moderate (Possible x Minor supply)			Moderate (Possible x Minor supply)	Moderate

Key	Description
Coag, sed, filt	Coagulation sedimentation and filtration
CI	Chlorine
Faults	Any mechanical or electrical fault that results in a failure to deliver designed functionality
UVI	UV intensity
UVT	UV transmission
Turb	Turbidity

Open Meeting

To	Audit & Risk Committee
From	Gavin Ion Chief Executive
Date	10 March 2017
Prepared by	Kevin Lockley Zero Harm Manager
Chief Executive Approved	Y
Reference #	1693492
Report Title	Zero Harm Update

I. EXECUTIVE SUMMARY

The purpose of this report and its attachments is to provide an update on current health and safety performance. Council recognise that compliance is essential but they aspire to achieve best practice in health and safety performance and to develop a sustainable culture that is supported by sound policies, systems and procedures that enables best practice health and safety workplace behaviours by all workers. Contractors, volunteers and visitors. Council aim for more than just compliance by observing the principle that workers and others should be given the highest level of protection against harm to ensure their health and safety and welfare.

2. RECOMMENDATION

THAT the report from the Chief Executive be received.

3. BACKGROUND

Managers continue to carry out Safety conversations.

The Chief Executive continues to carry out due-diligence duties through site visits and carrying out safety conversations with both staff and contractors.

The new reporting and recording software programme has now been rolled out to Managers and staff. Staff are now recording incidents and near miss reports in the new programme.

A “Safe Start” Induction programme was carried out in January to re-focus staff back into working mode. A session was held specifically for Councillors when they recommenced the year. The day involved staff undertaking a one hour must see safety induction session which

covered aspects such as critical risks, policies, incident reporting requirements, health and wellness, risk and hazard identification. Invited suppliers and business partners put up stalls and displays in the committee rooms where staff could discuss numerous aspects of health, wellness and safety with them. The Drug Detection Agency also put on a sausage sizzle. All of the outer offices and libraries held similar sessions for the inductions. Tuakau, also had the suppliers set up in the town hall. The Executive Leadership Team were represented at all the outer office sessions.

All staff and management training has been undertaken for the implementation of the Council Drug & Alcohol programme which commences on the first of April.

Health and Safety presentations have been carried out to Community Boards and Committees outlining roles and responsibilities, and changes to the legislation. A session has also been held for Hall Committees. A further session to cover Halls in the Northern part of the District is planned.

Over Speed Reporting

An opportunity for improvement is the ongoing reduction of excessive speeding against Council critical risk (driving). Currently managers carry out safety conversations with drivers who exceed 104km and up to 109km. Where speeds of over 110km are recorded General Managers discuss the circumstances around the speeding events in a formal manner. We are discussing a consequential driver training course with our provider for recidivist drivers who appear to be not taking on board the strong safety message to alter their at risk driving behaviour. It is proposed that we will reduce the limits over time to further encourage speed reduction.

Injury Statistics

Near Miss reporting over the last three months has shown an increase. There is an opportunity to change the focus of just near miss reporting as a number to promoting the identification of hazards/risks associated with a near miss. The change in focus may assist to clarify the actual definition of a near miss and the presence or absence of a defence mechanism which would culminate in a damage or injury event or not. Council currently records and reports on the Alliance statistics. City Care contract statistics are now also included in monthly dashboard reports to the Executive Leadership Team and Councillors.

Over this reporting period there has been one lost time injury, where an animal control officer sustained a back injury when attempting to lift a heavy dog into his vehicle. All other injuries were either superficial not requiring first aid or first aid was administered. Whilst there are encouraging signs, it is recognised that there is still a significant amount of work to be done to achieve Best Practice in not only systems and processes but more importantly consistent safe and healthy behaviours across the staff and contractor work streams.

4. DISCUSSION AND ANALYSIS OF OPTIONS

4.1 DISCUSSION

This report is to assist Councillors with their due diligence requirements as Officers. The report should start the conversation and provide opportunities for Councillors to raise questions and discuss progress.

4.2 OPTIONS

Council could choose to accept the report or not. Council could ask for additional information if needed.

5. CONSIDERATION

5.1 FINANCIAL

There are no direct financial requirements identified in this report.

5.2 LEGAL

This report is prepared as part of assisting Council with compliance with Health & Safety at Work Act 2015.

Considerations

The following are considerations in relation to the role of the Executive Leadership Team and Councillors as officers.

- Are we confident that good health and safety management is working?
- How can we improve our worker engagement and risk management to identify opportunities and improvements?
- What can we do more effectively to eliminate health risks?
- Are our health and safety reports providing sufficient insight and understanding to ensure the Executive Leadership Team and Councillors can make informed decisions?
- What further activities need to take place to ensure our practices and systems remain fit for purpose?
- Where do we currently sit on the “what does good look like” continuum?

5.3 STRATEGY, PLANS, POLICY AND PARTNERSHIP ALIGNMENT

Council has a Zero Harm Strategy which forms the basis of our health & safety systems and philosophy. An internal Zero Harm Strategic Plan is also in place and has been updated to reflect the strategies for the next 12 months.

5.4 ASSESSMENT OF SIGNIFICANCE AND ENGAGEMENT POLICY AND OF EXTERNAL STAKEHOLDERS

Highest levels of engagement	Inform	Consult	Involve	Collaborate	Empower
	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Councillors, as Officers under the Health & Safety at Work Act 2015 are required to undertaken due diligence to ensure appropriate health & safety systems are in place and operating.					

State below which external stakeholders have been or will be engaged with:

Planned	In Progress	Complete	
	✓		Internal
	✓		Community Boards/Community Committees
			Waikato-Tainui/Local iwi
			Households
			Business
	✓		Other Please Specify

Council engages with our Community Boards and Community Committees to ensure they are clear on their requirements. Council also undertakes audits and safety conversations in relation to our contractors.

Hall Committees have also been engaged with a further session scheduled for later in March.

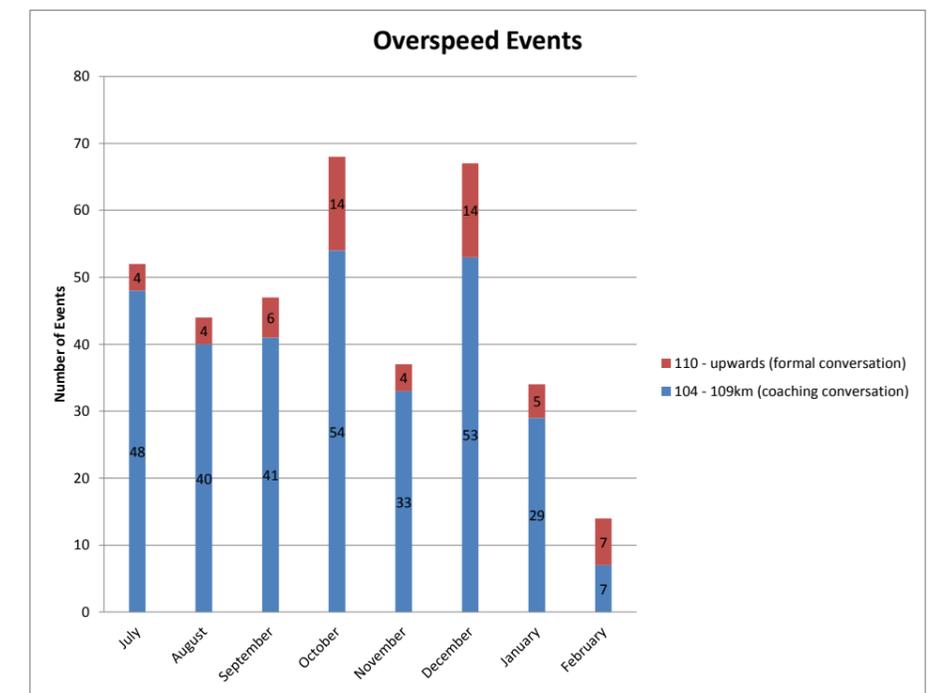
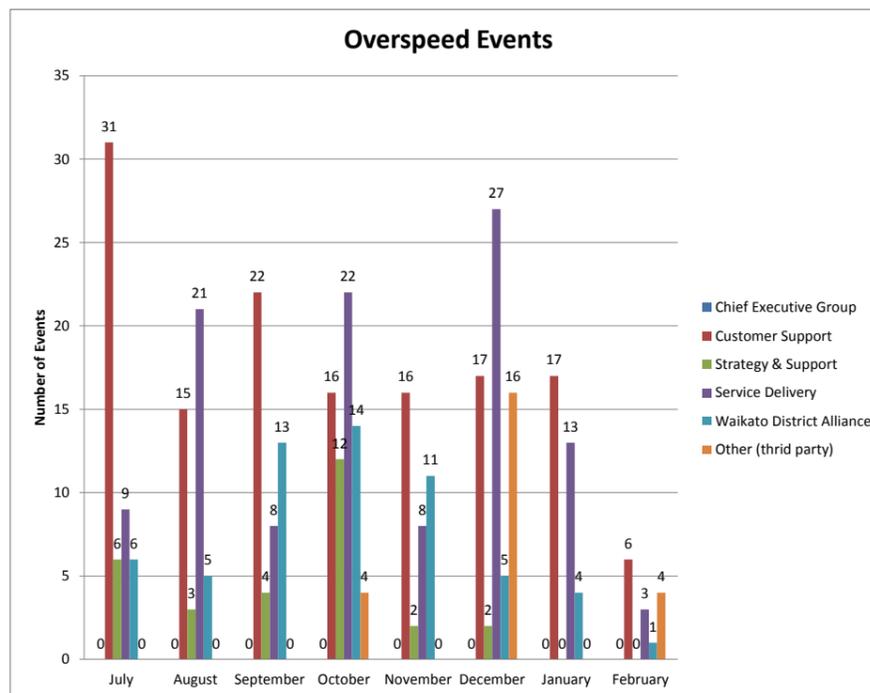
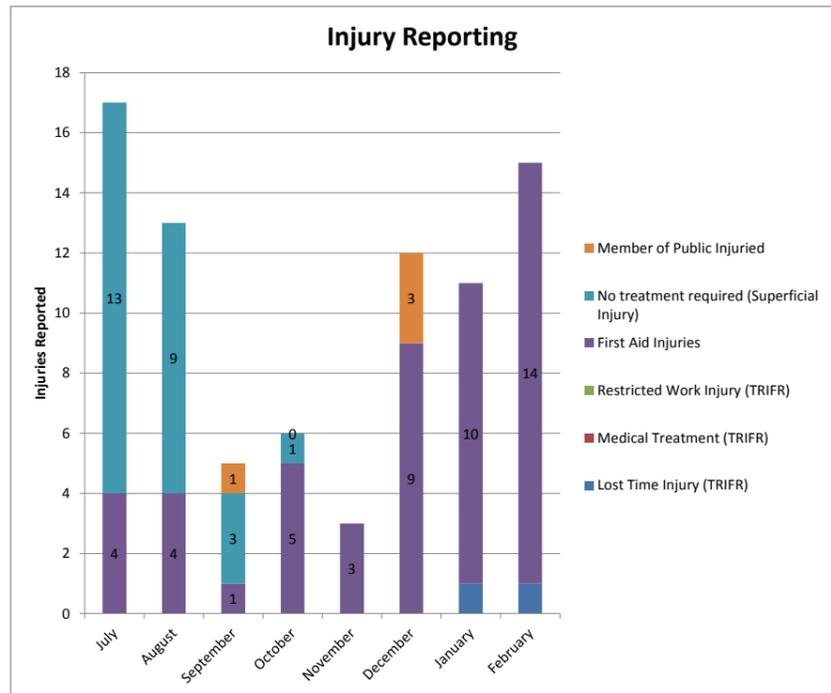
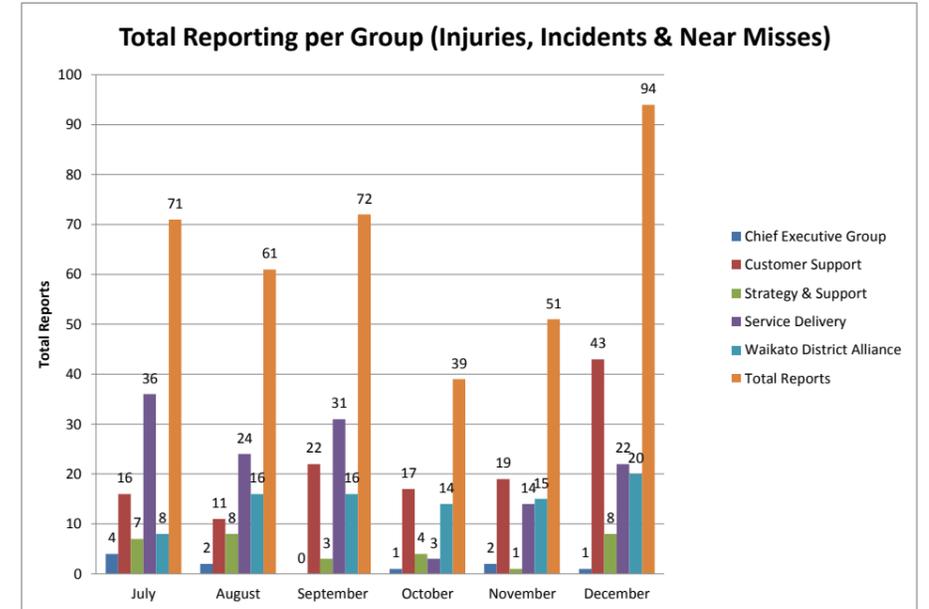
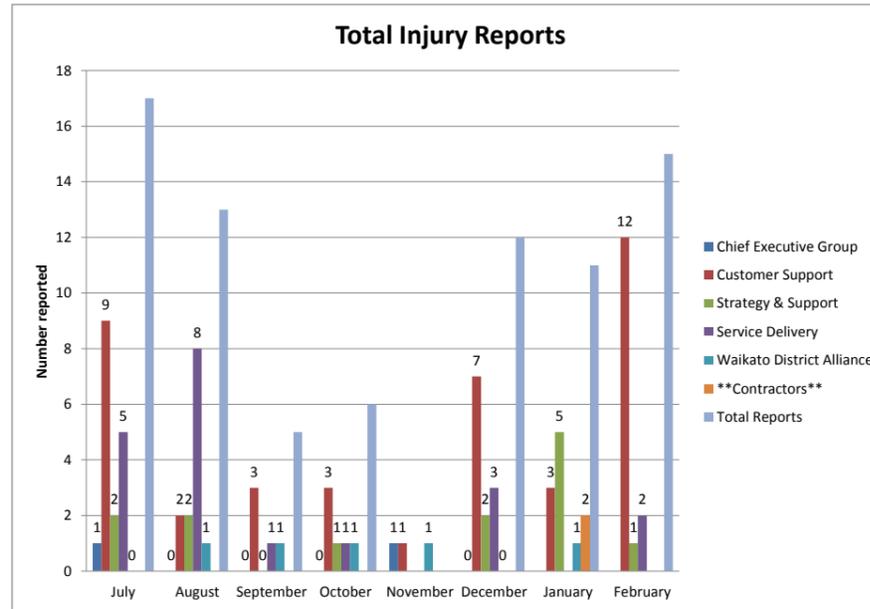
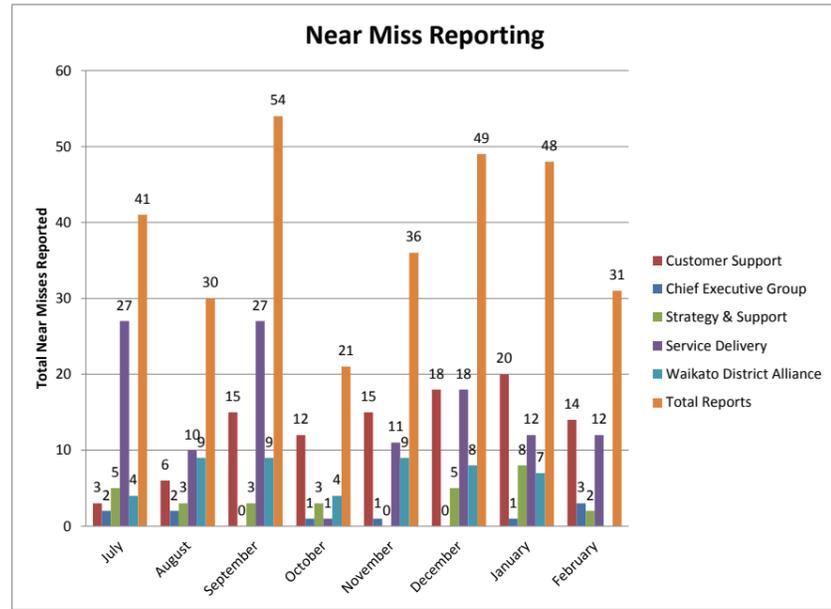
6. CONCLUSION

This report provides an update on progress with our Zero Harm systems and processes, and monthly statistics progress

7. ATTACHMENTS

Zero Harm Dashboard – Quarter Three (January-March 2017)

Zero Harm Dashboard - Quarter Three (January - March 2017)



“Work safe, home safe”

Open Meeting

To	Audit & Risk Committee
From	Tony Whittaker General Manager Strategy & Support
Date	07 March 2017
Prepared by	Melissa Russo Corporate Planner
Chief Executive Approved	Y
Reference #	1691389
Report Title	Update on progress against Audit issues

1. EXECUTIVE SUMMARY

All issues raised by the various recent audits have been combined into one report for ease of tracking.

This purpose of this report is to provide an update on progress against issues raised through the audits. The audits included are:

- Annual Report process
- Cyber security systems
- Risk management
- Project management
- Procurement and contract management
- Council's Internal audits

2. RECOMMENDATION

THAT the report from the General Manager Strategy and Support be received.

3. SUMMARY OF PROGRESS

The table below outlines the areas and status of issues - either completed, in progress or pending. Pending issues are yet to be determined if the recommendation will be actioned as the issue may be addressed through other controls. The pending actions are at this stage not a priority, however will be reviewed periodically):

Areas of audit issues

	Pending	Work in progress	Complete	Total
Audit New Zealand	2	14	9	25
Cyber security	19	7	4	30
Internal audit	0	5	0	5
Procurement and contract management	0	11	1	12
Risk management	12	14	11	37
Project management	7	19	7	33
Total	40	70	32	142

Of the 'work in progress' issues, many of these are scheduled to be completed by the end of this financial year and the remainder being scheduled to be completed by the end of the calendar year.

The Information Management team have recently secured additional resourcing to assist in the delivery of the virus protection programme.

Organisational risk awareness and understanding of risk management is progressing. Training, proposed to commence March 2017, will facilitate this ongoing progress. A continued focus on change management aims to successfully embed risk management into business activity. Monthly reports of progress to the Executive Leadership Team is in place and good progress is being made.

Progress against Project Management audit recommendations required full engagement of key stakeholders to facilitate implementation of associated change. This engagement has now been achieved (with support from external project management advisors) and progress is being made to deliver outcomes associated with the recommendations.

4. CONCLUSION

There is a total of 142 issues that have been raised by various audits across the organisation 32 of which are complete. Staff are continuing to make progress on the remaining issues.

5. ATTACHMENTS

Progress against audit issues

Audit Area	Domain	Recommendation / Action Required	Proposed Action / Plan	Who	By When	Status	Comments
AuditNZ	AMP's	Include assumptions - reliability of data in the Parks and Property AMP		Parks and Property		Complete	
AuditNZ	Back Ups	Regular restores from back up tape		Julian		Complete	Need to schedule these every 6 months - add to IT calendar
AuditNZ	BC and DR Planning	Complete the move to Tuakau	Card on Kanban	Julian	End of March 2017	Work in progress	Final replication testing is occurring before physical move
AuditNZ	BC and DR Planning	Finalise BCP work	Card on Kanban	Julian	End of March 2017	Work in progress	This is validating that the DR solution covers the key applications required in business unit BCP plans.
AuditNZ	BC and DR Planning	Develop IM BCP process	Develop plan that outlines the processes required within the business to utilise the DR installation.	Mark	End of April 2017	Work in progress	Initial discussions have been held. Plan to be developed and validated with business units against individual team plans
AuditNZ	BC and DR Planning	Test	Card on Kanban	Julian	End of March 2017	Work in progress	Test of DR installation will be completed once move is done.
AuditNZ	Contract management	Develop and implement a contract management system					
AuditNZ	Controls	Establish IT security and risk calendar	Draft calendar - done Review existing processes Hold first calendar review in first week of March	Mark	End of March 2017	Work in progress	Include the regularly required tasks on a calendar, back up test, DR test, account reviews, policy reviews. Etc.
AuditNZ	IT Service performance	Monitoring and reporting	IM Service Performance Review (36)	Mark	End of March 2017	Work in progress	Overall Service Performance Review is underway
AuditNZ	IT Service performance	Change Management	IM Service Performance Review (36)	Mark	End of April 2017	Pending	Overall Service Performance Review is underway
AuditNZ	Segregation of duties	Establish controls for a 'one up' approach to the approval purchase orders	Incorporate, where practicable, into EPO project Design reports for audit checks	Alison	30-Jun-17	Work in progress	The current EPO setups allow for 92 staff to raise purchase orders on behalf of council. 6 of these do not have delegations so have 'write-only' access (i.e. someone will always have to approve), 16 are managers who can only approve (this forces the higher delegation levels to always have someone else in the transaction) and the remainder can raise, receipt and approve within their delegation - anything higher requires a one-up approval. It is the set up of these 70 staff that the team will review.
AuditNZ	Service performance reporting	Ensure reports generated from the CRM system are extracting the correct information		Debbie		Complete	
AuditNZ	Service performance reporting	Job summary sheets that record the date and times the job started and finished				Work in progress	Mobile solution is currently being implemented and will provide us with the relevant information and an audit trail.
AuditNZ	Systems Updates	Establish maintenance window		Mark		Complete	
AuditNZ	Systems Updates	Create IT asset register	Device Review (work program item #22)	Phil	Jun-17	Work in progress	Register of most PCs exists in ManageEngine. This is being validated for the PC replacement this year. Other devices need a 'stocktake' to be completed.

AuditNZ	Systems Updates	All devices have virus definition updates and patches applied	Item 14 on Technical Work Program	Jaysal	Jun-17	Work in progress	Current tools being reviewed for suitability.
AuditNZ	Update IT Policies	Email use policy		Mark	February 2017	Complete	
AuditNZ	Update IT Policies	Email release policy		Mark	February 2017	Complete	
AuditNZ	Update IT Policies	Internet use policy	Replace with Acceptable User policy	Mark	End of March 2017	Work in progress	
AuditNZ	Update IT Policies	Records Management policy		Jan	February 2017	Complete	
AuditNZ	Update IT Policies	Remote access policy	Revise policy	Mark	End of March 2017	Work in progress	
AuditNZ	User Access	Set up new user account review	User Management (29) item on the technical work program	Niall	End of March 2017	Work in progress	New form has been drafted. Overall process being validated with other stakeholders.
AuditNZ	User Access	Terminated user account review	User Management (29) item on the technical work program	Niall		Complete	A recent review was completed. Will be part of regular review calendar going forward.
AuditNZ	User Access	Review and update IM induction document / process	User Management (29) item on the technical work program	Niall		Complete	Induction documentation has been reviewed and is in use. Continuous improvements are underway.
AuditNZ	User Access	Regular review of user accounts	User Management (29) item on the technical work program Need to schedule these regularly - add to IT calendar	Niall	End of March 2017	Work in progress	Currently this is done informally. Formalising process as above (terminated user account review)
AuditNZ	User Access	Review of users who have remote access	User Management (29) item on the technical work program	Niall	End of March 2017	Pending	
Cyber Security	Bus Own and Direction for IT	Rec01: Formalise business owners for major information assets and information systems	1. Develop the IM Service Catalogue, identify system / module owners as part of that and validate the ownership with ET and other organisation leaders. 2. Within the Our Plan roadmap, develop data management disciplines and ensure there are owners for all master data categories.	Mark	1. End of March 2017 2. TBC	1. Work in progress 2. TBC	1. Service Catalogue progress has been slow.
Cyber Security	Bus Own and Direction for IT	Rec02: Business owners (from Rec01) formalise information security requirements for the assets owned		GMs	Pending outcome of above recommendation	Pending	
Cyber Security	Bus Own and Direction for IT	Rec03: Integrate ICT governance in to council governance processes	Recommendation still being considered	ET		Pending	
Cyber Security	Bus Own and Direction for IT	Rec04: Develop ICT strategy for coming financial year		ET		Complete	
Cyber Security	Bus Own and Direction for IT	Rec05: Review and report on internet sites visited to gauge use of shadow IT and cloud		IM	Jun-17	Pending	

Cyber Security	Bus Own and Direction for IT	Rec06: Raise awareness on ICT strategy and use of shadow IT and cloud	ICT strategy has been presented to Leadership Forum and IM team - Dec 2016	Mark	Jun-17	Work in progress	Part of the Our Plan work and IT strategy roadmapping.
Cyber Security	Bus Own and Direction for IT	Rec07: Utilise ICT strategy and resource management to identify resource gaps		Mark	Jun-17	Pending	Resource model for IT function to be part of roadmap.
Cyber Security	Bus Own and Direction for IT	Rec08: Improve employee engagement	This is being addressed by the 'Way we do things around here.'	ET & HR		Work in progress	
Cyber Security	Bus Own and Direction for IT	Rec09: Identify and address cases of skills dependency in IM team	1. Additional resource approved to deliver technical work program - Oct 2016 2. Wider review of IM team make-up to be completed	Mark	1. Done 2. June 2017	1. Complete 2. Pending	Resource model for IT function to be part of roadmap.
Cyber Security	Bus Own and Direction for IT	Rec10: Review, improve and periodically test Business Continuity Plans		OPPS/IM		Work in progress	
Cyber Security	Employee and contractor practices	Rec01: Review and improve employee agreements and induction in terms of information security requirements, record keeping and outlining disciplinary processes	Recommendation still being considered	HR/IM		Pending	
Cyber Security	Employee and contractor practices	Rec02: Improve management of disgruntled employees	Recommendation still being considered	HR & leaders		Pending	
Cyber Security	Employee and contractor practices	Rec03: Undertake targeted training for employees who handle sensitive information and/or for instances of poor practices.	Recommendation still being considered	HR, IM, & Comms		Pending	
Cyber Security	Employee and contractor practices	Rec04: Outline information security requirements in employees job descriptions	Recommendation still being considered	HR		Pending	
Cyber Security	Employee and contractor practices	Rec05: Improve clarity and transparency around security roles and responsibilities	Recommendation still being considered	HR & ET		Pending	
Cyber Security	IM practices	Rec01: Undertake periodic testing of Disaster Recovery Plans		IM	End of March 2017		See earlier DR / BCP actions under Audit NZ
Cyber Security	IM practices	Rec02: Review and improve how privileged access is granted to improve accountability	User Management (29) item on the technical work program	Niall	End of April 2017	Pending	
Cyber Security	IM practices	Rec03: Review and improve removal of access for critical ICT applications following role changes	User Management (29) item on the technical work program	Niall	End of April 2017	Pending	
Cyber Security	IM practices	Rec04: Develop ICT strategy for coming financial year	ICT strategy has been developed - December 2016	ET & IM		Complete	
Cyber Security	IM practices	Rec05: Undertake periodic pointwise testing of backups	Tested in November 2016	IM		Complete	
Cyber Security	IM practices	Rec06: Review and improve asset management, monitoring and capacity planning (including for environment support systems)	1. Device Review (22) item on technical work program 2. More will be required.	IM	Jun-17	Work in progress	See IT Asset Register under Audit NZ
Cyber Security	IM practices	Rec07: Undertake periodic penetrations tests for critical systems, internal applications interfaces and internet-facing systems	1. Arrange a pen test through external provider (perhaps Lateral Security)	IM	Jun-17	Pending	

Cyber Security	IM practices	Rec08: Review and improve communications plan for incident response		IM & Comms	End of April 2017	Work in progress	See earlier DR / BCP actions under Audit NZ
Cyber Security	IM practices	Rec09: Review and improve monitoring for security incidents, incident response plan, patch management, change control and release management processes		IM	Jun-17	Pending	
Cyber Security	IM practices	Rec10: Undertake usability and security design review for online services and public website		IM	End of March 2017	Work in progress	Firewall and other security reviews currently underway.
Cyber Security	IM practices	Rec11: Include link to scam advice on public website and in emails to members of the public		IM	End of April 2017	Work in progress	Plans for increased security awareness training for staff.
Cyber Security	Mngt of external suppliers	Rec01: Review and improve contracts with service providers for coverage of information security requirements, service transition and termination and right to audit	Recommendation still being considered	Legal & Procurement		Pending	
Cyber Security	Mngt of external suppliers	Rec02: Review Service Level Agreements with service providers and include penalties where relevant	Recommendation still being considered	Procurement & IM		Pending	
Cyber Security	Mngt of external suppliers	Rec03: Undertake service provider management including performance monitoring	Recommendation still being considered	Procurement & IM		Pending	
Cyber Security	Mngt of external suppliers	Rec04: Perform pre-planning for cases of change to service provider and review contracts for changes required	Recommendation still being considered	Procurement & IM		Pending	
Cyber Security	Mngt of external suppliers	Rec05: Review contractor agreements in terms of information security requirements, record keeping and non-disclosure agreements	Recommendation still being considered	Legal & Procurement		Pending	
Cyber Security	Mngt of external suppliers	Rec06: Require vendors to use secure development practices and vulnerability testing for applications	Recommendation still being considered	Legal & Procurement		Pending	
Risk Management	Risk Strategy & Appetite	Create a clear linkage to WDC's strategic objectives and/or community outcomes to ensure that all risks associated with strategic objectives have been completely considered and are being mitigated appropriately. We recommend that risks are considered as key aspects of the annual planning and discussed by the Executive Team (ET) and the Council when setting up strategic objectives and/or community outcomes. Other opportunities include framing key planning activities such as asset management and district plan development such that risk discussions become more live and visible.	This workshop is planned for April.	ET & Risk Coordinator		Pending	
Risk Management	Risk Strategy & Appetite	Establish and document a Risk Appetite Statement (RAS) for key areas of risks which are approved by the Council.	Engage KPMG to facilitate workshop with ET and produce RAS	ET & Risk Coordinator	30-06-2017	Work in progress	KPMG to be engaged for this process. Discussed with ET 02/02/2017 & confirmed with Tony 27/02/2017
Risk Management	Risk Strategy & Appetite	Ensure alignment between the documented risk appetite levels and relevant Council policies.		Risk Coordinator	30-06-2017	Pending	

Risk Management	Risk Strategy & Appetite	Communicate the RAS to the wider organisation, or at least mid tier management levels.		ET	30-06-2017	Pending	
Risk Management	Risk Strategy & Appetite	Ensure that the RAS is reviewed at least annually or updated for any significant change.	To be added to annual risk calendar as part of BAU	Risk Coordinator	30-06-2017	Pending	
Risk Management	Risk Governance	The existing Risk Management Framework and Policy are dated February 2013 and March 2014 respectively. These need to be updated. This presents an opportunity for WDC to align the framework with the strategic objectives of the organisation and the key elements of a risk management process.	Included in the Organisational Risk Awareness project.	Risk Coordinator	30-06-2017	Work in progress	In progress as part of ORA. Reviewed policy has been drafted and approved by Continuous improvement. To CE and CWP next.
Risk Management	Risk Governance	Currently, risk management activities appear to be driven by the risk coordinator who has a function reporting line to the General Manager, Strategy and Support. Risk Management should be championed at the ET level.		ET	30-03-2017	Complete	Workshop with ET 02/02/2017 to establish basis for their reporting requirements & established need for ET to champion risk. This will be achieved by promotion and prioritisation of risk related activities and support of the ORA.
Risk Management	Risk Governance	WDC should adopt a formal risk operating structure to ensure that there is a clarity of roles, responsibilities and accountabilities for the different parties who are part of WDC's risk management framework.	Included in the Organisational Risk Awareness project. The structure is clearly defined in the existing risk management framework and will be socialised as part of the project. This will include a request from ET to support the formation of the Risk Forum (as per the existing documentaion).	Risk Coordinator & ET	30-03-2017	Complete	Request for formation of Forum approved during ET meeting 02/02/2017. ORA to develop training and launch Forum.
Risk Management	Risk Governance	The risk operating structure should be communicated to all staff so that they understand their roles and responsibilities and how can they contribute making WDC's risk management more robust and effective. For example risk owners responsibilities for risk treatments.	Included in the Organisational Risk Awareness project. The structure is clearly defined in the existing risk management framework and will be socialised as part of the project. This will include a request from ET to support the formation of the Risk Forum (as per the existing documentaion).	Risk Coordinator & ET	30-03-2017	Complete	Request for formation of Forum approved during ET meeting 02/02/2017. ORA to develop training and launch Forum.
Risk Management	Risk Governance	Council level thresholds for escalation and reporting are not defined. Currently there is quarterly reporting on the organisational risk register (ORR).	Included in the Organisational Risk Awareness project as part of review. From perspective of reporting, Framework does capture reporting levels and delegations.	Risk Coordinator & ET	30-12-2017	Complete	

Risk Management	Risk Governance	Council level thresholds for escalation and reporting are not defined. Currently there is quarterly reporting on the organisational risk register (ORR).	Included in the Organisational Risk Awareness project. Reporting frequency is captured in Risk Management Framework. Reporting media to be defined and approved.	Risk Coordinator & ET	30-12-2017	Work in progress	Framework clearly captures thresholds for reporting. Meeting ET on 2/2/2017 to explore reporting requirements. Meeting with BA 23/02/2017 to explore reporting formats. Draft formats ready for review.
Risk Management	Risk Governance	Risk management understanding and capability is limited in the business to use risk management in business as usual activities. There is a need for more guidance and coaching for the business to enable risk information to be used in day to day business and decision making.	Included in the Organisational Risk Awareness project. Training to be provided to all staff involved in risk management.	Risk Coordinator	30-12-2017	Work in progress	Training package to be created post RMF review completed and RAS captured. Currently, knowledge gaps being identified through meetings with Business Unit Managers and Team Leaders as operational registers are being reviewed.
Risk Management	Risk Culture	There was consistency among the ET in terms of WDC's risk management which was generally described as "reactive, static, mechanical, conservative". Management is good at managing risks when presented with risk information. However, a fully engaged, proactive management of risks needs to be practiced. Leadership of risk management is lacking in the business. Risk management is viewed as a "laborious" process particularly to update the operational risk register on a 6 monthly basis.	Included in the Organisational Risk Awareness project. Training to be provided to all staff involved in risk management. ET to promote reviews and implement reporting requirements related to risk register development and maintenance.	Risk Coordinator	30-12-2017	Complete	Requirement for 6 monthly review captured in Framework. Post ORA this will be implemented by ET and scheduled training provided as part of ORA outputs.
Risk Management	Risk Culture	Encourage a more open risk communication, dialogue across the organisation to embed risk management in day to day activities.	Included in the Organisational Risk Awareness project.	Risk Coordinator	30-12-2017	Complete	Meetings with Unit Managers & TL's along with ET. Pokeno Growth workshops an example. Ongoing.
Risk Management	Risk Culture	Consider regular risk communication and updates from the CE to 'walk the talk' demonstrate good leadership, commitment and a strong tone at the top. Guidance may be taken from the current approach to Health and Safety Management which appears to be well embedded and understood across the organisation.		ET		Complete	Discussions with ET 2/2/2017. Engagement plan for ORA includes schedule and mediums. ET confirmed that risk management will be prioritised as a topic.
Risk Management	Risk Culture	Conduct formal risk workshops at least annually to allow for an open risk discussion. Employee engagement is developed through participation in the risk identification and management process.	To be added to annual risk calendar as part of BAU	Risk Coordinator	30-06-2017	Pending	Calendar expected to be finalised by 01/07/2017
Risk Management	Risk Culture	Risk Management should be formalised as part of the team meeting agendas. Responsibility to lead the risk discussion should be rotated among the team to shift the mindset that risk management is primarily led by senior management.		ET		Work in progress	Discussions with ET 2/2/2017. Monthly reporting to begin with ORA progress. Post ORA reporting schedule to be implemented. BA has created first draft of reporting format.

Risk Management	Risk Culture	Consider introducing risk management into employee performance plans to encourage the desired risk management culture and behaviours.		ET		Pending	
Risk Management	Risk Culture	Consider enhancing the dissemination of risk management information down through business line personnel. For instance, at each ARC meeting, 4 top key risks are selected for detailed discussion and action monitoring. Management should consider sharing the information and actions arising from these discussions with the business line personnel.		A&R		Pending	
Risk Management	Risk Culture	Risk management awareness sessions and trainings should be considered to enhance risk management capability in the organisation.	Included in the Organisational Risk Awareness project. Training to be provided to all staff involved in risk management.	Risk Coordinator	30-12-2017	Work in progress	Training package to be created post RMF review completed and RAS captured. Currently, knowledge gaps being identified through meetings with Business Unit Managers and Team Leaders as operational registers are being reviewed.
Risk Management	Risk Assessment & Measurement	The ET strategic risk register is out of date. The operational risk registers were created about 2 years ago. While there is a process to review these on a 6 monthly basis, the review by the business is more from a compliance to process perspective rather than a robust review of existing and emerging risks.	Included in the Organisational Risk Awareness project. Reviews commence February 2017	Risk Coordinator	30-06-2017	Complete	All operation register reviews completed 01/03/2016. Monthly discussion and 6 monthly review to be implemented as part of ORA reporting schedule and training.
Risk Management	Risk Assessment & Measurement	There is a lack of understanding and clarity around the distinction between 'issue' and 'risk'. There is a combination of risks and issues reported together as risks.	Included in the Organisational Risk Awareness project. Training to be provided to all staff involved in risk management. Diagram to be created to demonstrate risk, issue and continuous improvement cycle	Risk Coordinator	30-06-2017	Complete	Draft created for inclusion in training to provide understanding of difference and how processes should work towards continuous improvement. Introduced to ET 2/2/2017.
Risk Management	Risk Assessment & Measurement	A facilitated risk workshop to derive a top-down view of risks is important to help deliver on WDC's objectives. This will ensure that ET and the ARC focus on strategic risks and provide monitoring and guidance for risks which matter the most to organisation's strategy.		ET & Risk Coordinator	30-06-2017	Pending	
Risk Management	Risk Assessment & Measurement	Annual bottom-up risk workshops facilitated by the risk team should be considered to update the current operational risk registers. This will also enable an organisational wide risk management culture and facilitation of risk insights from the front line. Any significant risks identified during this process should be included in the ORR.	To be added to annual risk calendar as part of BAU. First review included in the Organisational Risk Awareness project. Reviews commencing February 2017	Risk Coordinator	30-06-2017	Work in progress	

Risk Management	Risk Assessment & Measurement	Going forward, a consistent approach should be adopted for business unit/functional risk registers. A clear guidance should be provided to business units regarding developing their business unit risk registers including frequency and roles and responsibilities.	Included in the Organisational Risk Awareness project. Training to be provided to all staff involved in risk management.	Risk Coordinator	30-12-2017	Work in progress	Framework review including scheduled requirement. Risk calendar development to provide schedule.
Risk Management	Risk Assessment & Measurement	The programme/projects risks should be consolidated and aggregated to ensure effective reporting of programme/project risks. A portfolio view of all programme/project risks should be developed and only top programme/project risks should be reported to the ARC.	To be raised with Project Management Forum	Project Management Forum	30-03-2017	Work in progress	See PM work plan.
Risk Management	Risk Assessment & Measurement	Update and revise the risk matrix to ensure that it caters to effective assessment and measurement of strategic and operational risks of WDC.	Included in the Organisational Risk Awareness project.	Risk Coordinator	30-03-2017	Work in progress	Underway. First matrix review conducted 3/3/2017.
Risk Management	Risk Management & Monitoring	Risk treatments do not always refer to specific action plans, policies or processes. There is a lack of understanding from risk owners on the risk treatments required and any impact on BAU.	Included in the Organisational Risk Awareness project. Training to be provided to all staff involved in risk management.	Risk Coordinator	30-12-2017	Work in progress	To be included in training.
Risk Management	Risk Management & Monitoring	Support and assistance should be provided by the risk team to identify appropriate risk mitigations and treatment plans to manage risks		ET		Work in progress	Risk Forum not yet implemented although is part of risk structure. Current practice is for Risk Coordinator to arrange, facilitate and promote all risk management associate with risk tool and to coach/assist in the identification and documentation of risks and treatments. Draft process being developed to provided guidance on how to seek support.
Risk Management	Risk Management & Monitoring	Management should be report on the effectiveness of the treatment plans particularly those relating to the key strategic risks	Training. Create templates for action plans.	ET		Work in progress	Templates being drafted. To be trialed with Pokeno Growth Forum 7/3/2017. To be included in training.
Risk Management	Risk Management & Monitoring	A process to test or validate the effectiveness of management's current activities to mitigate or reduce risk to acceptable levels should be considered (i.e. Internal Audit). These processes are relied upon by Council, ET, and external parties to gain confidence in the appropriateness and effectiveness of risk mitigation, responses, and action plans.		ET		Pending	
Risk Management	Risk Reporting & Insight	Review the current risk reporting to ARC and ensure there is a consistent criteria based on which key risks are selected for quarterly reporting. The criteria should be discussed and approved by the ARC.		ARC, ET and Risk Coordinator		Pending	

Risk Management	Risk Reporting & Insight	Council and ET reporting processes need to be defined so that there is alignment with Council expectations and risk appetites. Council and ET's risk reporting requirements are vital to the effective discharge of their risk oversight responsibilities. It is also focused on supporting decision making.	Included in the Organisational Risk Awareness project.	ET & Risk Coordinator		Pending	
Risk Management	Risk Reporting & Insight	The number of key controls reported to the ARC should be reviewed. Management may want to report key risks identified as a result of the top down risk identification and assessment once implemented.		ET		Pending	
Risk Management	Risk Reporting & Insight	A process has not yet been identified for monitoring or reporting incidents. An incident monitoring process for all risk areas of the organisation, including reporting processes needs to be implemented.	Included in the Organisational Risk Awareness project.	Risk Coordinator	30-12-2017	Work in progress	Formal incident reporting processes have recently been implemented within the organisation. ORA to include a process review to identify if incidents relate identified risks and how to engage the evaluation process with risk/incident management in the context of CI. This will also require a process for evaluating if the possibility of incident recurrence requires escalation onto the risk register.
Risk Management	Risk Reporting & Insight	Opportunities to improve include greater focus on future risk issues (i.e. forward-looking key risk indicators, scenario analysis, etc.) and a comprehensive single view of risks.				Complete	This will be added to future works programme as the organisational maturity evolves
Risk Management	Data & Technology	Little awareness of Promapp as the central repository of risks. Ensure that staff are aware and use Promapp as a central repository rather than maintaining their own repositories of risk information.	Included in the Organisational Risk Awareness project. Training to be provided to all staff involved in risk management.	Risk Coordinator	30-12-2017	Complete	Promapp has built in risk training programme. This will be included as part of overall training package. 2/2/2017 ET agreed that Promapp will be used by them and the organisation for the purpose of capturing risks and that they will support use through reporting requirements and non-acceptance of other formats.
Project Management	Methodology	Project Reporting - Specify information which must be included in project reports, frequency of reporting, and how reporting should differ based on the nature of the project, audience reported to etc. Link this aspect to approved templates to facilitate consistency across the organisation.		PMF	TBA	Pending	Reports have been created with specific information defined in fields. These reports need to be reviewed and approved by PMF to ensure cross organisational agreement.
Project Management	Methodology	Resource Management - While resource allocation will differ considerably across enterprise, explain the key methods and how capacity is managed in total. Also, provide useful checklists for resource requirements and costing methods.	Recommendation to be developed by PMF and presented to ET.	ET and PMF		Pending	

Project Management	Methodology	Link to Contract Management expectations - Clarify Councils project governance and project management roles where some or all parts of a project are contracted out. For example, even though a project may be contracted out from a delivery perspective Council still requires visibility of risks which it continues to own.	Recommendation to be developed by PMF and presented to ET.	ET and PMF		Pending	
Project Management	Methodology	The guide appears to be a useful tool for inducting new project personnel. Consider explaining the concept of project portfolios at Council and how these fit within the organisational structure.	Workshop with PMF and key LTP contributors. First workshop 10/02/2017	PMA & Rocket Projects	30-06-2017	Work in progress	First workshop 10/02/2017 PMF have developed project to create and develop workstreams to deliver against this recommendation. Work-streams to be completed by April 2017.
Project Management	Methodology	Consider developing mandatory policies and linking the Guide to such policies as part of the overall strategy to improve project management culture.	Policies to be developed and implemented by PMF	PMF	30-12-2017	Work in progress	The ongoing works within PMF will identify policy requirements and inform development of policy
Project Management	Methodology	As part of the above recommendation, clarify how project stage gates are approved within the organisations delegation of authority. For certain high risk projects, stipulate the use of independent quality assurance for various parts (e.g. revalidating a business case proposal or reviewing project deliverables).	Workshop with PMF and key LTP contributors. first workshop 10/02/2017	PMA & Rocket Projects	30-06-2017	Work in progress	First workshop 10/02/2017 PMF have developed project to create and develop workstreams to deliver against this recommendation. Work-streams to be completed by April 2017.
Project Management	Methodology	Establishment of an Enterprise Project Management Office (ePMO). Consider an ePMO's involvement in stage gate reviews to induce greater levels of quality and compliance with the Guide.	In consultation with ET and PMF this recommendation will not be applied. In line with culture incentives, a softer approach to implementation of project management methodologies and maturity development has been selected. The selected approach applies a learning culture that aims to develop capability through training and to implement a periodic peer/managerial/PMA quality and compliance audit	ET		Complete	The PMF has instead been implemented.

Project Management	Methodology	Increase awareness of the Guide through training sessions that include aligning it to how it can prevent common failures. This training must go beyond the methodology and cover the soft side of effective project management, for example, how to manage a disengaged sponsor.	Recommendation to be developed by PMF and presented to ET. Agreed options include implementation of periodic (suggested 1/4ly) project management fundamentals training (facilitated by an external party) and regular custom internal group training sessions that promote the awareness of the Guide and application of the methodology. Individual coaching sessions to be facilitated ad-hoc where a requirement is identified by management.	PMF & PMA	30-12-2017	Work in progress	First workshop 10/02/2017 PMF have developed project to create and develop workstreams to deliver against this recommendation. Work-streams to be completed by April 2017.
Project Management	Adoption of Framework	As part of strategy to improve culture, develop an awareness programme to educate project teams on the roles of the different components of the framework and the practical benefits. It is essential to de-couple the negative sentiments associated with the IPM from the rest of the framework and its significant benefits to Council.	Implementation of periodic (suggested 1/4ly) project management fundamentals training (facilitated by an external party) and regular custom internal group training sessions that promote the awareness of the Guide and application of the methodology. Individual coaching sessions to be facilitated ad-hoc where a requirement is identified by management. De-coupling of the tool from methodology to be included as part of fundamental and custom training.	PMA	30-12-2017	Work in progress	De-coupling of the tool from methodology has commenced in coaching sessions.
Project Management	Adoption of Framework	Review the valuable feedback received from project teams on IPM. Consider whether the reasons for poor adoption are in fact valid and how this can be addressed with the tool or application of it. Where there is clearly a user perception gap, address this through the training programme.	Initial review has commenced (Sept 2016). Amendments applied to tool (in progress). Further reviews to be conducted with PMF as part of ongoing programme of works.	PMA & PMF	30-12-2017	Work in progress	Trail version of cloud based project management tool (CAMMsProject) has recently been provided by vendor.
Project Management	Adoption of Framework	Having addressed/identified the most suitable tool (IPM or other) to support project management, establish a roll out programme which fits with the project management training and awareness programme.	To be workshopped with PMF	PMF & PMA	30-12-2017	Pending	PMF have developed project to create and develop workstreams to deliver against this recommendation. Work-streams to be completed by April 2017. Trail version of cloud based project management tool (CAMMsProject) has recently been provided by vendor.

Project Management	Adoption of Framework	Establish mandatory project management standards. This may create the perception of more administration for those who are not practicing good project management disciplines.	To be workshopped with PMF	PMF & PMA	30-06-2017	Pending	first workshop 10/02/2017 PMF have developed project to create and develop workstreams to deliver against this recommendation. Work-streams to be completed by April 2017.
Project Management	Adoption of Framework	Differentiate between the tool versus the framework.	De-coupling of the tool from methodology to be included as part of fundamental and custom training.	PMA	30-12-2017	Work in progress	De-coupling of the tool from methodology has commenced in coaching sessions.
Project Management	Adoption of Framework	Enroll project personnel to help pilot the tool to establish buy in.	To be workshopped with PMF	PMF & PMA	30-12-2017	Work in progress	To be conducted with PMF as part of ongoing programme of works.
Project Management	Adoption of Framework	Ensure use of tool simplifies compliance with mandatory project management standards. A fit for purpose exercise is required to ensure the tool selected match the project type (e.g. capital works outsourced project)	To be workshopped with PMF	PMF & PMA	30-12-2017	Work in progress	
Project Management	Adoption of Framework	Ensure the tool has demonstrable benefits for the user to encourage voluntary adoption. This means targeting the pain points of project teams today. For example, the tool may integrate with finance system to track costs incurred, to avoid dual entry against budget. Another example is where the user can intelligently import an existing project plan that was externally developed.	To be workshopped with PMF	PMF & PMA	30-12-2017	Pending	
Project Management	Adoption of Framework	Win positive feedback from smaller user communities before rolling out too widely (given the diverse nature of projects at council).	To be workshopped with PMF	PMF & PMA	30-12-2017	Work in progress	PMF and broader org project group established. Rocket Projects engaged to assist with project based on change management.
Project Management	Adoption of Framework	Ensure that the tool is not overtly prescriptive and utilises consistent terminology to the messages contained within the Guide.	Initial review has commenced (Sept 2016). Amendments applied to tool (in progress). Further reviews to be conducted with PMF as part of ongoing programme of works.	PMA & PMF	30-12-2017	Complete	Note: This will be review again once new version of tool is decided and implemented.
Project Management	Practices	Establish an ePMO, with ultimate accountability at the organisational ET level, which has a clear mandate to deliver increased levels of project success. As part of this, decide upon the style and model of ePMO. For example, a 'weather station' ePMO acts as a central information collector, analyser and reporter of enterprise activity. A 'control tower' ePMO adds high level direction to projects (i.e. recommends critical decisions to a governing body). A 'wind commander' ePMO also controls/owns resources.	In consultation with ET and PMF this recommendation will not be applied. In line with culture incentives, a softer approach to implementation of project management methodologies and maturity development has been selected. The selected approach applies a learning culture that aims to develop capability through training and to implement a periodic peer/managerial/PMA quality and compliance audit	ET		Complete	

Project Management	Practices	Involve the ePMO in reviewing projects and providing support. For example, the ePMO could be involved in reviewing deliverables at phase gates and assessing performance against project management standards. For high risk projects, deploy independent quality assurance. All insights need to be looped back to training and awareness programme.	In consultation with ET and PMF this recommendation will not be applied. In line with culture incentives, a softer approach to implementation of project management methodologies and maturity development has been selected. The selected approach applies a learning culture that aims to develop capability through training and to implement a periodic peer/managerial/PMA quality and compliance audit	ET		Complete	
Project Management	Practices	Use a project manager accreditation process to allocate projects of varying difficulty/risk levels. This may simply involve the adoption of well-established industry qualification programmes.	To be workshopped with PMF	PMF & PMA	30-12-2017	Work in progress	PMF have developed project to create and develop workstreams to deliver against this recommendation. Work-streams to be completed by April 2017.
Project Management	Practices	Establish training and awareness programme through which accreditation may be attained. The range of activities can vary and need not all be formalised. For example regular case studies of completed Council projects could provide valuable insights in terms of the importance of good project management. These should include risk management, stakeholder management, reporting, forecasting, contract negotiation and management.	To be workshopped with PMF Implementation of periodic (suggested 1/4ly) project management fundamentals training (facilitated by an external party) and regular custom internal group training sessions that promote the awareness of the Guide and application of the methodology. Individual coaching sessions to be facilitated ad-hoc where a requirement is identified by management.	PMF & PMA	30-12-2017	Work in progress	PMF have developed project to create and develop workstreams to deliver against this recommendation. Work-streams to be completed by April 2017.
Project Management	Practices	Encourage project managers to attend project management networking events where they can share their good and bad personal experiences for others to learn from.	To be workshopped with PMF	PMF & PMA	30-12-2017	Work in progress	PMF have developed project to create and develop workstreams to deliver against this recommendation. Work-streams to be completed by April 2017.
Project Management	Practices	Have project managers peer review projects to reinforce the project management steps and personally experience the effects of poor quality documentation. Training can be made engaging through combining peer review reports, post audit insights and networking events.	To be workshopped with PMF	PMF & PMA	30-12-2017	Work in progress	PMF have developed project to create and develop workstreams to deliver against this recommendation. Work-streams to be completed by April 2017.

Project Management	Practices	Regardless of project management systems used, projects should regularly report on issues and these should be visible to the ePMO. Aside from seeking help, this will facilitate root cause analysis and help to address any project management deficiencies. All projects should complete a lessons learned document at the end of the project to further uncover project management issues. New projects should be challenged at the start to see how they have prepared to utilise prior lessons learned.	This process and documentation is currently in place. Further development is scheduled to take place with PMF to ensure cross organisational buy-in.	PMF & PMA	30-12-2017	Work in progress	PMF have developed project to create and develop workstreams to deliver against this recommendation. Work-streams to be completed by April 2017.
Project Management	Practices	Specific training may be required where projects are contracted out. This is to ensure sufficient Council visibility of project management areas. The reporting should meet the informational needs of Council. For example, reporting on risks should align with Councils risk matrix so that projects can be measured consistently.	To be workshopped with PMF	PMF & PMA	30-12-2017	Pending	
Project Management	Practices	Undertake prescribed audits to ensure critical project planning documentation (e.g. project plans and business cases) are retained so that the success of the project can be measured against planned benefits and success criteria.	To be workshopped with PMF	PMF & PMA	30-12-2017	Work in progress	PMF have developed project to create and develop workstreams to deliver against this recommendation. Work-streams to be completed by April 2017.
Project Management	Practices	Perform an organisation wide project management competency assessment that includes nominated project role definitions, to determine knowledge and skills gaps for the purpose of implementing targeted training.	In consultation with ET and PMF this recommendation will not be applied. In line with culture incentives, a softer approach to implementation of project management methodologies and maturity development has been selected. The selected approach applies a learning culture that aims to develop capability through training and to implement a periodic peer/managerial/PMA quality and compliance audit	ET		Complete	
Project Management	Practices	Where necessary, consider the use of fixed term project management specialists to run complex/high risk/resource intensive projects for the organisation.	To be workshopped with PMF	PMF & PMA	30-12-2017	Work in progress	PMF have developed project to create and develop workstreams to deliver against this recommendation. Work-streams to be completed by April 2017.
Project Management	Tool	Simplify IPM configuration to a basic version. It should identify the minimum requirements to manage projects across the majority of Council. Look to implement other features as user capability over project management improves, and linked to this the demands on the system functionality to keep pace with this.	Initial review has commenced (Sept 2016). Amendments applied to tool (in progress). Further reviews to be conducted with PMF as part of ongoing programme of works.	PMA & PMF	30-12-2017	Complete	

Project Management	Tool	Explore capability of CAMMS to provide a working prototype of the enhanced solution for WDC to trail. Determine whether the prototype meets requirements and any concerns with current version.	Conversations with CAMMS have been initiated.	PMA, CAMMS & IT	30-06-2017	Complete	
Project Management	Tool	Work through current frustrations with CAMMS and seek out quick wins (such as improving response times).	Conversations with CAMMS have been initiated.	PMA, CAMMS & IT	30-06-2017	Work in progress	
Project Management	Tool	Increase user awareness of tool functionality including understanding of basic project management terminology and relationship with WDC project management methodology.	To be workshopped with PMF Implementation of periodic (suggested 1/4ly) project management fundamentals training (facilitated by an external party) and regular custom internal group training sessions that promote the awareness of the Guide and application of the methodology. Individual coaching sessions to be facilitated ad-hoc where a requirement is identified by management.	PMF & PMA	30-12-2017	Work in progress	PMF have developed project to create and develop workstreams to deliver against this recommendation. Work-streams to be completed by April 2017.
KPMG review of Procurement and Contract Management	Procurement	Develop a procurement strategy and ensure consistency and clarity of procurement guidelines. 1) WDC should consider developing a procurement strategy. The strategy should set out: <ul style="list-style-type: none"> • procurement aims and objectives for the next 3 to 5 years • procurement vision • demonstrates the support by senior management • maps out the major initiatives to be addressed in the forthcoming 3 to 5 years • WDC's public commitment to maintain and improve the day-to-day procurement work within WDC and emphasises a determination to make continual improvements in that work • framework upon which WDC's procurement policy and procedures are based • objectives against which progress can be measured and reported 2) Review procurement guidelines to ensure there is consistency between procurement policy, the manual and ProMapp process descriptions.	The two recommendations above are noted and supported. The Procurement work programme for 15/16 includes a simplification review which will certainly address the inconsistency issues referred to in (2). Council did have a procurement strategy but it is accepted it is dated and needs review.	Raj Java	30-06-17	Work in progress	

KPMG review of Procurement and Contract Management	Finance	Implement a 'one-up' approval of PO and strengthen controls to detect breach of Delegation of Authority. 1) Update WDC's procurement policies and procedures to require invoices to be approved by "one-up" level for POs raised and approved by the same staff within their DoA. 2) Ensure that manual POs and invoices are checked by the Accounts Payable team on a random basis to ensure that the approval is in line with DoA until the ePO system is rolled out throughout the WDC.	Council has a number of mitigating controls in place such as approved suppliers, management reporting against budget and delegation levels that reflect risk. However, staff acknowledge one up approvals do further reduce risk. This recommendation will be reviewed in light of further mitigation controls and ease of one up approvals available through electronic purchasing.	Tony Whittaker	31-03-17	Work in progress	
KPMG review of Procurement and Contract Management	Finance	Implement exception reporting over key supplier Masterfile changes. 1) Implement exception reporting to identify changes to supplier bank account details. 2) Review of the exception report should be performed by an independent staff on a regular basis.	A new exception report has been created and this will be reviewed by the Financial Operations Team Leader on a daily basis.	Stephen Thompson	Done	Complete	
KPMG review of Procurement and Contract Management	Procurement	Strengthen supplier vetting and improve monitoring over duplicate supplier accounts. 1) Update the new supplier form to include checks for conflict of interest declaration by staff involved in the procurement and approval by the Zero Harm team where applicable. 2) Instruct staff to complete new supplier form before committing WDC to procure goods/services from a new supplier. 3) Management should consider validation controls in the new ePO system to restrict entry of duplicate vendor records. Duplicate vendor records should be allowed in exceptional circumstances.	Noted and agree that our supplier base needs more effective vetting and control of new supplier enrolment. The current process does not include conflict of interest declaration and this will be addressed.	Raj Java	31-07-17	Work in progress	
KPMG review of Procurement and Contract Management	Procurement	Perform supplier rationalisation and spend monitoring. 1) Perform supplier spend monitoring on a regular basis to identify opportunities for formalising arrangements with suppliers (including invoice consolidation) for potential cost savings and ensure appropriate levels of due diligence checks are performed. 2) Consider developing a preferred supplier listing over high volume procurement areas and communicate across the organisation to consolidate supplier spend for potential cost savings.	A number of cost savings have and are being delivered via our lead and involvement in LASS procurement initiatives and one off projects/focus within Council. There is an opportunity to make significant further savings by supplier rationalisation and invoice consolidation. This will be reviewed when formulating the procurement strategy and steps will be identified to address these opportunities.	Raj Java	30-06-17	Work in progress	

KPMG review of Procurement and Contract Management	Procurement	Address ePO system inefficiencies and ensure controls over manual PO books in the future. 1) Ensure that system inefficiencies and other issues identified during the pilot phase are rectified before the system is rolled out to rest of WDC. 2) Ensure that adequate controls are in place to limit the use of manual PO only in exceptional circumstances.	Inefficiencies in electronic purchasing (ePO) are being addressed with the suppliers and will be addressed before final roll out. All manual purchase order books will be withdrawn on roll out.	Stephen Thompson	30-06-17	Work in progress	
KPMG review of Procurement and Contract Management	Procurement	Formalise and document acceptable variation threshold between PO and invoice value. 1) Formalise and document acceptable threshold for variation between PO and invoice value. Any variations above the threshold should be reviewed and approved as per DoA. 2) Ensure that the threshold consist of lesser of a percentage and a hard cap number.	Agreed. This will be addressed during the ePO rollout and variations permitted will be formalised.	Stephen Thompson	30-06-17	Work in progress	
KPMG review of Procurement and Contract Management	Finance	Implement controls to detect duplicate invoice into FinanceOne. 1) Implement the following system controls within FinanceOne: • Prevent entry of invoices with the same invoice number against the same supplier. • Prevent entry of invoices dated prior to the PO date. 2) Alternatively, implement a monitoring reporting function to highlight all invoices dated prior to the purchase order date.	Our current system matches invoice number, creditor and the date to identify duplicate entries. In all the cases reported as duplicates the dates were different and specific account numbers were entered against invoice numbers to allow periodic payments. We will review the risk involved and consider whether current practice needs to change.	Alison Diaz	30-06-17	Work in progress	

KPMG review of Procurement and Contract Management	Contract management	<p>Compliance with WDC's contract management policies and procedures needs to be strengthened.</p> <p>1) Further investigation is required by Management to ensure that WDC's policies and procedures were followed in the above instances identified by Internal Audit through sample testing.</p> <p>2) Reinforce WDC's procurement policies and procedures to staff. In particular, consider revising the one-page summary of the procurement requirements to clearly set out all procurement requirements.</p> <p>3) Perform a sample-based check of all newly created contracts on a six-monthly basis to identify and reinforce compliance.</p> <p>4) Ensure that adequate documentation and evidence of due processes followed by WDC staff is maintained to support WDC's decision relating to supplier contracts.</p>	<p>Noted. Staff will further investigate source of data. The upgrade to Councils document management system will involve removing access for file storage in personal drives which will address the 'perceived' lack of documentation.</p> <p>The balance of the recommendations are being addressed through the procurement training and procurement 'simplification' process – which is a cross organisation project team.</p>	Raj Java	30-07-17	Work in progress	
KPMG review of Procurement and Contract Management	Contract management	<p>Develop guidelines relating to tender evaluation team and criteria.</p> <p>1) Formalise WDC's procurement guidelines relating to the composition of the tender evaluation team and weighting of tender evaluation criteria. For example, consider the following:</p> <ul style="list-style-type: none"> • Specify the minimum number of tender evaluation members depending on the value and risk of the procurement. • Specify whether a finance team member and/or the Procurement Manager should be part of the tender evaluation team where the procurement reaches a certain value or risk threshold. • Specify a default weighting to be applied for the tender evaluation criteria. Deviation from the default 	<p>Noted. These recommendations will be addressed as part of the simplification review.</p>	Raj Java	31-03-17	Work in progress	
KPMG review of Procurement and Contract Management	Contract management	<p>Implement a supplier performance measurement framework and strengthen supplier performance monitoring.</p> <p>1) Develop and implement a performance management framework for measuring and monitoring contractor performance against agreed KPIs. This should form part of the Contract Management Policy.</p>	<p>Noted and agree to develop and implement a performance management framework for measuring and monitoring contractor performance against agreed KPIs forming part of the Contract Management Policy.</p>	Raj Java	30-06-17	Work in progress	

KPMG review of Procurement and Contract Management	Contract management	<p>Strengthen tracking of supplier spend.</p> <p>1) Implement a regular spend analysis which should include:</p> <ul style="list-style-type: none"> • Review of expenditure incurred by supplier. Where spend with a supplier is over the anticipated value, consideration should be made whether additional due diligence/checks needs to be performed in line with the policy. • Review of expenditure by category/nature of spend. Identify opportunities to consolidate spend with suppliers. • Review of expenditure by contracted and non-contracted suppliers. Where spend with non-contracted expenditure exceeds a predetermined threshold (e.g. \$50K), consider entering into negotiations with the respective supplier to formalise a contract and agree better trading terms. 	<p>Our procurement policy is based on a value for a piece of work and not annual spends. In the example cited above it appears that a number of individual jobs have been allocated through multiple purchase orders.</p> <p>Some steps have been undertaken to enlist Tier 2 suppliers under a main contractor like City Care to carry out smaller jobs. This needs to be further strengthened.</p> <p>This will be discussed with key stakeholders and improvement steps will be implemented.</p>	Raj Java	31-03-17	Work in progress	
Internal Audit	Community Funding Processes	<p>One minor non-conformance in relation to the documentation used in the process "Provide Funding Accountability Report for all Grants Received".</p> <p>* The 'Funding Project Accountability' document references the old public email address. This should be updated with the new 'info@waidc.govt.nz' email address.</p> <p>* Clarify any Escalations Within Processes and Update Staff Responsibility within Process.</p>	Process will be reviewed and documentation will be updated	Lianne van den Bemd	27-01-17	Work in progress	See proposed action/plan

Internal Audit	Business Continuity Processes	<p>4 major non-conformances in the "Assess - Understand the significance and impact of the incident" process</p> <ul style="list-style-type: none"> * Steps 1- 4 have not been rolled out to staff and training has not been provided yet. * Step 6a. During previous incidents a call centre representative has not been invited to updates * Step 6b. The incident Risk Profile tool has not been used. * Action Plans have not been created in the last two incidents. The current Action Plan template lacks clear direction of role specific tasks. 	<ul style="list-style-type: none"> * The incident management process is scheduled to be rolled out to staff at Chamber Chat. Thereafter the training will be provided as part of the council induction programme (still to be discussed with HR). * Process needs to be followed. Consideration will also be given on Call Centre representatives potentially participating in the IMT. * Requires training and this has been included with the risk management rollout being undertaken. Training has been scheduled to show the IMT how to use the tool. * A process and training are required to detail how to create and develop an action plan. Clarity of direction and role specific tasks can be included in the process. Proposed incident and emergency management framework would also improve this by having staff experts in this task. 	Kurt Abbot / Kelly Newell	TBA	Work in progress	See proposed action/plan
Internal Audit	Business Continuity Processes	<p>2 major non-conformances in the "Plan - Understand how we are going to resolve the incident" process.</p> <ul style="list-style-type: none"> * Medium to long term planning during the event has not been consistently done. * No action plan documents have been created in this process. 	<ul style="list-style-type: none"> * Can be included in the Promapp process for development of the action plan or could be a linked process. Requires templates and guidance to assist in the requirements for longer term planning and at what stage initiation should be considered. Proposed incident and emergency management framework would also improve this by having staff experts in this task. * To be included in IMT training 	Kurt Abbot / Kelly Newell	TBA	Work in progress	See proposed action/plan
Internal Audit	Business Continuity Processes	<p>1 major non-conformances in the "Resolve the Incident" process.</p> <ul style="list-style-type: none"> *No documented action plans were created or executed 	<ul style="list-style-type: none"> * To be included in IMT training 	Kurt Abbot / Kelly Newell	TBA	Work in progress	See proposed action/plan

Internal Audit	Parks and Facilities (KPI Process)	<p>2 Major non-conformances in the "Calculate KPI - Percentage of satisfied customers as per the council housing for the elderly survey" process</p> <ul style="list-style-type: none"> * Survey hasn't been carried out this year, the processes state that survey letters has to be sent on the 3rd week of january but at the date of audit (10/02/2017) this hasn't been done. In 2016 this was done in June instead in the first quarter. * Completed surveys from 2016 weren't saved in ECM as per the processed state. <p>2 Minor non-conformances</p> <ul style="list-style-type: none"> * Roles responsible for the activities are not correct. *Forms and template are no easily identifiable and located. 		Stephanie Courtney / Gavin Benseman	TBA	Work in progress	See proposed action/plan
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Open Meeting

To	Audit & Risk Committee
From	Tony Whittaker General Manager Strategy and Support
Date	07 March 2017
Prepared by	Melissa Russo Corporate Planner
Chief Executive Approved	Y
Reference #	1691388
Report Title	Annual Report 2016/17

I. EXECUTIVE SUMMARY

The purpose of this report is to provide the Audit & Risk Committee with an update from staff on the project scope for the 2016/17 Annual Report and Summary including key deliverables, milestones and the areas of audit focus.

2. RECOMMENDATION

THAT the report from the General Manager Strategy and Support be received.

3. BACKGROUND

Section 98 of the Local Government Act 2002 requires Council to prepare and adopt in respect of each financial year, an annual report. The purposes of an annual report are:

- To compare the intended level of performance with the actual level of performance during the relevant financial year, as set out in the Long Term Plan; and
- To promote the local authority's accountability to the community for the decisions made throughout the year.

The annual report must be completed and adopted, within four months after the end of the financial year to which it relates. The financial year runs from 01 July to 30 June, therefore the report must be adopted by 30 October each year.

4. OBJECTIVE AND DELIVERABLES

Produce an Annual Report and Summary for the 2016/17 financial year that:

1. Complies with legislative and Audit New Zealand requirements.
2. Addresses matters raised in the Management Report received from Audit New Zealand in respect of the audit of Waikato District Council for the year ended June 2016.
3. Outlines the activities, levels of service delivered and the cost of providing those services.
4. Assesses our efficiency, effectiveness and the cost-effectiveness of our activities.
5. Makes sense and is relevant to all our stakeholders i.e. residents, ratepayers, Councillors and staff.

5. MILESTONES

Description	Date
First interim audit	06 March – 10 March
Second interim audit	12 June – 16 June
Final audit	28 August – 15 September
Audit New Zealand verbal clearance	27 September
Audit & Risk Committee – review of Annual Report from a risk perspective	27 September
Strategy & Finance approve Annual Report and Summary to Council for adoption	27 September
Council adopt Annual Report and Summary	09 October

Staff met with Audit New Zealand to discuss key Waikato District Council issues. The dates of the two interim audits and the final audit are indicative from Audit New Zealand and are yet to be finalised.

The areas of focus during the audit is outlined in the attached 'Areas of audit focus' document.

6. CONCLUSION

Council is required to adopt an Annual Report and Summary by 30 October each year. The Annual report and Summary will be audited by our auditors, Audit New Zealand prior to adoption.

7. ATTACHMENTS

Appendix I – Areas of audit focus

Audit planning for the year ending 30 June 2017

Areas of audit focus

We have some thoughts about what areas we need to be focusing on as part of our audit. Do these align with the Audit & Risk Committee's views?

Significant areas of audit focus:

- The impact of growth on: staff capacity; development contributions; infrastructure readiness 'just in time';
- Revaluation of PPE (everything except land & buildings).

Other areas of focus:

- Management of water supply (CCO);
- Strada carrying values;
- Work in progress and capitalising assets;
- Vesting assets from NZTA;
- Waste water (Raglan);
- Changes in Annual Plan;
- Progress in Asset Management Plans (getting ready for the Long Term Plan).

Other matters to be aware of:

- Governance role (new councillors) and getting up to speed for the new LTP;
- Participation in the Infrastructure Funding round from MBIE.

Audit planning for the year ending 30 June 2017

Next steps

- Input from others into our risk identification and assessment process:
 - Audit & Risk Committee (A&RC); and
 - Chief Executive and senior management (the last meetings were held on 3 March 2017).
- Audit Arrangements Letter (AAL) will be drafted and provided for review and comment to GM Strategy and Support in the first instance.
- AAL to be presented to A&RC at the next meeting for consideration.
- Audit Proposal Letter and Audit Engagements Letter need to be updated. Proposed fees first go the OAG prior to being forwarded to Council.

Audit planning for the year ending 30 June 2017

Audit logistics (provisional)

Audit team:

- Leon Pieterse (Director), Maree Procter (Manager), Kataraina Macown (Supervisor).

Provisional dates (being confirmed with management):

- Interim Audit: March and June 2017.
- Interim Management Report:

draft to management on 5 July 2017; and management comments requested back by 19 July so it can be finalised by 21 July 2017.

- Final Audit: 28 August 2017 to 15 September 2017.
- Verbal Audit Clearance: 27 September 2017 (A&RC meeting).
- Audit Report: 9 October 2017 (Council Meeting).
- Management Report:

draft to management on 27 September 2017; and management comments requested back by 5 October so it can be finalised on the same date as the audit report is issued.

Role of the Council

From an audit perspective (per our Engagement Letter) regarding the Annual Audit process:

- Prepare the Annual Report to comply with legislation and accounting standards.
- Internal controls to prevent material misstatement through error or fraud.
- Provide us with “ready to audit” information and access to complete our audit.

Audit planning for the year ending 30 June 2017

Role of Audit New Zealand

- We are responsible for expressing an independent opinion on the financial statements and non-financial performance information prepared by WDC.
- We assess whether the financial statements and non-financial performance information comply with generally accepted accounting practice and fairly reflect WDC's performance and position.

Scope of our annual audit

- The scope of our annual audit includes:
 - the financial statements and non-financial performance information; and
 - WDC's compliance with legislation that we consider to be relevant and material to our audit role.
- We are also required to maintain awareness for issues of efficiency and effectiveness, waste and a lack of probity or financial prudence.

Audit risk

- Our audit approach is risk based.
- In the context of a public sector audit, audit risk is wider than simply expressing an incorrect opinion on the financial statements and/or performance reporting.
- Risks include:
 - risks/issues that could impact on the financial statements and/or performance reporting;
 - legislative compliance issues; and
 - issues of efficiency and effectiveness, waste and a lack of probity or financial prudence.

Audit planning for the year ending 30 June 2017

For your consideration

We will formally request Council's:

- assessment of fraud risk processes;
- monitoring of management's fraud prevention responsibilities;
- view of the culture of honesty and ethical behaviour by management; and
- assessment of the potential for management override of controls for preventing and detecting fraud.

Please remember to inform us if you become aware of any actual or suspected frauds.

OAG multi-year programme

For your information, the OAG's multi-year focus areas are:

- Service delivery (2013/14).
- Governance and Accountability (2014/15).
- Investment and Asset Management (2015/16).
- Information (2016/17).
- Water (2017/18).

Open Meeting

To	Audit & Risk Committee
From	Tony Whittaker General Manager Strategy & Support
Date	06 March 2017
Prepared by	Katja Jenkins Project Management Advisor
Chief Executive Approved	Y
Reference #	GOV1318
Report Title	Strategic Risk Update

1. EXECUTIVE SUMMARY

This report details actions and outcomes associated with the organisations Strategic Risk activities.

2. RECOMMENDATION

THAT the report from the **General Manager Strategy & Support** be received;

AND THAT the **Audit & Risk Committee** approves the provision of the updated **Strategic Risk Register to Council**.

3. BACKGROUND

In August 2016 KPMG facilitated a workshop with the Audit & Risk Committee to review the Councils Strategic Risk Register. In September, as a result of this workshop, twelve (12) risks (either new or amended) were adopted by the Committee. Since then, twenty-four (24) workshops have been conducted by staff with Subject Matter Experts (“SME”s) to capture:

- Inherent risk scores;
- Risk treatments (mitigations, contingencies etc);
- Residual risk scores.

The Strategic Risk Register, including documented treatments (both existing and for action), is now complete. Treatment action planning workshops will commence March 2017 and are due to be completed prior to July ARC.

4. DISCUSSION

Key stakeholders and subject matter experts have been fully involved in the process of documenting the organisations strategic risks and treatments and many of the new treatments have initial sign-off completed. As part of the Organisational Risk Awareness project, training sessions are scheduled during March and early April to provide risk and treatment owners the necessary skills and knowledge to complete the sign-off process. All strategic risk treatments are expected to be sign-off or actioned by 13 April 2017. A regular and on-going training schedule will be implemented from 01 July 2017.

5. CONCLUSION

A lot of work has been conducted to ensure the Strategic Risk Register is active and progress is evident in the attendance at and out-put from associate meetings. On-going engagement to embed a risk culture within the organisation and to deliver proactive use and management of the register is planned.

6. ATTACHMENTS

Strategic Risk Register

Risk Register

Filter: Classification(s): STRATEGIC (A&R Committee)

RESIDUAL
15.0
HIGH

INHERENT
20.0

R00184

COMPLIANCE/ REGULATORY, PEOPLE, STRATEGIC (A&R COMMITTEE)

Zero Harm
Significant harm is caused to workers, or others, due to poor or inactive health and safety procedures, non-compliance with legislative requirements and reforms, and or inadequate governance of contractual health and safety requirements and management.

People are harmed or injured as a result of Council failing to implement and or maintain appropriate health and safety measures.

OWNER Gavin Ion

CREATED 9/5/2016 10:47:22 AM

REVIEWED

RISK LIKELIHOOD Often (4)

DESCRIPTORS

RISK CONSEQUENCE Catastrophic (5)

DESCRIPTORS

RESIDUAL RISK LIKELIHOOD Likely (3)

DESCRIPTORS

RESIDUAL RISK Catastrophic (5)

CONSEQUENCE

DESCRIPTORS

TREATMENT MC00415

Zero Harm Strategic Plan

The strategic plan provides high level priorities and documents agreed outcomes/results the organisation aims to meet. This treatment impacts the likelihood of the risk by providing clear expectation of organisational requirements and describing agreed governance and management methods.

TREATMENT MC00416

Monitor and maintain operational Zero Harm risk registers

Register includes operational requirements related to risk management. This treatment impacts the likelihood of harm by identifying and prioritizing operational risks across the organisation and planning mitigation to reduce, transfer or avoid the risk.

TREATMENT MC00435

Council Health and Safety management systems and processes are audited to AS/NZS 4801 Standard, currently Council has achieved ACC WSMP tertiary level. The chief executive and management team carry out due-diligence site visits in compliance with the Health and Safety at Work Act 2015. Contractors are audited on an on going schedule.

This treatment impacts the likelihood of the risk by ensuring that our systems and processes meet the required standards however, it should be noted that they may not meet the legislative requirements.

TREATMENT MC00437

Executive team review the organisation critical risk register 6mthly. Service delivery review risks specific to their operational group monthly.

This treatment impacts the likelihood of the risk by ensuring the executive team and managers are aware of the risks and relevant treatment processes.

SIGNOFF(S): Kevin Lockley

DUE DATE: 01 Jun 2017

FREQUENCY: 1st day of every 6 months

SIGNOFF(S): Kevin Lockley
Kylie Anderson

DUE DATE: 01 Jun 2017

FREQUENCY: 1st day of every 3 months

SIGNOFF(S): Kevin Lockley

DUE DATE: 01 Feb 2018

FREQUENCY: The first Day of every 12 months

SIGNOFF(S): Gavin Ion

DUE DATE: 29 Jun 2017

FREQUENCY: The last Thursday of every 6 months

RESIDUAL
12.0
HIGH

INHERENT
20.0

R00187

REPUTATION/ IMAGE, STRATEGIC (A&R COMMITTEE)

**Stakeholder Engagement
Council fails to deliver its core objective of having the most engaged community by 2020 due to customers, communities, lwi and key stakeholders being disengaged as a result of poor customer and stakeholder assessment and management and or inadequate or inappropriate engagement practices and procedures.**

People become/remain disengaged as a result of Council failing to communicate/consult appropriately and or as a result of unsuitable stakeholder identification and interaction.

OWNER Sue Duignan

CREATED 9/5/2016 11:20:04 AM

REVIEWED

RISK LIKELIHOOD DESCRIPTORS Frequent (5)

RISK CONSEQUENCE DESCRIPTORS Major (4)

RESIDUAL RISK LIKELIHOOD DESCRIPTORS Likely (3)

RESIDUAL RISK CONSEQUENCE DESCRIPTORS Major (4)

133

TREATMENT MC00121

Engagement practices, including public meetings, are conducted to provide public engagement opportunities. These include but are not limited to:

- Long Term Plan, Bylaws and Annual Plans Special Consultative Procedure
 - Reserve Management Plan (RMP - as per the Act)
 - Policy (statutory) Special Consultative Procedure
 - Policy (non-statutory) Section 82 and significance and engagement policy specification.
- This treatment impacts the likelihood by providing opportunities for people within the community to engage with Council in a variety of different mediums.

TREATMENT MC00164

Community Engagement Strategy:

This Strategy provides WDC with guidance on its community engagement activities.

This treatment impacts the likelihood of the risk by providing Council employees a practical guide in best practice engagement and the community an understanding of how Council aims to engage with them.

TREATMENT MC00165

Significance & Engagement Policy

The policy outlines how WDC will assess "significance", as required by the LGA amendment bill. A particular issue is the determination of whether an issue is of "high" significance or not in regard to the impact on communities, rather than just on economic impact which is generally the current basis for council decisions.

Environmental, social and cultural well-beings must also form part of a significance determination which should not be overshadowed by financial considerations.

This treatment impacts the likelihood of the risk by providing a practical guide that outlines how to assess the impact of action and suitable engagement practices to meet the assessment.

SIGNOFF(S): Vishal Ramduny

DUE DATE: 01 Feb 2018

FREQUENCY: 1st day of every 12 months

SIGNOFF(S): Vishal Ramduny

DUE DATE: 01 Feb 2018

FREQUENCY: 1st day of every 12 months

SIGNOFF(S): Vishal Ramduny

DUE DATE: 01 Feb 2018

FREQUENCY: 1st day of every 12 months

134

TREATMENT MC00457

Implementation of appropriate strategies and policies to ensure community needs are captured and met. These include, but are not limited to:
- Confirmation of the Long Term Plan priority projects

- Community engagement policy
 - Significance and engagement policy
 - Community engagement strategy
 - Customer complaints and compliments policy
- This treatment impacts the likelihood of the risk by documenting Councils commitments and associated expectations relating to how councils engages with the community.

TREATMENT MC00458

TO DO

Develop a Communications Strategy.

This treatment will impact the likelihood of the risk by providing practical guidance for Council to support community engagement practices and the consequence by ensuring a consistent, defined and measured approach when planning and/or managing communications.

TREATMENT MC00459

CE and Executive Team provide updates to Councillors, Community Boards and Committees on community plans through forward facing meetings.

This treatment impacts the likelihood of the risk by ensure adequate engagement with the community by communicating relevant plans, decisions and actions and by providing opportunity (through Board or Committee, venue or other medium) for feedback.

TREATMENT MC00460

Community Development roles and Operational Field Staff.

A number of roles including Youth Engagement Advisor, Iwi Liaison and Community Development Advisor, aim to ensure that appropriate engagement is conducted with specific community groups. These roles are targeted, extending and adding to the engagement activities of front facing field staff e.g. Animal Control, Building, Libraries etc

This treatment impacts the likelihood of the risk by facilitating consideration of communication and engagement practices for community minorities, isolated groups and/or key community stakeholders.

SIGNOFF(S):

Vishal Ramduny

DUE DATE:

01 Aug 2017

FREQUENCY:

1st day of every 6 months

SIGNOFF(S):

Jacob Quinn

DUE DATE:

01 Apr 2017

FREQUENCY:

1st day of every month

SIGNOFF(S):

Gavin Ion

DUE DATE:

01 Aug 2017

FREQUENCY:

1st day of every 6 months

SIGNOFF(S):

Tony Whittaker

DUE DATE:

13 Apr 2017

FREQUENCY:

The first Day of every 12 months

135

TREATMENT MC00461

TO DO

Seek mandate for the implementation of an Engagement Forum. The proposed purpose of the forum would be to discuss and document how to champion engagement within the organisation and how to develop plans that provide direction of engagement associated with meeting the 2020 Challenge.

This treatment will impact the likelihood of the risk by providing a dedicated team whose function is specific to development of engagement plans and practices within the organisation.

TREATMENT MC00462

Council operates library and Council services from a number of locations across the district. This provides outreach and accessibility for communities within the district. Along with the provision of multiple offices, late night opening hours have been implemented to accommodate availability and convenience for communities. This treatment impacts the likelihood of the risk by facilitating community engagement through the facilitation of front facing interactions.

TREATMENT MC00463

TO DO

Review/research requirement for technology to better maintain/manage customer records for the purpose of ensuring accuracy and accessibility.

This treatment will impact the likelihood of the risk by improving Councils access to current, relevant information to ensure community members are accessible.

TREATMENT MC00163

The WDC 2015-2045 Infrastructure Strategy documents the management philosophy that is applied to Waikato Districts' infrastructure assets.

The strategy covers the following asset types:

- Water Treatment and supply
- Wastewater Treatment and Disposal
- Stormwater Drainage
- Roads and Footpaths.

This treatment impacts the likelihood of the risk by detailing and providing visibility of expectations to ensure Council works to a consistent standard.

SIGNOFF(S):

Jacob Quinn

DUE DATE:

01 May 2017

FREQUENCY:

1st day of every 3 months

SIGNOFF(S):

Angela Parquist

DUE DATE:

13 Apr 2017

FREQUENCY:

1st day of every 12 months

SIGNOFF(S):

Mark Willcock

DUE DATE:

13 Apr 2017

FREQUENCY:

1st day of every 3 months

SIGNOFF(S):

Martin Mould
Chris Clarke

DUE DATE:

13 Apr 2017

FREQUENCY:

The first Day of every 12 months

RESIDUAL

12.0

HIGH

INHERENT

20.0

R00188

FINANCIAL, POLITICAL, REPUTATION/ IMAGE, STRATEGIC (A&R COMMITTEE)

**Economic & Social Development
Waikato district suffers inhibited economic and social development and or missed funding opportunity as a result of inadequate planning, inefficient procurement and investment strategy or insufficient engagement with key stakeholders at a local, regional or national level.**

Council fails to promote and or identify opportunity for economic and social growth or fails to engage appropriately to encourage growth and development.

OWNER Tony Whittaker
CREATED 9/5/2016 11:32:26 AM
REVIEWED

RISK LIKELIHOOD Often (4)
DESCRIPTORS
RISK CONSEQUENCE Catastrophic (5)
DESCRIPTORS
RESIDUAL RISK LIKELIHOOD Likely (3)
DESCRIPTORS
RESIDUAL RISK Major (4)
CONSEQUENCE
DESCRIPTORS

TREATMENT MC00469

Economic Development Strategy
The strategy assesses the economic profile of the district and identifies SWOT for the purpose of informing strategic direction.
There is a limited reference to social development within the strategy.
A regional economic development strategy is also in place to serve the wider community at a regional level, this strategy is aligned to the Waikato District EDS.
This treatment impacts the likelihood of the risk by ensuring that communities and businesses are engaged on an on-going basis, allocates effort and funding to targeted economic development initiatives and promotes the district as a viable prospect for business investment, residential and visitor (lifestyle) growth and development.
TREATMENT MC00470

District Development Strategy and relevant growth management plans (structure plans) are in place to guide development and align land use and infrastructure planning.
This treatment impacts the likelihood of the risk by ensuring efficiency in and documentation of planning and funding processes.
TREATMENT MC00471

Social Development Initiatives
Council has adopted a number of socially related strategies that aim to consider and provide for the social outcomes in the districts communities.
These include, but are not limited to:
- Place Making Strategy
- Heritage Strategy
- Youth Engagement Plan
- Grant Funding Scheme
Although these initiatives impact the likelihood of the risk by providing a degree of focus and resources dedicated to social development they are essentially limited as a result of no guiding social development strategy or policy (for example, the ex-Franklin Social Wellbeing Policy).

SIGNOFF(S): Clive Morgan
DUE DATE: 01 Aug 2017
FREQUENCY: The first Day of every 6 months

SIGNOFF(S): Vishal Ramduny
DUE DATE: 01 Aug 2017
FREQUENCY: The first Day of every 6 months

SIGNOFF(S): Vishal Ramduny
DUE DATE: 01 Aug 2017
FREQUENCY: The first Day of every 6 months

TREATMENT MC00472

Cross Boundary Initiatives

These initiatives aim to foster integrated planning across territorial boundaries, ensuring greater efficiencies and settlement planning across boundaries.

Example:

- North Waikato Infrastructure Programme

- Business Case,

- Future Proof

- Waikato Plan

- MOU Auckland Council

- National Policy Statement on Urban

Development capacity (requires collaboration with HCC to make land available for infrastructure to support residential and commercial development)

This treatment impacts the likelihood of the risk by providing a holistic approach to economic development and preventing limitations associated with territorial authority boundaries.

SIGNOFF(S):

Vishal Ramduny

DUE DATE:

01 Feb 2018

FREQUENCY:

The first Day of every 12 months

RESIDUAL

12.0

HIGH

INHERENT

16.0

R00191

BUSINESS CONTINUITY, PEOPLE, STRATEGIC (A&R COMMITTEE)

Projects & Initiatives

Council experiences diminished public confidence, financial loss and or fails to produce required project benefits due to failure to deliver planned assets and or technologies as a result of poor delivery of programmes and projects or due to a lack of resource capability.

Inconsistent knowledge, practices and or efficiency results in Council failing to deliver or perform against expected programme or project outcomes.

OWNER Tony Whittaker

CREATED 9/5/2016 12:23:20 PM

REVIEWEDRISK LIKELIHOOD Often (4)
DESCRIPTORSRISK CONSEQUENCE Major (4)
DESCRIPTORSRESIDUAL RISK LIKELIHOOD Likely (3)
DESCRIPTORSRESIDUAL RISK CONSEQUENCE Major (4)
DESCRIPTORS

TREATMENT MC00430

Every three years Council creates Long Term Plan (LTP) works streams that capture programmed works scheduled to deliver the LTP commitments. These work streams include annual Activity Management Plans (AMPs) that dictate which programmes will be undertaken (through projects and initiatives) for the subsequent period.

This treatment impacts the likelihood of the risk by detailing and documenting Councils annual and triannual work plan.

TREATMENT MC00431

In 2010 Council introduced a business specific Project Management Framework based on best practice project management methodology. The methodology provides a common and widely understood set of processes and tools to be used across Council to:

1. Deliver a consistent project approach
2. Align projects to strategic goals and outcomes
3. Facilitate collaboration between organisational teams
4. Offer an organisational view of all project work
5. Improve status/progress reporting
6. Increase project management knowledge
7. Identify opportunity for improvement and development

This treatment impacts the likelihood by providing a higher level of transparency, by facilitating the identification and assessment of risks during planning and by providing a consistent approach to planning and managing project work.

SIGNOFF(S):

Tim Harty
Sue Duignan

DUE DATE:

01 Feb 2018

FREQUENCY:

1st day of every 12 months

SIGNOFF(S):

Kurt Abbot

DUE DATE:

01 Aug 2017

FREQUENCY:

1st day of every 6 months

138

TREATMENT MC00436

Implementation of Project Management Forum. The forum was mandated in September 2016 in response to recommendations of an external audit commissioned by Audit & Risk Committee during 2016. The Forum is primarily tasked to deliver priority recommendations that both aim to improve future project delivery at Council and provide greater consistency in project management and understanding across the organisation.

This treatment impacts the likelihood by promoting cross organisation buy-in and developing a consistent project minded culture.

TREATMENT MC00438

Strategic Review Team

The strategic review team (SRT) was implemented in June 2015. The purpose of the SRT is:

- to work with ET to develop a programme of work that delivers the Our Plan objectives
- to support and work with Project Managers to ensure projects are set up and executed correctly
- provide a level of governance and reporting medium for the programme to ensure transparency in project progress
- make recommendations on project/programme specifics including; funding; resource allocation; prioritizing issues

This treatment impacts the consequence of the risk by ensuring that issues are identified and addressed in a timely manner and the likelihood by providing an additional, high level of governance and structure to projects that are likely to have strategic impact.

SIGNOFF(S):

Kurt Abbot

DUE DATE:

01 Aug 2017

FREQUENCY:

1st day of every 6 months

SIGNOFF(S):

Kurt Abbot

DUE DATE:

01 Feb 2018

FREQUENCY:

1st day of every 12 months

RESIDUAL

12.0

HIGH

INHERENT

12.0

R00192

TREATMENT MC00493

Council Committees

Council has regular committee and council meetings where proposals and issues are considered and decisions are made. The format of Committee and Council reports requires staff to refer to any legislative or policy aspects and implications, i.e. statutory authorities or duties to act, or policy consideration, pertaining to the information and recommendations of the reports. Councillors are informed of proposed, new or amended legislation at Council or Committee meetings.

This treatment impacts the likelihood of the risk by providing information to reduce the possibility of Council acting in contravention of statues or policies.

SIGNOFF(S):

Sue Duignan
Tim Harty
Tony Whittaker

DUE DATE:

13 Apr 2017

FREQUENCY:

The first Day of every 12 months

COMPLIANCE/ REGULATORY, STRATEGIC (A&R COMMITTEE)

**Compliance Management
Exposure to significant financial loss, harm and or
significant business disruption as a result of failure
to meet, or non-compliance with, legislative,
regulatory or policy requirements.**

Council are impacted as a result of being unformed and or failing to comply with legal requirements.

OWNER Sue Duignan

CREATED 9/5/2016 12:23:40 PM

REVIEWED

RISK LIKELIHOOD Likely (3)
DESCRIPTORSRISK CONSEQUENCE Major (4)
DESCRIPTORSRESIDUAL RISK LIKELIHOOD Likely (3)
DESCRIPTORSRESIDUAL RISK CONSEQUENCE Major (4)
DESCRIPTORS

TREATMENT MC00494

In-House Legal Team
council has a legal team which provides advice on legislative requirements across the organisation. The team promotes early involvement and input in projects and activities in respect of legal aspects.

This treatment reduces the likelihood of Council being unaware of, or ignoring legal obligations in the course of conducting business.

TREATMENT MC00495

Corporate Documents

Long Term and Annual Plans and Reports, finance policies and documented processes mitigate Councils exposure to financial risk by documenting planning activities and financial forecasts.

This treatment reduces the likelihood of Councils planning and expenditure being undertaken in contravention of good stewardship and governance principles required under the Local Government Act 2002.

TREATMENT MC00496

Council Reporting

Regular Council function includes scheduled reporting that captures key considerations (such as financial and legal matters).

This treatment impacts the likelihood of the risk by providing Council confidence when making decisions that all pertinent legislative, regulatory and/or policy considerations have been taken into account.

TREATMENT MC00497

Annual Audit

The annual audit (Office of Attorney General) identifies failures, weaknesses and/or exceptions in compliance process and provides recommendations/mandate for improvement.

This treatment reduces the likelihood of non-compliance by ensuring the Council is meeting requirements and/or identifies non-compliance for action.

TREATMENT MC00498

Documented processes.

Council uses an internal centralised repository (Promapp) to document organisational processes to allow cross organisational visibility for access and application.

This treatment impacts the likelihood of the risk by providing a tool to guide users in the application of required standardised procedures, contributing to compliance management.

SIGNOFF(S):

Gavin Ion

DUE DATE:

01 Feb 2018

FREQUENCY:

The first Day of every 12 months

SIGNOFF(S):

Gavin Ion

DUE DATE:

01 Feb 2018

FREQUENCY:

The first Day of every 12 months

SIGNOFF(S):

Sue Duignan
Tony Whittaker
Tim Harty

DUE DATE:

13 Apr 2017

FREQUENCY:

The first Day of every 12 months

SIGNOFF(S):

Kurt Abbot

DUE DATE:

01 Feb 2018

FREQUENCY:

The first Day of every 12 months

SIGNOFF(S):

Madelina Baena-Escamilla

DUE DATE:

01 Feb 2018

FREQUENCY:

The first Day of every 12 months

RESIDUAL
9.0
MODERATE

INHERENT
12.0

R00053

BUSINESS CONTINUITY, STRATEGIC (A&R COMMITTEE)

Business Resilience
Business function is significantly interrupted due to a lack of business continuity planning and organisational resilience.

Business is impacted as a result of Council failing to create prioritized action plans for implementation in the event of a business impact incident.

OWNER Kurt Abbot

CREATED

REVIEWED

RISK LIKELIHOOD DESCRIPTORS Likely (3)

RISK CONSEQUENCE DESCRIPTORS Major (4)

RESIDUAL RISK LIKELIHOOD DESCRIPTORS Likely (3)

RESIDUAL RISK CONSEQUENCE DESCRIPTORS Moderate (3)

TREATMENT MC00138

The Business Continuity Project was completed as part of the Our Plan 2015/16 programme of work. As a result of the project the following business resilience planning and analysis has taken place;

- departmental business continuity impact analysis has been performed and documented
- Exercises associated with continuity are planned during the first half of (2017) to be embedded as an ongoing activity
- Potential governance was considered as part of the project closure resulting in the implementation of a structured incident management team (including associated communication procedures and processes) and is now monitored by the Process Improvement Forum

This impacts the consequence by identifying and prioritizing critical business function in the event of an incident. It also provides a defined method of governance and communication to ensure management, support and recovery procedures are conducted in a coordinated manner.

TREATMENT MC00456

Civil Defence & Emergency Management (CDEM) Waikato District Council is part of the CDEM group. The role of the group is to work in partnership with communities to ensure the effective and efficient delivery of emergency management within the Waikato region. Council employees are obligated to provide support where necessary as part of their roles (subject to situation specific circumstance). Council staff are trained in specific emergency management roles and have processes and procedures that aim to both reduce the impact of incidents and (where possible) to maintain the provision of Council services.

This treatment impacts the consequences of the risk by ensuring there is an organisational understanding of Councils commitment to maintain and manage the on-going delivery of Council services during an incident.

SIGNOFF(S):

Kurt Abbot

DUE DATE:

01 Dec 2017

FREQUENCY:

1st day of every 12 months

SIGNOFF(S):

Kelly Newell

DUE DATE:

01 Aug 2017

FREQUENCY:

1st day of every 6 months

RESIDUAL
9.0
MODERATE

INHERENT
25.0

R00190

PEOPLE, STRATEGIC (A&R COMMITTEE)

People & Culture
Business outcomes are significantly impacted due to inability to attract and or retain appropriate staff or as a result of undesirable workplace culture.

Council are unable to recruit or keep staff in core service positions due to a lack of appropriately trained people, industry competition and or perceived or actual Council culture.

OWNER Vanessa Jenkins

CREATED 9/5/2016 12:22:54 PM

REVIEWED

RISK LIKELIHOOD DESCRIPTORS Frequent (5)

RISK CONSEQUENCE DESCRIPTORS Catastrophic (5)

RESIDUAL RISK LIKELIHOOD DESCRIPTORS Likely (3)

RESIDUAL RISK CONSEQUENCE DESCRIPTORS Moderate (3)

141

TREATMENT MC00474

To Do

Develop an HR Strategy that guides the direction Councils personnel management including but not limited to;

- Succession, recruitment and workforce planning
- Initiatives

- Support requirements (inc technology, market analytics and metrics)

This treatment impacts the likelihood by providing the structure to implement pro-active actions associated with attracting and maintaining resources.

TREATMENT MC00475

Maintenance of peripheral workforce.

Council's business groups maintain relationships with key consultancy practices for the purpose of employing specialist services and/or for providing resources where personnel vacancies exist or where it is identified that supplementary personnel are required in addition to the permanent workforce.

This treatment impacts the consequence of the risk by providing options for temporarily filling vacancies facilitating time for recruitment whilst maintaining business as usual.

TREATMENT MC00476

An organisational change program has been implemented to deliver initiatives associated with improved workplace culture and leadership. The program comprises a number of project work-streams championed by the Executive Team. This treatment impacts the likelihood of the risk by providing a strategic approach to changing the organisational culture.

SIGNOFF(S):

Vanessa Jenkins

DUE DATE:

01 May 2017

FREQUENCY:

The first Day of every 3 months

SIGNOFF(S):

Tim Harty
Sue Duignan
Tony Whittaker

DUE DATE:

13 Apr 2017

FREQUENCY:

The first Day of every 6 months

SIGNOFF(S):

Gavin Ion

DUE DATE:

01 May 2017

FREQUENCY:

The first Day of every 3 months

RESIDUAL
8.0
MODERATE

INHERENT
20.0

R00189

TREATMENT MC00135

Council participates as a key stakeholder in the Waikato Mayoral forum, Waikato LASS and Future Proof. Through these initiatives Council proactively contributes to a single voice for the Waikato region to central government.

This treatment impacts the likelihood of the risk by capitalising on relationships with other councils in the region and by being part of a collaborative governance approach.

SIGNOFF(S):

Gavin Ion

DUE DATE:

01 May 2017

FREQUENCY:

1st day of every 3 months

POLITICAL, STRATEGIC (A&R COMMITTEE)

**Regional/National Strategic Planning
Waikato District is significantly impacted and or
suffers disruption to business function as a result of
local or national government reforms,
decentralization and delegation of authority or
through other external or internal authoritative
influences.**

Amendments to local or national legislation and or government practices impact Council through the requirement of significant changes to business operations.

OWNER Vishal Ramduny
CREATED 9/5/2016 12:21:58 PM

REVIEWED

RISK LIKELIHOOD DESCRIPTORS Frequent (5)
RISK CONSEQUENCE DESCRIPTORS Major (4)
RESIDUAL RISK LIKELIHOOD DESCRIPTORS Possible (2)
RESIDUAL RISK CONSEQUENCE DESCRIPTORS Major (4)

TREATMENT MC00490

The Long Term Plan (LTP) and Annual Plan process provide a basis for an assessment of legislative and other external and internal influences on the business.

This treatment impacts the likelihood of the risk be ensuring Council is adequately informed of Regional and National governance development and provides a set process to accommodate currency of information to future planning.
TREATMENT MC00491

Through applied process Councils keeps abreast of Government's legislative pronouncements and becomes involved through the submissions process in any development that would advocate Councils best interest.

This treatment impacts the likelihood of the risk by ensuring that Council not only has the required information regarding developments but an avenue to respond/influence outcomes.
TREATMENT MC00492

Councils Chief Executive (CE) is committed to building a relationship with Wellington to facilitate open communication and ensure the organisation receives timely information and has opportunity for response and contribution.

This treatment impacts the likelihood of the risk by assisting in the timely communication of information and developments.
TREATMENT MC00500

District Development Strategy
The purpose of the District Development Strategy is to provide the Council with a strategic spatial framework for development planning. The District Development Strategy links to the District Plan Review, the Long Term Plan, the Economic Development Strategy, the Infrastructure Strategy and the Integrated Land Transport Strategy.

This treatment impacts the likelihood of the risk by ensuring Councils has a plan for development that incorporates a scheduled formal review process to consider and communicate changes in direction and development planning.

SIGNOFF(S): Tony Whittaker
DUE DATE: 13 Apr 2017
FREQUENCY: 1st day of every 3 months

SIGNOFF(S): Gudrun Jones
DUE DATE: 01 May 2017
FREQUENCY: 1st day of every 3 months

SIGNOFF(S): Gavin Ion
DUE DATE: 01 May 2017
FREQUENCY: 1st day of every 3 months

SIGNOFF(S): Vishal Ramduny
DUE DATE: 01 Feb 2018
FREQUENCY: The first Day of every 12 months

RESIDUAL
6.0
MODERATE

INHERENT
16.0

R00185

FINANCIAL, TECHNICAL, STRATEGIC (A&R COMMITTEE)

Asset Management
Failure to provide sustained delivery of core services due to deficient asset planning, forecasting and or development, inadequate knowledge of existing asset condition and or ineffective management of assets.

Delivery of core services, including water and roading, are interrupted as a result of assets failing or becoming unfit for purpose.

OWNER Tim Harty

CREATED 9/5/2016 11:06:29 AM

REVIEWED

RISK LIKELIHOOD Often (4)
DESCRIPTORS

RISK CONSEQUENCE Major (4)
DESCRIPTORS

RESIDUAL RISK LIKELIHOOD Possible (2)
DESCRIPTORS

RESIDUAL RISK Moderate (3)
CONSEQUENCE
DESCRIPTORS

143

TREATMENT MC00162

TO DO

Update Activity Management Policy

Councils Activity Management Policy provides statements on how Council will manage assets and deliver associated services in a cost effective, sustainable, well planned and coordinated manner to provide agreed levels of service. Its purpose is to outline the level of management appropriate for each activity for Council to achieve best management practice and meet statutory obligations.

This treatment impacts the likelihood of the risk by outlining what level of activity management the organisation is willing to commit to, therefore setting expectations for the organisation to deliver against.

TREATMENT MC00163

The WDC 2015-2045 Infrastructure Strategy documents the management philosophy that is applied to Waikato Districts' infrastructure assets.

The strategy covers the following asset types:

- Water Treatment and supply
- Wastewater Treatment and Disposal
- Stormwater Drainage
- Roads and Footpaths.

This treatment impacts the likelihood of the risk by detailing and providing visibility of expectations to ensure Council works to a consistent standard.

TREATMENT MC00464

The National Asset Management Standards dictate and define the Councils Activity Management Plans (AMPs). The AMPs are reviewed yearly and undergo a 3 yearly re-write to feed into Councils Long Term Plan (LTP) cycle.

This treatment impacts the likelihood of the risk by ensuring Councils AMPs adhere with national standards.

SIGNOFF(S):

Tim Harty
Sue Duignan

DUE DATE:

13 Apr 2017

FREQUENCY:

The first Day of every 12 months

SIGNOFF(S):

Martin Mould
Chris Clarke

DUE DATE:

13 Apr 2017

FREQUENCY:

The first Day of every 12 months

SIGNOFF(S):

Tim Harty
Sue Duignan

DUE DATE:

01 Feb 2018

FREQUENCY:

1st day of every 12 months

144

TREATMENT MC00465

Council has a number of asset management specific strategies in place and under development. These include:

- Parks & Facilities;
Toilet Strategy, Cemetery Strategy, Trails Strategy, Te Kauwhata Trails Strategy, Esplanade Strategy, Parks Strategy, Aquatic Facilities Strategy, Sport and Recreation Strategy (joint with Sport Waikato), Playground Strategy
- Roading;
Waikato Integrated land transport strategy (TO DO)
- Waters;
50 year water/wastewater/storm water strategies, 30 year infrastructure plan

This treatment impacts the likelihood of the risk by detailing and making visible Councils commitments for the management and maintenance of assets along with Councils commitment to level of service requirements.

TREATMENT MC00466

Service Delivery performs regular and continual collection of asset data for the purpose of condition assessment. This data informs programmes of work associated with asset maintenance and renewals. Data collection sources include (but are not limited to):

- RAMM
- Asset Finder
- SPM
- dTIMS

This treatment impacts the likelihood of the risk by ensuring that data driven planning can take place to maintain assets. It also impacts the consequence by supplying the information required to ensure currency of asset condition reporting and any required contingency activities.

SIGNOFF(S):

Martin Mould
Elton Parata
Chris Clarke

DUE DATE:

13 Apr 2017

FREQUENCY:

The first Day of every 12 months

SIGNOFF(S):

Elton Parata
Chris Clarke
Martin Mould

DUE DATE:

13 Apr 2017

FREQUENCY:

The first Day of every 12 months

RESIDUAL
4.0
LOW

INHERENT
12.0

R00186

BUSINESS CONTINUITY, PEOPLE, POLITICAL, STRATEGIC (A&R COMMITTEE)

**Sub-Regional Waters CCO
Significant disruption to business function as a result of poor engagement and communication practices, loss of resources (staff), insufficient knowledge transfer or incompatible systems and or operating procedures.**

Changes to business practice and structure impact organisational knowledge through the loss of staff, poor communication and or availability of/access to data due to system implementation.

OWNER Tim Harty

CREATED 9/5/2016 11:16:11 AM

REVIEWED

RISK LIKELIHOOD
DESCRIPTORS Likely (3)

RISK CONSEQUENCE
DESCRIPTORS Major (4)

RESIDUAL RISK LIKELIHOOD
DESCRIPTORS Rare (1)

RESIDUAL RISK
CONSEQUENCE
DESCRIPTORS Major (4)

145

TREATMENT MC00467

Communications Plan

Council has in place a detailed communications plan that aims to ensure that both internal staff, external organisations (including other councils), and the public are informed of developments relating to the Waters CCO.

This plan includes, but is not limited to:

- Cross council communications updates
- Waikato Water Study Website (<http://www.waterstudywaikato.org.nz/>)
- Periodic internal communications specific to impacted teams
- Whole organisational communications (ad-hoc where a requirement is identified)

Regular staff updates relating to progress/changes associated with the CCO are provided to internal stakeholders via team meetings and briefs providing information forwarded from the CCO project & governance group.

This treatment impacts the likelihood by ensuring pro-active engagement both internally and externally with key stakeholders.

TREATMENT MC00468

Waters Governance Group

The group comprises three (3) political members meeting periodically to discuss and represent Council on Waters CCO decisions, future development and associated action. This group has the delegation to meet collectively with other councils and external bodies if a requirement is identified.

This treatment impacts the likelihood of the risk by ensuring Council is well informed, has an opportunity to consider developments, and, provides an avenue for internal, cross council, and, external communications pathways.

TREATMENT MC00486

Waters Project Group

The group (staff based at General Manager level) meet fortnightly to discuss CCO associated progress/changes and inform the governance group of any progress and any emerging issues or risks associated with project.

This treatment impacts the likelihood of the risk by ensuring that all stakeholders are aware of current situation and likely progress associated with CCO.

SIGNOFF(S):

Jacob Quinn

DUE DATE:

13 Apr 2017

FREQUENCY:

The first Day of every 6 months

SIGNOFF(S):

Tim Harty

DUE DATE:

13 Apr 2017

FREQUENCY:

The first Day of every 6 months

SIGNOFF(S):

Tim Harty

DUE DATE:

13 Apr 2017

FREQUENCY:

The first Day of every 6 months

RESIDUAL
4.0
LOW

INHERENT
25.0

R00128

COMPLIANCE/ REGULATORY, PEOPLE, TECHNICAL, STRATEGIC (A&R COMMITTEE)

Cyber Security

Council function is significantly interrupted and or suffers legislative breaches as a result of unauthorized access facilitating theft of privileged information, malicious code and or virus introduction due to external cyber attack or employee behaviour.

Council systems and or processes are compromised by cyber crime resulting in significant financial and or business impact.

OWNER Mark Willcock

CREATED

REVIEWED

RISK LIKELIHOOD
DESCRIPTORS Frequent (5)

RISK CONSEQUENCE
DESCRIPTORS Catastrophic (5)

RESIDUAL RISK LIKELIHOOD
DESCRIPTORS Rare (1)

RESIDUAL RISK
CONSEQUENCE
DESCRIPTORS Major (4)

146

TREATMENT MC00427

Cyber security insurance cover (CyberEdge Liability Insurance) has been purchased.

Inclusions listed are:

- Data administrative investigations
- Data administrative fines
- Electronic data
- Repair of policy holders reputation
- Repair of individuals reputation
- Notification and monitoring costs
- Forensic service costs
- Media content library
- Cyber extortion
- Network interruption insurance

This impacts the consequence of the risk by facilitating expert resources, financial support and remedial works in the event of an incident.

TREATMENT MC00428

IM Business Continuity Plan:

The IM team are developing a BCP to align the technical IT recovery procedures to the overall enterprise BCP. This will include;

- a communication plan
- prioritising the critical systems for recovery first
- regular tests of back up and recovering procedures
- simulations with various scenarios.

This impacts the consequence by detailing priority procedures in the case of an incident, ensures systems/process are fully functional and that staff are aware of their responsibilities and trained to manage them in the case of an event.

TREATMENT MC00433

Cyber security is managed using best practise methodologies by using security measures at various layers of connection.

- Firewalls
- Server
- PC
- User
- Physical
- Wireless access
- WDC website

This impacts the likelihood by increasing the security of the environment.

TREATMENT MC00434

Audit NZ performs periodic audits as part of the annual audit programme. This impacts the likelihood of the risk occurring by identifying possible weaknesses in process.

SIGNOFF(S):

Alison Diaz

DUE DATE:

01 Dec 2018

FREQUENCY:

The first Day of every 12 months

SIGNOFF(S):

Mark Willcock

DUE DATE:

01 Feb 2018

FREQUENCY:

1st day of every 12 months

SIGNOFF(S):

Mark Willcock

DUE DATE:

01 Feb 2018

FREQUENCY:

1st day of every 12 months

SIGNOFF(S):

Mark Willcock

DUE DATE:

01 Feb 2018

FREQUENCY:

1st day of every 12 months

RESIDUAL
4.0
LOW

INHERENT
20.0

R00183

PEOPLE, TECHNICAL, STRATEGIC (A&R COMMITTEE)

Council Partnerships
Council operations are significantly impacted and or Council suffers diminished public confidence as a result of failed or inadequate delivery of services, inappropriate engagement practices or display of inconsistent values by Partnership enterprises.

Councils reputation/operations are impacted as a result of actions, representations or conduct demonstrated by Partners and/or associates.

OWNER Tim Harty

CREATED 9/5/2016 10:34:01 AM

REVIEWED

RISK LIKELIHOOD DESCRIPTORS Frequent (5)

RISK CONSEQUENCE DESCRIPTORS Major (4)

RESIDUAL RISK LIKELIHOOD DESCRIPTORS Rare (1)

RESIDUAL RISK CONSEQUENCE DESCRIPTORS Major (4)

147

TREATMENT MC00483

Council has in place a robust tender process that includes in-depth detail regarding contractual requirements.

Long term public facing contracts and partnerships are effected through rigorous contractual agreements and continuous management plans. These include terms relating to contractual service level agreements, employee training plans, safety inductions (all employees), and audit expectations. Long term contracts and partnerships include (but are not limited to):

- Belgaria Aquatics
- City Care
- Franklin Trees
- Alliance
- Water Care
- HCC (for water supply & waste water treatment)

This treatment impacts the likelihood of the risk by ensuring that all partners and long term contracts are selected through compliance with Councils requirements, and, that they understand Councils expectations and commit to delivering an agreed level of service in a safety and appropriate manner.

TREATMENT MC00485

Shared Services (HCC, Waipa & WDC)
Councils shared services agreements are managed using agreed processes and a governance structure which ensures they deliver against expectations. Arrangements include:

- Quarterly governance meetings
- Monthly operational meetings
- Auditing schedule (zero harm perspective).

This treatment impacts the likelihood of the risk by ensuring regular communication and identification of emerging risks or issues and the consequence by providing opportunity for timely governance and action where issues are identified and/or it is deemed that expectations are not being met.

TREATMENT MC00499

TO DO

Implement a set protocol/process that defines how Council plans to implement new partnerships/long term contracts from the perspective of providing seamless integration of systems and resources at the point of requirements design and tender review.

This treatment aims to impact the likelihood of risk by minimizing lost efficiency and the consequence by reducing the risk of impact on customer services.

SIGNOFF(S):

Mike James
Elton Parata
Martin Mould

DUE DATE:

01 Aug 2017

FREQUENCY:

The first Day of every 6 months

SIGNOFF(S):

Martin Mould

DUE DATE:

13 Apr 2017

FREQUENCY:

The first Day of every 12 months

SIGNOFF(S):

Sue Duignan
Tony Whittaker
Tim Harty

DUE DATE:

13 Apr 2017

FREQUENCY:

The first Day of every 3 months

Open Meeting

To	Audit & Risk Committee
From	Tony Whittaker General Manager Strategy & Support
Date	06 March 2017
Prepared by	Katja Jenkins Project Management Advisor
Chief Executive Approved	Y
Reference #	GOV1318 / 1690950
Report Title	Organisational Risk Direction

1. EXECUTIVE SUMMARY

This report provides an overview of organisational risk direction demonstrated through:

- A progress update on the Organisational Risk Awareness project in response to KPMG's risk maturity assessment and recommendations; and
- Organisational risk activities – Pokeno Growth.

2. RECOMMENDATION

THAT the report from the General Manager Strategy & Support be received.

3. BACKGROUND

On 19 December 2016 the Audit & Risk Committee communicated that they were comfortable with the road map provided by KPMG in relation to the direction of risk travel within the organisation and requested that staff work with KPMG to fast track some of the recommendations.

Organisational Risk Awareness project (“ORA”)

The ORA commenced 08 February 2017. Activities completed to date include:

- Project workshops aimed to;
 - Encourage buy-in
 - Determine a holistic view of the scope and objectives
 - Facilitate identification of existing skills and knowledge gaps
- Cleanse of operational registers

- Review and update of Strategic Risk Register
- Alignment of risk classification with business structure
- Attendance at Waikato LASS internal audit insights session

Activities currently underway include:

- Alignment of risk terminology (to simplify the language with consideration to Promapp tool limitations)
- KPMG engaged to facilitate Risk Appetite Statement workshop with ELT
- KPMG engaged to provide training to ELT, including a top down risk assessment
- KPMG engaged to assist with development of ongoing risk reporting
- Monthly reporting to ELT re project progress
- Engagement planning
- Benchmarking against other Councils (BOPLASS and LASS)
- Risk Management Framework update
- Risk Matrix update
- Policy update

Change management is seen as a key contributor to deliver project outcomes. Executive support, driven by a set engagement plan, is seen as a critical component to deliver outcomes. ELT has committed to the promotion and prioritization of project activities.

Pokeno Growth

Staff have worked with the Executive Leadership Team to develop a precedent for the management of specific risk activity (processes to be documented). The pilot model is focussed on identifying and managing risks associated with growth.

The following activities have informed the model:

- A Pokeno Growth Forum was created (November 2016) to address emerging risks and issues associated with the development.
- Eight (8) risk workshops were conducted with key stakeholders and Subject Matter Experts (“SME”s).
- An active risk register has been approved and implemented.
- An action planning workshop (held on Tuesday, 07 March) provided risk owners and treatment sign-off personnel with training, tools and support to progress risk mitigation activity.
- A regular forum meeting and reporting cycle has been implemented for ongoing management.

Progressive improvement in staff engagement has been observed, along with a developing understanding of the requirements associated with identifying and assessing risks and

treatments. Monthly progress reporting to ELT has been implemented to monitor on-going activity.

4. CONCLUSION

Organisational risk direction is progressing. A greater awareness of risk activity is apparent amongst the leadership team. Training, aimed to commence with the Executive Leadership Team in April/May and wider organisation March/April (then on-going from July 2017), will facilitate ongoing progress. We continue to focus on change management to successfully embed risk management into business activity.

5. ATTACHMENTS

NIL

Open Meeting

To	Audit & Risk Committee
From	Tony Whittaker Acting Chief Executive
Date	08 March 2017
Prepared by	Sharlene Jenkins PA General Manager Strategy & Support
Chief Executive Approved	Y
Reference #	GOV1318
Report Title	Updated Future Workplan

1. EXECUTIVE SUMMARY

The purpose of this report is to present an updated Future Work Plan for the Committee's information.

2. RECOMMENDATION

THAT the report from the **General Manager Strategy & Support** be received.

3. ATTACHMENTS

Updated Future Work Plan

AUDIT & RISK COMMITTEE
Updated Future Work Plan

Date	Key meeting topic	Standing items for all meetings
22 March 2017	<ul style="list-style-type: none"> ▪ Review of CCO Statements of Intent ▪ Annual Report Programme 	<ul style="list-style-type: none"> ▪ H&S update on H&S performance against agreed targets, systemic issues identified which can be fed into the risk control framework ▪ Rolling review of bylaw & policies – schedule to be agreed ▪ Post project appraisals on key investments. ▪ Update on progress against Audit management report ▪ Update on risk management actions, progress on mitigations and direction of travel of risk
05 July 2017	<ul style="list-style-type: none"> ▪ Risk Management framework ▪ Internal Audit Programme ▪ Annual Report Programme Compliance ▪ External contracts 	
27 September 2017	<ul style="list-style-type: none"> ▪ Review of Audit & Risk Committee performance against Terms of Reference ▪ Annual Report ▪ Insurance review 	
13 December 2017	<ul style="list-style-type: none"> ▪ H&S Management framework ▪ Audit Management Report 	

Open Meeting

To	Audit & Risk Committee
From	Gavin Ion Chief Executive
Date	23 February 2017
Prepared by	Rose Gray Council Support Manager
Chief Executive Approved	Y
Reference #	GOV1318
Report Title	Exclusion of the Public

I. EXECUTIVE SUMMARY

To exclude the public from the whole or part of the proceedings of the meeting to enable the Audit & Risk Committee to deliberate and make decisions in private on public excluded items.

2. RECOMMENDATION

THAT the report of the Chief Executive be received;

AND THAT the public be excluded from the meeting to enable the Audit & Risk Committee to deliberate and make decisions on the following items of business:

Confirmation of Minutes dated 19 December 2016

REPORTS

- a. **Risk Assessment of Council Controlled Organisations' Draft Statements of Intent**

The general subject of the matter to be considered while the public is excluded, the reason, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 are as follows:

Reason for passing this resolution to withhold exists under: **Ground(s) under section 48(1) for the passing of this resolution is:**

Section 7(2)(b)(i)

Section 48(1)(3)(d)

b. Register of Interest

The general subject of the matter to be considered while the public is excluded, the reason, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 are as follows:

Reason for passing this resolution to withhold exists under: Ground(s) under section 48(1) for the passing of this resolution is:

Section 7(2)(f),(h),(i),(j)

Section 48(1)(a)(d)

c. Fraud Declaration

The general subject of the matter to be considered while the public is excluded, the reason, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 are as follows:

Reason for passing this resolution to withhold exists under: Ground(s) under section 48(1) for the passing of this resolution is:

Section 7(2)(a)

Section 48(1)(a)(d)

d. Committee Time with Audit New Zealand

The general subject of the matter to be considered while the public is excluded, the reason, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 are as follows:

Reason for passing this resolution to withhold exists under: Ground(s) under section 48(1) for the passing of this resolution is:

Section 7(2)(f)(g)(h)(i)(j)

Section 48(1)(a)(d)

AND FURTHER THAT representatives of Audit New Zealand remain in the meeting after the public has been excluded to facilitate the discussion on item PEX 3.4 [Committee Time with Audit NZ] in the public excluded section of the meeting.

3. ATTACHMENTS

Nil