

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 **MONDAY 17 SEPTEMBER 2018** commencing at **9.00am**.

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

1. APOLOGIES AND LEAVE OF ABSENCE

2. CONFIRMATION OF STATUS OF AGENDA

Representatives from Audit New Zealand and KPMG will be in attendance.

3. DISCLOSURES OF INTEREST

4. CONFIRMATION OF MINUTES

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GJ Ion
CHIEF EXECUTIVE

Open Meeting

To	Audit & Risk Committee
From	Gavin Ion Chief Executive
Date	18 June 2018
Prepared by	Lynette Wainwright Committee Secretary
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 Tuesday 12 June 2018.

2. RECOMMENDATION

THAT the minutes of the Audit & Risk Committee held on Tuesday 12 June 2018 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 **TUESDAY 12 JUNE 2018** commencing at **9.02am**.

Present:

Ms M Devlin (Chairperson)
His Worship the Mayor Mr AM Sanson [*from 9.05am until 10.30am*]
Cr AD Bech
Cr JD Sedgwick

Attending:

Cr S Lynch
Mr GJ Ion (Chief Executive)
Mr TG Whittaker (General Manager Strategy & Support)
Mrs S O’Gorman (General Manager Customer Support)
Mrs LM Wainwright (Committee Secretary)
Ms AM d’Aubert (Consents Manager)
Mr S Thompson (Financial Operations Team Leader)
Ms A Diaz (Finance Manager)
Mrs L Shirley (Zero Harm Manager)
Mrs V Jenkins (Human Resources Manager)
Ms M May (Animal Control Team Leader)
Mr R MacCulloch (Regulatory Manager)
Mr W Gauntlett (Consents Technical Team Leader)
Ms S Quinn (Acting Procurement Manager)
Ms M Baena-Escamilla (Continuous Improvement Analyst)
Ms M Russo (Corporate Planner)
Mr K Abbott (Organisational Planning & Project Support Manager)
Mr L Pieterse (Director Audit New Zealand)

APOLOGIES AND LEAVE OF ABSENCE

Resolved: (Crs Bech/Sedgwick)

THAT an apology be received from Cr Gibb and Cr Main.

CARRIED on the voices

A&R1806/01

Mr Pieterse advised the Committee that he needed to leave at 11.30am. He also advised that Committee Time with Audit New Zealand would not be required.

CONFIRMATION OF STATUS OF AGENDA ITEMS

Resolved: (Crs Sedgwick/Bech)

THAT the agenda for a meeting of the Audit & Risk Committee held on Tuesday 12 June 2018 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 all reports be received;

AND FURTHER THAT the Committee resolves that the following item be withdrawn from the agenda:

- **Item No. PEX 2.7 – Committee Time with Audit New Zealand.**

CARRIED on the voices

A&R1806/02

DISCLOSURES OF INTEREST

The Chair, Ms Devlin, advised members of the committee that there were references to Watercare in reports in the agenda. She declared an interest as a Director of Watercare. It was also noted that there were no decisions required in respect of Watercare.

CONFIRMATION OF MINUTES

Resolved: (Crs Bech/Sedgwick)

THAT the minutes of a meeting of the Audit & Risk Committee held on Thursday 29 March 2018 be confirmed as a true and correct record of that meeting.

CARRIED on the voices

A&R1806/03

REPORTS

Update on Project Brief for Natural Hazards - RMA Changes 2017
Agenda Item 5.1

The report was received [*A&R1806/02 refers*] and discussion was held.

The report was taken as read and the Consents Manager highlighted the following points:

- Meeting held between Waikato District Council and Hamilton City Council. Waikato Regional Council was not present. Hamilton City Council have a better understanding of the work involved and are now happy with the process and are more confident to proceed. Waikato Regional Council are interested in being “around the table” but not necessarily involved. The Consents Manager to contact Hauraki, Waipa and Otorohanga Councils to get an indication as to whether they wish to be involved in the process. Areas of expertise will need to be brought in. Cr Sedgwick to provide suggestions to the Consents Manager.

- The Committee confirmed that they were satisfied with the progress being made in this area.

His Worship the Mayor entered the meeting at 9.05am during discussion on the above item.

Tax Risk Management Update

Agenda Item 5.2

The report was received [A&R/806/02 refers] and discussion was held.

The report was taken as read and the Financial Operations Team Leader highlighted the following points:

- Compliance with holiday pay legislation. We are engaged with PwC to assess the likely exposure.
- The Finance Manager advised that legal advice is being sought on higher duties and accommodation allowances. Datacom has provided assurance in respect of compliance with the holiday pay legislation. Assurance from Datacom has been through email conversations. The Committee requested more formal assurance.

MyTax Strategy Review

Agenda Item 5.3

The report was received [A&R/806/02 refers] and discussion was held.

The report was taken as read and the Financial Operations Team Leader highlighted the following points:

- Rolling reviews with PwC. Key processes to be put into Promapp. It was noted in the report – that business and tax assessment KPI's should be developed. Clarification is required from PwC as to the purpose and benefits of such KPIs. Overall a positive commentary from PwC received. The Committee supported the recommendation that the model is revisited in 3 to 4 years.

Final Risk Appetite Statement

Agenda Item 5.4

The report was received [A&R/806/02 refers] and discussion was held.

The report was taken as read and the Manager Strategy & Support advised that all councillors have now received the Risk Appetite Statement.

The Committee requested that the commentary in respect of Fraud and Zero Harm be changed to reflect the stated position of zero risk appetite for either of these risks.

Fraud Prevention Policy Review

Agenda Item 5.5

The report was received [A&R1806/02 refers] and discussion was held.

The report was taken as read and the Finance Manager highlighted the following points:

- The policy is due for review in June but is still relevant at this stage and is accurate in terms of what is being done. Cr Sedgwick asked for clarification on whether personal devices could be included under a fraud investigation? At this stage they do not. Does this need to be captured? Suggestion that employment contracts may be the place to capture this. The General Manager Strategy & Support will investigate this further.
- Audit NZ felt the policy had covered most areas and that personal devices must be covered. IM policy is in place for this eg. working from home but it is taken on a case by case basis and access is via citrix. Personal devices – ensure our policy is robust and understand that people do work from home and how we are mitigating risk. Policy will be reviewed by P&R – extend policy temporarily until it has been reviewed. Seek understanding from IM as to controls over our system.

2017/18 Annual Report Risk Assessment

Agenda Item 5.6

The report was received [A&R1806/02 refers] and discussion was held.

The report was taken as read and the Finance Manager highlighted the following points:

- Biggest concern around the annual report is the continuity of staffing eg. Service Delivery. A risk area is the loss of institutional knowledge. Sensitive expenditure will be looked at by Audit NZ. Historical processes may need to be looked at.
- Strada is moving in the right direction however slower than Council would like. Further work is required on the financial statements for the period 31 March 2018. The first payment has been received in respect of the quarry transaction. Mr Dallas Fisher resigned from Strada on 31st May and Gavin Ion has now been appointed by Council. The General Manager Strategy & Support will follow up with Audit NZ as to whether or not an audit is required for Strada.

Risk and Assurance Forum

Agenda Item 5.7

The report was received [A&R1806/02 refers] and discussion was held.

The report was taken as read and the General Manager Strategy & Support highlighted the following points:

- Discussions on what other Audit & Risk committees are doing.
- Training and Development – this will be discussed further at the September committee meeting.

Waikato District Council Zero Harm Safety Management System

Agenda Item 6.1

The report was received [A&R1806/02 refers] and discussion was held.

The report was taken as read and the Zero Harm Manager highlighted the following points:

- Good level of progress is being made. A request has been made for another resource – 6 month administrator required.
- Work is being carried out on risk management processes.
- Access to apps to log safety conversations, near misses etc. is now available and resources from other councils and organisations is being looked at eg. farming sector.
- Identified risk eg. asbestos which is tracking well. Asbestos – we have 300 buildings we are responsible for and we have a plan in place. When we do work on our buildings an inspection will take place at that time.
- Developed bowtie controls.
- Benchmarks – what is an appropriate benchmark for this organisation? How do we measure up against other councils? The Zero Harm Manager meets with a H&S forum and they are starting to work on this. Business Leaders Forum is developing benchmarking with Worksafe.
- Committee members were asked to provide feedback following their visit to the Dog Pound later today.

Strategic Risk Deep Dive: People & Culture

Agenda Item 6.2

The report was received [A&R1806/02 refers] and discussion was held.

The General Manager Strategy & Support advised that the A&R Committee oversees progress and mitigation of the agreed 12 key strategic risks. One of the learnings from the Risk and Assurance Forum was greater focus on the strategic risks. The Committee supported this approach and requested the General Manager Strategy & Support develop a work programme around this. It was emphasised that the Deep Dive should provide insights into the risks and mitigations and hence the agenda timing should facilitate this.

The report was taken as read and the Human Resources Manager highlighted the following points:

- The staff survey has been launched and the results will be available in 3 weeks. These results are shared with the whole organisation and the Chief Executive shares the results with council. An area of concern with Cr Sedgwick is that “people don’t want to work at council”. Current work is being done on lifting the Waikato District Council profile.
- Cr Bech advised that we have a problem with attrition and retention of staff – something is broken. Residual risk assessment is 9 – is this an accurate assessment of the risk? The Chief Executive advised that council have invested in leadership. It was agreed that the residual risk assessment would be reviewed following the completion of the survey.

The meeting adjourned at 10.30am and resumed at 10.48am.

His Worship the Mayor retired from the meeting at 10.30am following discussion on the above item.

Risk Conversations

Agenda Item 6.3

The report was received [A&R1806/02 refers] and discussion was held.

The report was taken as read and the General Manager Strategy & Support highlighted the following points:

- This item gives the committee an opportunity to meet and hear from staff who are dealing with risk each day and to discuss the appropriate controls that are in place and any issues that need to be addressed.

The Animal Control Team Leader and the Regulatory Manager highlighted the following points:

- Animal control is a high risk area of council. Critical items now have a hazard register and controls are in place. There is “always risk”. The document in the agenda is the first attempt with more work to be done on it. The document needs to be kept alive and the first item on the team’s weekly agenda is zero harm. The Animal Control Team Leader has fortnightly meetings with the Animal Control team asking the same zero harm question. The Regulatory Manager is comfortable with the training, procedures and equipment provided to staff.
- One staff member at the pound on their own is a huge risk. The committee will visit the pound this afternoon and view measures that have been put in place. Harm register eg. noise – staff to wear earmuffs and hearing checks are ongoing.
- Storage of firearms – when a firearm is in vehicle, there is significant risk of it being snatched. Officers cannot leave the vehicle if there is a firearm inside. The vehicle also must be locked. Vehicle windows are tinted. Firearms must be in a bag and ammunition in a separate safe. Firearms are never loaded during transportation.

Incident Management Debrief: Huntly East Mines

Agenda Item 6.4

The report was received [A&R1806/02 refers] and discussion was held.

The report was taken as read and the Consents Technical Team Leader highlighted the following points:

- This is a great scenario to use for the IMT process. It was identified that the team needs to be pulled together earlier. Work is needed to better understand risk.
- Who has the responsibility for development of this land?

- If we are granting consents we must be cautious. Hazard notices will be put on building consents. Are appropriate mitigations in place? There must be clear messaging on our website. The Organisational Planning & Project Support Manager and Customer Support Manager are working on Plan B as a civil defence agency and council.

Update on Process, Audit and Quality Improvement

Agenda Item 6.5

The report was received [A&R/806/02 refers] and discussion was held.

The report was taken as read and the Continuous Improvement Analyst highlighted the following points:

- Non conformance need to be addressed.
- People are starting to take more responsibility for their processes.

Update on Progress against Audit Issues – June 2017

Agenda Item 6.6

The report was received [A&R/806/02 refers] and discussion was held.

The report was taken as read and the Corporate Planner highlighted the following point:

- There are 20 outstanding issues that need to be addressed.

The results are a significant improvement from the previous report and the team was congratulated.

Updated Future Workplan

Agenda Item 6.7

The report was received [A&R/806/02 refers] and discussion was held.

The report was taken as read and the General Manager Strategy & Support highlighted the following points:

- Deep dive – did this hit the mark with the committee? A suggestion that maybe we refocus the meeting to accommodate this. Councillors need to do more site visits as Cr Sedgwick does not feel that Council are meeting requirements.

EXCLUSION OF THE PUBLIC

Agenda Item 7

Resolved: (Crs Bech/Sedgwick)**THAT** the report from 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 Thursday 29 March 2018****REPORTS****a. Contract Spend Review**

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 withhold exists under:

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

Section 7(2)(b)(ii)(i)

Section 48(1)(3)(d)

b. Procurement Manager Report

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 withhold exists under:

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

Section 7(2)(b)(ii)(i)

Section 48(1)(3)(d)

c. Raglan Kopua Holiday Park Internal Controls Review Update

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

Section 7(2)(a)

Section 48(1)(3)(a)(d)

d. Fraud and Corruption Risk Management Update

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

Section 7(2)(b)(ii)(i)

Section 48(1)(3)(d)

e. 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 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)

Open Meeting

To	Audit & Risk Committee
From	Tony Whittaker Chief Operating Officer
Date	03 September 2018
Prepared by	Katja Jenkins Project Management Advisor
Chief Executive Approved	Y
Reference #	GOV1318 / 2072998
Report Title	Strategic Risk Register September 2018

I. EXECUTIVE SUMMARY

This report details:

- Key strategic risks affecting the organisation in the last quarter;
- Recommendation for key strategic risk deep dive activity for next quarter; and
- Strategic risk activities undertaken.

2. RECOMMENDATION

THAT the report from the Chief Operating Officer be received;

AND THAT the Audit & Risk Committee approves the inclusion of the following risk to the Strategic Register:

District Growth: *Waikato District experiences significant business and community disruption due to district growth exceeding planned growth forecasts.*

3. DISCUSSION

Key Strategic Risks – Last Quarter

1. **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.*

The HR component of the Gearing for Growth & Greatness internal work programme acts to mitigate this risk through recruitment, development opportunity, and business structure. Examples of incentives that are likely to have a positive impact on the workplace culture

include recruitment of a Learning & Development Specialist and recent development opportunities delivered through Wintec.

2. **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.*

The Project & Portfolio Management project, aimed at improving Councils ability to effectively deliver projects, is now in its pilot phase testing the new project management framework. The pilot aims to test the usability of the framework including tools, systems and processes. Increased use of the tools demonstrates improvement in the initial adoption of the framework. The Project Management Forum has also been reengaged to ensure successful roll out of the new framework.

A Portfolio Governance Group has now been appointed. The initial group meeting is forecast to take place prior to the end of September. While the group has not yet met, improved organisational understanding of the governance group's operational role has allowed practices, such as project prioritization, to be used in the interim.

3. **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.*

Initial talks have commenced with Watercare Services Limited ("WSL") in relation to the structure of the contract.

A staff retention plan that incentivises staff remaining with Council until the transition date is under development. Fortnightly staff communications ensure changes are appropriately shared.

Maintenance of agreed service levels prior to and during the transition will be managed through open recruitment to ensure key roles are filled: recent appointments include treatment staff; a Waters Manager; and a Compliance & Income Team Leader. The development of a detailed transition plan, including employment of a dedicated Project Manager, will also help to mitigate the associated risk.

Key activities to progress the Waters contract include:

- Completion of preliminary risk assessment;
- Research, design and development of contract model;
- Contract model socialised with the Executive Leadership Team ("ELT");
- Contract model communicated to Councils Water Steering Group;
- Key meeting with WSL CEO and Chairman;
- Interim recruitment of Water Governance Board and Project Manager;
- WSL confirmation of agreement to proceed with contract model;
- Commenced contract discussions with WSL; and

- Target commencement date set.
4. **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.*

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.*

Reputational risk linked to asset management and economic and social development may be impacted by waste disposal capacity constraints associated with the Pokeno dairy industry. Work to identify the risk and pre-empt the facilitation of solutions development has commenced. Activities include:

- Establish the facts through researching agreements for service to wet industry;
- Establish actual discharge volumes we have in the contract with WSL;
- Confirm WSL plant upgrade completion date for increased discharge volume;
- Create detailed month by month discharge chronology of the wet industry with safety factors to ensure we can service without risk of catastrophic overflow;
- Communicate and work with affected parties to mitigate overflow risk;
- Log all research in a file note of the exact status to inform future decision making; and
- Continue to deliver local Council infrastructure to enable growth.

Key Risk – Next Quarter Deep Dive

It is recommended that the next deep dive conducted is focused on the “Sub-Regional Waters CCO” risk. Recent review and discussion with the Executive Leadership Team has identified that the risk description requires revision due to progression of business decisions associated with the Waters Contract. Furthermore, the risk assessment, both inherent and residual, is inconsistent with the current situation. The Executive Leadership Team have commenced work to update the risk description for the December Audit & Risk Committee meeting. Outcomes from the deep dive will inform changes to the assessment.

It is acknowledged that negotiation of the contract with Watercare may be in progress in December. Report content will take into account commercial sensitivity of the negotiations.

Strategic Risk Activities

An ELT review of the strategic risk register commenced on 30 August 2018. The initial meeting demonstrated a number of risks that misalign with organisational risk appetite. Work is now underway to review the risk descriptions and re-assess the existing risks. Recommendations on updates will be provided to the December 2018 Audit & Risk Committee meeting. A subsequent body of work will involve evaluating the existing risk treatments for effectiveness and implementing additional controls to ensure risks are being managed appropriately.

Outstanding Action Items

Learnings taken from the Risk and Assurance Forum included Council having greater focus on the strategic risks. In response a work programme was developed which has delivered a new reporting framework. The framework includes:

- Implementation of the deep dive report and a procedure to identify which risk should be nominated for the deep dive;
- Implementation of the risk conversation report and a procedure to identify which business area should be nominated for the report;
- Implementation of monthly risk reporting to ELT. This involves:
 - ELT review of the strategic register;
 - Discussion on emerging risks;
 - Review of organisational engagement; and
 - Discussion and decisions related to key risk activities.

Further, it has been recommended that a monthly agenda item is included in meetings between General Managers and Business Unit Managers, and that the meeting should include the General Manager's championing the use of the Promapp risk tool.

New Risk

Over the past twelve months there have been a number of conversations with the ELT and Audit & Risk Committee relating to the possible implementation of a risk specific to district growth. The ELT seeks Audit & Risk Committee approval to add the following risk to the strategic register:

District Growth: *Waikato District experiences significant business and community disruption due to district growth exceeding planned growth forecasts.*

Addition of this risk will assist Council in taking a holistic approach to how growth risks are managed and the provision of relevant information to the Audit & Risk Committee for oversight.

4. CONCLUSION

The Strategic Risk Register is active and is now being used as a live document. Future scope aims to use the Strategic Risk Register as a guiding document to inform decision making in alignment with Councils risk appetite statements.

5. ATTACHMENTS

Strategic Risk Register

Risk Register

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

RESIDUAL
-
NOT
ASSESSED

INHERENT
1.0

R00230

BUSINESS CONTINUITY, COMPLIANCE/ REGULATORY, FINANCIAL,
STRATEGIC (A&R COMMITTEE)

**Draft Risk - Growth;
Exposure to significant financial loss and or
significant business and community disruption
resulting from failure to provide/maintain
appropriate/agreed levels of service due to district
growth exceeding planned growth forecasts**

OWNER Portfolio Managers: Katja Jenkins,Katja Jenkins,Katja Jenkins

CREATED 14/08/2018 2:19:14 AM

RISK LIKELIHOOD
DESCRIPTORS Rare (1)

RISK CONSEQUENCE
DESCRIPTORS Insignificant (1)

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, or
inadequate governance/ management of contractual
health and safety requirements.**

People are harmed as a result of the Council failing to implement
and or maintain appropriate health and safety policies, procedures,
processes or culture

OWNER Gavin Ion

CREATED 4/09/2016 10:47:22 PM

RISK LIKELIHOOD
DESCRIPTORS Likely (4)

RISK CONSEQUENCE
DESCRIPTORS Catastrophic (5)

RESIDUAL RISK LIKELIHOOD
DESCRIPTORS Possibly (3)

RESIDUAL RISK
CONSEQUENCE
DESCRIPTORS Catastrophic (5)

TREATMENT MC00415

Zero Harm Strategic Plan

The strategic plan identifies high level strategic
health and safety improvement activities to deliver
on the Organisation's Zero Harm vision. The plan
is developed by the Zero Harm Team and reviewed
and approved by the ELT, SLT and Safety Action
Team. Progress on achieving the plan is reported
on to the Council via the Monthly Council Report
and to the ELT on a weekly basis.

This treatment impacts the likelihood of the risk
by providing clear expectation of organisational
requirements and describing agreed governance
and management methods.

SIGNOFF(S):

Lynn Shirley

DUE DATE:

01 Dec 2018

FREQUENCY:

1st day of every 6 months

19

TREATMENT MC00416

Monitor and maintain operational Zero Harm critical risk and hazard registers. Critical risks are identified and managed using the BowTie Risk Management approach. Critical risks are contained in an organisational risks register. Operational hazards are identified and recorded in hazard registers.

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

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

The Executive Leadership Team hold safety conversations with staff around the critical risks to ensure what we say we do and what is actually done is in agreement or note any differences. The conversation also uncovers whether there are any other outstanding or important matters from a zero harm perspective that should be considered. This treatment impacts the likelihood of the risk by ensuring the Executive Leadership Team and Managers are aware of the risks and relevant treatment processes.

OVERDUE
SIGNOFF(S):

Lynn Shirley
Kylie Anderson

DUE DATE:

01 Sep 2018

FREQUENCY:

1st day of every 3 months

SIGNOFF(S):

Lynn Shirley

DUE DATE:

01 Feb 2019

FREQUENCY:

The first Day of every 12 months

NON-COMPLIANT
SIGNOFF(S):

Gavin Ion

DUE DATE:

28 Jun 2018

FREQUENCY:

The last Thursday of every 6 months

20

TREATMENT MC00545

Waikato District Council has a Risk and Hazard management system known as BWare. BWare is used to record identified critical risks and hazards. Controls to manage critical risks and hazards are documented in BWare and actions can be assigned for control implementation. BWare is managed by the Zero Harm Team however it is the responsibility of all workers, management and contractors to comply with risk and hazard identification and management processes and procedures. The completion of actions is tracked weekly by the Zero Harm Team and status reports provided and discussed with the Executive Leadership Team (ELT) on a weekly basis.

This treatment impacts the likelihood of the risk by detailing site and occupation specific hazards and capturing and communicating relevant safety requirements.

TREATMENT MC00584

The contract and tendering process has specifications which ensure that all contractors that are selected to undertake works (long or short term) supply details of H&S practices, including how and who will manage them. This process includes the contractor being added to the SHE Prequalified Contractor Database and ensures that all selected contracts include and meet Councils requirements for H&S and H&S legislative standards. Periodic checks are performed by Councils Zero Harm team to monitor contractor compliance.

This treatment impacts the likelihood of the risk by providing clear and documented expectations to contractors during the selection and on-boarding process, reducing the risk of non-compliance.

SIGNOFF(S):

Lynn Shirley
Kylie Anderson

DUE DATE:

31 Jul 2019

FREQUENCY:

The last Day of every 12 months

OVERDUE

SIGNOFF(S):

Lynn Shirley

DUE DATE:

30 Aug 2018

FREQUENCY:

The first Weekday of every 12 months

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.

SIGNOFF(S):

Vishal Ramduny

DUE DATE:

01 Feb 2019

FREQUENCY:

1st day of every 12 months

RESIDUAL
12.0
HIGH

INHERENT
20.0

R00187

POLITICAL, 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, Iwi 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/remains disengaged as a result of Council failing to communicate/consult appropriately and or as a result of unsuitable stakeholder identification and interaction.

OWNER Sue O’Gorman

CREATED 4/09/2016 11:20:04 PM

RISK LIKELIHOOD DESCRIPTORS Almost Certain (5)

RISK CONSEQUENCE DESCRIPTORS Major (4)

RESIDUAL RISK LIKELIHOOD DESCRIPTORS Possibly (3)

RESIDUAL RISK CONSEQUENCE DESCRIPTORS Major (4)

21

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.

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

Council has a Communications Framework in place which guides the way we do things. A specific engagement strategy is under development as a key Our Plan project in 2017.

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.

SIGNOFF(S): Vishal Ramduny
DUE DATE: 01 Feb 2019
FREQUENCY: 1st day of every 12 months

SIGNOFF(S): Vishal Ramduny
DUE DATE: 01 Feb 2019
FREQUENCY: 1st day of every 12 months

SIGNOFF(S): Vishal Ramduny
DUE DATE: 01 Feb 2019
FREQUENCY: 1st day of every 6 months

SIGNOFF(S): Jacob Quinn
DUE DATE: 01 Nov 2018
FREQUENCY: 1st day of every 3 months

22

TREATMENT MC00459	SIGNOFF(S):	Gavin Ion
CE and Executive Team provide updates to Councillors, Community Boards and Committees on community plans through forward facing meetings.	DUE DATE:	01 Feb 2019
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.	FREQUENCY:	1st day of every 6 months
TREATMENT MC00460	SIGNOFF(S):	Tony Whittaker
Community Development roles and Operational Field Staff.	DUE DATE:	01 Apr 2019
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	FREQUENCY:	The first Day of every 12 months
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.		
TREATMENT MC00461	SIGNOFF(S):	Jacob Quinn
Engagement Forum	DUE DATE:	01 Jan 2019
The Waikato District Council Leadership Programme has the 2020 Challenge at its core and is taking the role of an Engagement Forum. Included in the programme is discussion and documentation on how to champion engagement within the organisation and how to develop plans that provide direction of engagement associated with meeting the 2020 Challenge.	FREQUENCY:	1st day of every 6 months
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	SIGNOFF(S):	Brian Cathro
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.	DUE DATE:	01 Apr 2019
This treatment impacts the likelihood of the risk by facilitating community engagement through the facilitation of front facing interactions.	FREQUENCY:	1st day of every 12 months

RESIDUAL
12.0
HIGH

INHERENT
20.0

R00188

FINANCIAL, POLITICAL, 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 4/09/2016 11:32:26 PM

RISK LIKELIHOOD
DESCRIPTORS Likely (4)

RISK CONSEQUENCE
DESCRIPTORS Catastrophic (5)

RESIDUAL RISK LIKELIHOOD
DESCRIPTORS Possibly (3)

RESIDUAL RISK
CONSEQUENCE
DESCRIPTORS Major (4)

23

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 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):

Gary Dela Rue
Karl Pavlovich

DUE DATE:

01 Apr 2019

FREQUENCY:

The first Day of every 12 months

OVERDUE

SIGNOFF(S):

Clive Morgan

DUE DATE:

01 Feb 2018

FREQUENCY:

The first Day of every 6 months

SIGNOFF(S):

Vishal Ramduny

DUE DATE:

01 Feb 2019

FREQUENCY:

The first Day of every 6 months

SIGNOFF(S):

Vishal Ramduny

DUE DATE:

01 Feb 2019

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 2019

FREQUENCY:

The first Day of every 12 months

RESIDUAL

12.0

HIGH

INHERENT

16.0

R00191

BUSINESS CONTINUITY, PEOPLE, REPUTATION/ IMAGE, 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 5/09/2016 12:23:20 AM

RISK LIKELIHOOD DESCRIPTORS Likely (4)

RISK CONSEQUENCE DESCRIPTORS Major (4)

RESIDUAL RISK LIKELIHOOD DESCRIPTORS Possibly (3)

RESIDUAL RISK CONSEQUENCE DESCRIPTORS Major (4)

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.

SIGNOFF(S):

Ian Cathcart
Sue O’Gorman

DUE DATE:

01 Feb 2019

FREQUENCY:

1st day of every 12 months

25

TREATMENT MC00431

In 2010 Council introduced a business specific Project Management Framework based on best practice project management methodology. In 2018 the methodology was reviewed and is currently being tested and rolled out to the business. 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

Dedicated project support staff augment and administrate the framework including delivery of system and methodology based training programmes.

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.

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.

SIGNOFF(S):

Kurt Abbot

DUE DATE:

01 Feb 2019

FREQUENCY:

1st day of every 6 months

SIGNOFF(S):

Kurt Abbot

DUE DATE:

01 Feb 2019

FREQUENCY:

1st day of every 6 months

TREATMENT MC00438

Portfolio Management governance structure
The purpose of the governance structure is to:
- to prioritise 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 decisions 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 2019

FREQUENCY:

1st day of every 12 months

RESIDUAL

12.0

HIGH

INHERENT

16.0

R00192

BUSINESS CONTINUITY, COMPLIANCE/ REGULATORY, FINANCIAL, 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 ununiformed and or failing to comply with legal requirements.

OWNER Tony Whittaker

CREATED 5/09/2016 12:23:40 AM

RISK LIKELIHOOD DESCRIPTORS Likely (4)

RISK CONSEQUENCE DESCRIPTORS Major (4)

RESIDUAL RISK LIKELIHOOD DESCRIPTORS Possibly (3)

RESIDUAL RISK CONSEQUENCE DESCRIPTORS Major (4)

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.

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.

OVERDUE

SIGNOFF(S):

Sue O'Gorman
Ian Cathcart
Tony Whittaker

DUE DATE:

01 Apr 2018

FREQUENCY:

The first Day of every 12 months

SIGNOFF(S):

Gavin Ion

DUE DATE:

01 Feb 2019

FREQUENCY:

The first Day of every 12 months

27

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

Periodic Audit (Internal/External)

Waikato District Council performs regular periodic audit (both internal and external) of processes and services for the purpose of identifying failures, weaknesses and/or exceptions. The audit process includes the provision of 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 and systems that require/encourage process adherence. Council uses an internal centralized repository (Promapp) to document organisational processes to allow cross organisational visibility for access and application.

Also, many of the organisational systems used for the purpose of capturing business work flow e.g. Property and Rating, require specific steps relating to process adherence for the user to progress with system use.

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 2019

FREQUENCY:

The first Day of every 12 months

OVERDUE

SIGNOFF(S):

Sue O’Gorman
Tony Whittaker
Ian Cathcart

DUE DATE:

01 Apr 2018

FREQUENCY:

The first Day of every 12 months

SIGNOFF(S):

Kurt Abbot

DUE DATE:

01 Feb 2019

FREQUENCY:

The first Day of every 12 months

SIGNOFF(S):

Madelina Baena-Escamilla

DUE DATE:

01 Feb 2019

FREQUENCY:

The first Day of every 12 months

28

TREATMENT MC00508

Waikato District Council employs a number of Specialist Technical Roles that contribute to Compliance Management. Recruitment procedures for these roles require evidence of capability and/or certification. Where roles are unable to be filled with fully qualified personnel, training and development is facilitated to ensure staff have the required level of specialist knowledge to perform their roles in line with compliance requirements.

OVERDUE

SIGNOFF(S):

Vanessa Jenkins

DUE DATE:

30 Apr 2018

FREQUENCY:

The last 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

RISK LIKELIHOOD DESCRIPTORS Possibly (3)

RISK CONSEQUENCE DESCRIPTORS Major (4)

RESIDUAL RISK LIKELIHOOD DESCRIPTORS Possibly (3)

RESIDUAL RISK CONSEQUENCE DESCRIPTORS Moderate (3)

29

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 2018
FREQUENCY: 1st day of every 12 months

SIGNOFF(S): Kelly Newell
DUE DATE: 01 Feb 2019
FREQUENCY: 1st day of every 6 months

RESIDUAL
9.0
MODERATE

INHERENT
25.0

R00190

BUSINESS CONTINUITY, 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 5/09/2016 12:22:54 AM

RISK LIKELIHOOD
DESCRIPTORS Almost Certain (5)

RISK CONSEQUENCE
DESCRIPTORS Catastrophic (5)

RESIDUAL RISK LIKELIHOOD
DESCRIPTORS Possibly (3)

RESIDUAL RISK
CONSEQUENCE
DESCRIPTORS Moderate (3)

30

TREATMENT MC00474

HR Strategy

The HR Strategy guides the direction of 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.

OVERDUE
SIGNOFF(S):

Vanessa Jenkins

DUE DATE:

14 Sep 2017

FREQUENCY:

The first Day of every 6 months

OVERDUE
SIGNOFF(S):

Ian Cathcart
Sue O'Gorman
Tony Whittaker

DUE DATE:

01 Oct 2017

FREQUENCY:

The first Day of every 6 months

SIGNOFF(S):

Gavin Ion

DUE DATE:

01 Nov 2018

FREQUENCY:

The first Day of every 3 months

RESIDUAL
8.0
MODERATE

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

RISK LIKELIHOOD DESCRIPTORS Almost Certain (5)

RISK CONSEQUENCE DESCRIPTORS Catastrophic (5)

RESIDUAL RISK LIKELIHOOD DESCRIPTORS Unlikely (2)

RESIDUAL RISK CONSEQUENCE DESCRIPTORS Major (4)

31

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

Internal and external audit and review (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 2019

FREQUENCY:

1st day of every 12 months

SIGNOFF(S):

Mark Willcock

DUE DATE:

01 Feb 2019

FREQUENCY:

1st day of every 12 months

SIGNOFF(S):

Mark Willcock

DUE DATE:

01 Feb 2019

FREQUENCY:

1st day of every 12 months

RESIDUAL
8.0
MODERATE

INHERENT
20.0

R00189

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 5/09/2016 12:21:58 AM

RISK LIKELIHOOD DESCRIPTORS Almost Certain (5)

RISK CONSEQUENCE DESCRIPTORS Major (4)

RESIDUAL RISK LIKELIHOOD DESCRIPTORS Unlikely (2)

RESIDUAL RISK CONSEQUENCE DESCRIPTORS Major (4)

32

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.

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 to/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.

SIGNOFF(S): Gavin Ion
DUE DATE: 01 Nov 2018
FREQUENCY: 1st day of every 3 months

SIGNOFF(S): Tony Whittaker
DUE DATE: 01 Oct 2018
FREQUENCY: 1st day of every 3 months

SIGNOFF(S): Gudrun Jones
DUE DATE: 01 Nov 2018
FREQUENCY: 1st day of every 3 months

SIGNOFF(S): Gavin Ion
DUE DATE: 01 Nov 2018
FREQUENCY: 1st day of every 3 months

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):

Vishal Ramduny

DUE DATE:

01 Feb 2019

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 Ian Cathcart

CREATED 4/09/2016 11:06:29 PM

RISK LIKELIHOOD
DESCRIPTORS Likely (4)RISK CONSEQUENCE
DESCRIPTORS Major (4)RESIDUAL RISK LIKELIHOOD
DESCRIPTORS Unlikely (2)RESIDUAL RISK
CONSEQUENCE
DESCRIPTORS Moderate (3)

TREATMENT MC00162

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.

OVERDUE

SIGNOFF(S):

Ian Cathcart
Sue O'Gorman

DUE DATE:

01 Sep 2018

FREQUENCY:

The first Day of every 12 months

SIGNOFF(S):

Gary Dela Rue
Karl Pavlovich

DUE DATE:

01 Apr 2019

FREQUENCY:

The first Day of every 12 months

34

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.

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):

Ian Cathcart
Sue O’Gorman

DUE DATE:

01 Feb 2019

FREQUENCY:

1st day of every 12 months

OVERDUE

SIGNOFF(S):

Karl Pavlovich
Gary Dela Rue
Megan May

DUE DATE:

01 Apr 2018

FREQUENCY:

The first Day of every 12 months

OVERDUE

SIGNOFF(S):

Karl Pavlovich
Gary Dela Rue
Megan May

DUE DATE:

01 Apr 2018

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 Ian Cathcart

CREATED 4/09/2016 11:16:11 PM

RISK LIKELIHOOD Possibly (3)
DESCRIPTORS

RISK CONSEQUENCE Major (4)
DESCRIPTORS

RESIDUAL RISK LIKELIHOOD Rare (1)
DESCRIPTORS

RESIDUAL RISK Major (4)
CONSEQUENCE
DESCRIPTORS

35

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: 01 Oct 2018
FREQUENCY: The first Day of every 6 months

OVERDUE
SIGNOFF(S): Ian Cathcart
DUE DATE: 01 Oct 2017
FREQUENCY: The first Day of every 6 months

OVERDUE
SIGNOFF(S): Ian Cathcart
DUE DATE: 01 Oct 2017
FREQUENCY: The first Day of every 6 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 Ian Cathcart

CREATED 4/09/2016 10:34:01 PM

RISK LIKELIHOOD Almost Certain (5)
DESCRIPTORS

RISK CONSEQUENCE Major (4)
DESCRIPTORS

RESIDUAL RISK LIKELIHOOD Rare (1)
DESCRIPTORS

RESIDUAL RISK CONSEQUENCE Major (4)
DESCRIPTORS

36

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 (monitored and reported against as key performance indicators), 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 MC00497

Periodic Audit (Internal/External)
Waikato District Council performs regular periodic audit (both internal and external) of processes and services for the purpose of identifying failures, weaknesses and/or exceptions. The audit process includes the provision of 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.

SIGNOFF(S):

Karl Pavlovich
Megan May
Gary Dela Rue

DUE DATE:

01 Feb 2019

FREQUENCY:

The first Day of every 6 months

SIGNOFF(S):

Karl Pavlovich

DUE DATE:

01 Apr 2019

FREQUENCY:

The first Day of every 12 months

SIGNOFF(S):

Kurt Abbot

DUE DATE:

01 Feb 2019

FREQUENCY:

The first Day of every 12 months

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.

TREATMENT MC00507

Section 17a Review

Local authorities are under obligation to review and consider options for governance, funding and delivery of infrastructure, local public services and local regulation to ensure cost-effectiveness and quality of service.

Section 17A is one of several measures designed to encourage councils to seek efficiency, and to encourage councils to “partner” with each other and with other bodies to deliver services efficiently.

This treatment impacts the likelihood of the risk by acting to identify and therefore act against inefficiencies and/or inadequacies in the delivery of services.

TREATMENT MC00584

The contract and tendering process has specifications which ensure that all contractors that are selected to undertake works (long or short term) supply details of H&S practices, including how and who will manage them. This process includes the contractor being added to the SHE Prequalified Contractor Database and ensures that all selected contracts include and meet Councils requirements for H&S and H&S legislative standards. Periodic checks are performed by Councils Zero Harm team to monitor contractor compliance.

This treatment impacts the likelihood of the risk by providing clear and documented expectations to contractors during the selection and on-boarding process, reducing the risk of non-compliance.

OVERDUE
SIGNOFF(S):Sue O’Gorman
Tony Whittaker
Ian Cathcart

DUE DATE:

01 Oct 2017

FREQUENCY:

The first Day of every 3 months

SIGNOFF(S):

Tony Whittaker

DUE DATE:

30 Apr 2019

FREQUENCY:

The last Day of every 12 months

OVERDUE
SIGNOFF(S):

Lynn Shirley

DUE DATE:

30 Aug 2018

FREQUENCY:

The first Weekday of every 12 months

Open Meeting

To	Audit & Risk Committee
From	Tony Whittaker Chief Operating Officer
Date	03 September 2018
Prepared by	Katja Jenkins Project Management Advisor
Chief Executive Approved	Y
Reference #	GOV1301 / 2068889
Report Title	Risk Framework September 2018

I. EXECUTIVE SUMMARY

This report details:

- Update on organisational risk management framework;
- Updates on the level of organisational engagement in the risk management context; and
- Risk Activities.

2. RECOMMENDATION

THAT the report from the Chief Operating Officer be received.

3. DISCUSSION

Risk Management Framework

Minor amendments to risk consequence category descriptions have been made to align with the Zero Harm team descriptions (Appendix I).

At the Executive Level the organisational risk appetite is now being used to help guide actions associated with the strategic risk register. It has been noted that periodic review of the risk appetite will be required and a bi-annual schedule for review will be implemented.

Introduction to the risk appetite statements has commenced with Business Unit Managers. The Gearing for Growth & Greatness work plan will socialise the appetites with the wider organisation.

Organisational Engagement

The Executive Leadership Team have committed to a risk agenda item being added monthly to the Executive Leadership meeting. The meeting aims to inform reporting and initiate risk conversation at different levels throughout the organisation. The meeting will include discussions on the following:

- key strategic risks;
- emerging risks;
- organisational engagement;
- key risk activities; and
- actions required.

A recommendation was made to General Managers (“GMs”) to include a risk agenda item during monthly meetings with Business Unit Managers and for GMs to promote their Business Unit Managers implementing a risk agenda item with Team Leaders. Further, it was requested that GM’s access the risk tools during meetings to promote and champion their use.

During July and August, the Risk Coordinator met with all Business Unit Managers to familiarise them with the strategic risk register and discuss how their business aligns with the strategic risks. These meetings also introduced the concept of using risks and organisational risk appetite to enable decision making.

Risk Activities

A cleanse of the operational business risk registers has been completed to remove duplication between business risk registers (managed in Promapp) and hazard registers (managed in BWare).

The launch of the Gearing for Growth & Greatness work plan and implementation of the refined organisational strategies, has prompted a risk review focused on key operational risks. Updates will be made to the registers to ensure they align with strategic direction. Work towards the update commenced during August.

Work to align risk management practices in the project space with organisational risk management will commence mid-September. Associated processes have been updated however the existing project management tool requires some customisation.

4. CONCLUSION

Increased awareness of the risk framework is evident. Further work, with a top down approach, is required to progress the development of a consistent risk culture.

5. ATTACHMENTS

Risk Matrix (updates highlighted)

Calculating Risk Scores

Consider each factor independently when establishing the value.

Likelihood value

Ask the question..."How likely or probable is it that this risk will become a reality?" Use the descriptors to establish a value.

Likelihood	Descriptor	Probability
Almost Certain	Expected; Almost certain occurrence in the foreseeable future	5
Likely	Strong probability of occurrence in the foreseeable future / History of frequent occurrence	4
Possible	Feasible; a possibility of occurrence / History of casual occurrence	3
Unlikely	Not expected but there is a slight chance of occurrence at some time	2
Rare	Highly unlikely but may occur in exceptional circumstances	1

Consequence value

Ask the question..."If the risk becomes a reality, how will it affect the organisation, operational activity, work flow, project outputs etc."

Rating	Criteria Descriptor guide	Probability
Catastrophic	Essential services unavailable (>1 day) Life threatening injury/fatality (Severity 1) Significant or prolonged resourcing deficit (trained/skilled specialist roles) Financial exposure per annum \geq \$1.5M Sustained high profile adverse national or local media campaign or irreversible loss of community confidence Breach of policy, process or legislation requiring external investigation and resulting in significant tangible loss Significant environmental disaster/natural hazard/unplanned population growth causing wide spread environmental degradation/damage and/or irreversible pollution or affecting future generations Significant and prolonged political attention with non-achievement of LTP objectives across multiple years Significant prolonged effect to service levels/business function/resource capacity due to failed/faulty technology/equipment or design/manufacturing competency	5
Major	Essential services unavailable (<1 day), non-essential services unavailable (<7days) A notifiable illness or injury (Severity 2 or 3) Major but short term resourcing deficit (trained/skilled specialist roles) Financial exposure per annum \geq \$500k but <\$1.5M High profile adverse national or local media attention or loss of confidence from significant portion of community sector Breach of policy, process or legislation requiring external investigation and resulting in a tangible loss Major but localised environmental degradation/damage/pollution with long term effects or major off site release caused by either a natural disaster or unplanned population growth Significant but short term political attention with major impact to annual LTP timing/deliverables Major but short term effects to service levels/business function/resource capacity due to failed/faulty technology/equipment or design/manufacturing competency.	4
Moderate	Essential services unavailable (<4hrs), non-essential services unavailable (<3 days) Lost time injury, restricted work injury, where medical treatment or potential for medical treatment is required (Severity 4 or 5) Moderate but short term resourcing deficit (trained/skilled specialist roles) Financial exposure per annum \geq \$100k but < \$500k Adverse local media coverage/business practice resulting in complaints/prolonged unresolved dispute requiring legal oversight Breach of policy, process or legislation requiring internal investigation including moderate treatment for the purpose of damage control Moderate localised environmental degradation/damage/pollution due to natural disaster/unplanned population growth (medium term effect) or contained off site release Short term political attention with moderate impact to LTP deliverables/timings Moderate short term effects to service levels/business function/resource capacity due to failed/faulty technology/equipment or design/manufacturing competency.	3
Minor	Non-essential services impacted (<1 day) First aid injury or potential for a person to seek first aid (Severity 6) Temporary resourcing deficit (trained/skilled specialist roles <7days) Financial exposure per annum \geq \$10k but < \$100k Adverse local media coverage/social media comment leading to localised complaints Breach of policy, process or legislation requiring internal investigation requiring minor treatment for the purpose of damage control Minor localised environmental damage/pollution due to natural disaster/unplanned population growth Short term political interest with negligible impact to LTP objectives Minor effects to daily business function due to failed/faulty technology/equipment or design/manufacturing competency.	2
Insignificant	No tangible impact on services to customer (monitoring maybe required) Regular health & safety monitoring required to avoid injury (Severity 7) Temporary resourcing deficit (trained/skilled specialist roles <1 day) Financial exposure per annum < \$10k Minor adverse social media comment/questions but no subsequent public interest or event affecting an individual or small group Minor breach of policy or process requiring no investigation and only an approval or variance to prevent any damage control requirement Negligible localised environmental damage due to natural disaster/unplanned population growth Negligible political interest with no impact on LTP objectives. Negligible effects to daily business function due to failed/faulty technology/equipment or design/manufacturing competency.	1

Table 3 - Risk Assessment Matrix

The Risk Assessment Matrix is used to determine the risk score by multiplying the Likelihood and Consequence factors.

Overall Risk Rating = Likelihood x Consequence

Risk factor calculation

The risk score is calculated by simply multiplying the two variables together: **3 x 3 = 9**

Risk factor is 9

LIKELIHOOD	Almost Certain (5)	Low (5)	Moderate (10)	High (15)	Extreme (20)	Extreme (25)
	Likely (4)	Low (4)	Moderate (8)	High (12)	Moderate (16)	Extreme (20)
	Possible (3)	Low (3)	Moderate (6)	Moderate (9)	High (12)	High (15)
	Unlikely (2)	Low (2)	Low (4)	Moderate (6)	Moderate (8)	Moderate (10)
	Rare (1)	Low (1)	Low (2)	Low (3)	Low (4)	Low (5)
		Insignificant (1)	Minor (2)	Moderate (3)	Major (4)	Catastrophic (5)
CONSEQUENCE						

Open Meeting

To	Audit & Risk Committee
From	Tony Whittaker Chief Operating Officer
Date	04 September 2018
Prepared by	Katja Jenkins Project Management Advisor
Chief Executive Approved	Y
Reference #	GOV1318 / 2073221
Report Title	Emerging Risks September 2018

1. EXECUTIVE SUMMARY

This report details emerging risks that may have strategic impact.

2. RECOMMENDATION

THAT the report from the Chief Operating Officer be received.

3. DISCUSSION

The following activities have been identified as areas that may have business impact in the risk context:

- I. The Gearing for Growth and Greatness work programme performs a role in mitigating the strategic risk associated with People and Culture. Successful delivery of the programme is seen as critical in achieving business objectives. A number of emerging risks have been identified as part of the people component of the programme including:
 - a. Existing staff being disenfranchised and/or the loss of staff through the change process;
 - b. Shortage of appropriately trained and/or skilled applicants available through the recruitment process;
 - c. Funding assumptions are not realised in relation to additional roles;
 - d. Negative perception of recruitment: addition of roles seen as delivering a larger organisation rather than an effective organisation. This risk is based on the efficiency and innovation of the roles in regard to skills and capacity; and
 - e. Stakeholder expectations in regard to how quickly the change will demonstrate benefits.

A designated Change Team is in place for the work programme as risk mitigation. Cross organisational stewardship, including a comprehensive engagement plan, aims to support the delivery of agreed outcomes.

2. Independent Infrastructure Entity

Impact: **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.

The Government has confirmed that it will establish an independent infrastructure entity aimed at being operational by October 2019.

The new entity is expected to deliver advice, planning and strategy, and support the delivery of major infrastructure projects across the country. It will also establish links between various works the Government is undertaking and assist investors by linking them to procuring entities and informing them about our regulatory and market settings.

It was further communicated that it will have independence and strategic capability, meaning it will not only assist in the delivery of infrastructure, but provide advice to Government on key sector issues and help develop a whole-of-government project pipeline.

Considerations for local government operations include:

- Will it provide project implementation plans for major infrastructure projects?
- How will projects be prioritized e.g. evaluation and benefit realisation as a condition of funding and as a core component of project scoping?
- Will national business case development be a requirement?
- What degree of control and administration will be required in relation to evaluation, oversight, and monitoring of infrastructure delivery?
- Will existing Long Term Plan objectives require review to ensure alignment? and
- How will compliance components impact Council?

3. The Auckland Southern Corridor

The project is expected to deliver greater levels of accessibility to the Waikato District. This outcome may further accelerate growth in the area resulting in existing growth predictions being surpassed. Transport plans include, in the short term, a commuter rail system with stations within the Waikato District, and in the long term, a rapid transport option.

Pokeno is an existing exception, with growth projections already deemed to be low. The area is likely to continue this trend with the possibility of further relief of pressure from Southern Auckland bringing forward similar growth for our other nearby communities.

In response, Council have actively engaged in representing district aspirations and needs by inputting directly into the planning process with Central government, Auckland, Hamilton and Waipa Councils, NZTA, the Ministry for Education, Waikato Tainui and other key stakeholders as well as engaging at a political level with Ministers.

Additionally, a draft strategic risk associated with growth has been escalated to the Audit & Risk Committee for approval. The addition of this risk is expected to aid Management in monitoring associated activities and facilitating Audit & Risk Committee oversight.

As with any investment programme, particularly over a longer time period, there are risks and uncertainties that need to be considered. Some can be reduced during the development of the Plan activities, others are inherent, and some will be need to be managed as the programme is implemented. The specific risks identified at this stage are documented in Appendix I.

4. CONCLUSION

Emerging risks are being raised and monitored appropriately. Action is being taken to mitigate the emerging risk and contingency planning will commence should risks demonstrate an elevated threat.

5. ATTACHMENTS

Auckland Corridor Specific Risks

APPENDIX I

Risk	Description	Treatment
Societal	Growth of residential development continues in an ad-hoc way due to private plan changes and approvals provided by Corridor Plan partners resulting in continued disconnection of communities from essential services.	Continued collaboration with Corridor Plan partners through a range of avenues including Future Proof, South Auckland Alliance, Hamilton to Auckland Transport Connections Working Group and other forums.
Stakeholder	The Plan requires investment and co-ordination between government, stakeholders and other partners to deliver the programme efficiently.	Governance structure (Leadership Group (political) and Steering Group) established which engages with key stakeholders such as government ministers and programme partners.
Operational	Impacts to utility operations as a result of potential new plants/upgrades and/or improvements.	Prepare detailed traffic management plans, water shutdown and contingencies plans for the programmed improvements to minimise impacts to residents and visitors as the infrastructure is developed.
Financial	Costs are difficult to accurately confirm due to the nature of the improvements and the long term nature of the Plan.	Undertake enabling activities and Business cases as early as possible following consultation
Environmental & social responsibility	The corridor has areas of natural and cultural significance and any of the planned work could have an adverse effect on the environment	Planning and implementation will need to use high levels of design and construction focus on reducing actual and potential adverse impacts. Early engagement with affected parties is essential.
Cultural	Plan interventions don't fully consider cultural implications	Waikato Tainui, Hauraki Collective and Auckland Iwi are key programme partners.
Statutory requirements	Local Government Act and Resource Management Act requirements	High level land use planning requirements will be built into the Plan. Statutory processes including consultation should be in line with the Local Government Act and Resource Management Act Part 2 requirements and take place per the requirements of the individual programme interventions. New implementation tools may be developed by Government.
Reputational	There would be considerable reputational risk to the partners and the impact on the local and regional economies if the infrastructure does not adequately support the increasing population and the traffic demands of the region.	The Plan will provide a framework for long term outcomes and reduction in risk of failure. Engage early with the affected parties and co-ordinate strongly across the Plan partners to reduce risk of inadequate support. The development of the Plan aligns to Waikato District Council's Local Area Blueprints.

Open Meeting

To	Audit & Risk Committee
From	Gavin Ion Chief Executive
Date	4 th September 2018
Prepared by	Lynn Shirley Zero Harm Manager
Chief Executive Approved	Y
Reference/Doc Set #	GOV1318 / 2074465
Report Title	Zero Harm Strategic Risk Deep Dive Report

I. EXECUTIVE SUMMARY

The Deep Dive report aims to provide an opportunity for Governance to gain a true understanding of how Management view risk and to assess Managements control actions and mitigation procedures.

The proposed report framework includes;

- Risk background
- Internal/external impacts
- Risk assessment
- Examine associated treatments
- Recommendations on management/learnings etc.
- Forecast

This report relates to the Zero Harm strategic risk.

2. RECOMMENDATION

THAT the report from the Chief Executive be received.

3. DEEP DIVE REPORT

Risk Reference:	R00184 – Significant harm is caused to workers, or others, due to poor or inactive health and safety procedures, non-compliance with legislative requirements, or inadequate governance/management of contractual health and safety requirements.
Risk Background and Analysis	
Underlying causes (threats): <i>How do you see these causes now –</i>	Council has a zero risk appetite for Health and Safety risks. Employee wellbeing is a top priority. Council works hard to uphold safe practices and is committed to invest to review and improve safety practices and performance. We aspire to be better than good enough.

<p>have they changed, are there new causes?</p>	<p>It is recommended that a review of the existing risk is undertaken using a systematic approach to ensure that all potential causes are identified. A method such as Bow Tie Risk Assessment may be used. Bow Tie is a risk evaluation method that can be used to analyse and demonstrate relationships in high risk scenarios. Using this method may aid in the selection of the correct treatments to manage the identified causes.</p> <p>Given the time constraints in preparing this deep dive report it is not possible to undertake a complete Bow Tie Risk Assessment however the following potential causes (or threats) have been identified and a summary of the status of treatments in place to manage these causes has been provided.</p> <p>Potential causes include:</p> <ol style="list-style-type: none"> 1. Inadequate or no system to report or record health and safety events or hazards 2. Inadequate or no documented health and safety management system 3. Lack of understanding or non-compliance with legislative requirements 4. Lack of management commitment to health and safety 5. Inadequate or no governance of health and safety 6. Lack of technical resource to support the management of health and safety 7. Poor organisational safety culture 8. Inadequate or no understanding of critical risks 9. Inadequate or no strategic planning to manage health and safety 10. Inadequate or no management of contractual health and safety requirements 	
<p>Risk Management</p>		
<p>Current treatments Are you assured that these treatments are effective, sustainable and evidenced? Would you do more, or has the risk reduced so that resources can be redirected?</p>	<p>1. Inadequate or no system to report or record health and safety events or hazards (Existing risk treatment ref#: MC00545)</p>	<p>Council has a Risk and Hazard Management System known as BWare. This system is also used to record event data. A number of upgrades have been completed to ensure the system is aligned with the new legislative requirements. BWare is reviewed by the Zero Harm Team on a daily basis as part of our standard work. Events are now severity rated when they are entered into BWare and where relevant linked to Critical Risks.</p>
	<p>2. Inadequate or no documented health and safety management system (Existing risk treatment ref#: MC00435)</p>	<p>Historically Council's documented Zero Harm Safety Management System (ZHSMS) and associated processes have been audited to AS/NZS 4801 by an independent ACC Auditor as part of the Workplace Safety Management Programme (WSMP). This programme no longer exists and a review of the ZHSMS has identified a number of gaps in procedures and processes. Activity is underway as part of the strategic plan to review and update ZHSMS to support health and safety best practice.</p>
	<p>3. Lack of understanding or non-</p>	<p>Work is currently underway to ensure Council is meeting all of its legislative responsibilities following the introduction of the Health and Safety at Work</p>

	<p>compliance with legislative requirements</p>	<p>(Asbestos) Regulations 2016, Health and Safety at Work (Hazardous Substances) Regulations 2017 and the Health and Safety at Work (Worker Engagement, Participation and Representation) Regulations 2016. ZHSMS standards are being developed to detail Councils approach to managing these risks. A compliance calendar is being developed to track all ongoing health and safety activities including any legislative requirements.</p>
	<p>4. Lack of management commitment to health and safety (Existing risk treatment reff#: MC00437)</p>	<p>The Executive Leadership Team (ELT) has been involved in the selection and ongoing review of the organisations Zero Harm Critical Risks. Zero Harm is an agenda item on the weekly ELT meeting. A Zero Harm dashboard containing information on new events and hazards, over speeds, overdue corrective actions and key priorities is circulated and reviewed by the ELT on a weekly basis. All people leaders have an objective to undertake two Safety Engagement Conversations monthly and progress against this KPI is tracked and reported to the ELT monthly.</p>
	<p>5. Inadequate or no governance of health and safety</p>	<p>Council has a number of health and safety governance processes in place. These include the Executive Leadership Team (ELT), Senior Leadership Team (SLT) and Safety Action Team (SAT). In accordance with the Health and Safety at Work (Worker Engagement, Participation and Representation) Regulations 2016, Council has in place a worker engagement, participation and representation process with elected representatives coming together in a monthly forum known as the Safety Action Team. Work has been undertaken to strengthen the structure and functioning of the SAT by developing a position description for SAT members and a charter for the SAT. Performance dashboards are prepared monthly for the Council Committee and going forward these will be reviewed as part of the SAT agenda also.</p>
	<p>6. Lack of technical resource to support the management of health and safety</p>	<p>Council has a dedicated Zero Harm team to advise, coach and support people leaders to manage health and safety. The Zero Harm team consists of a Zero Harm Manager and Zero Harm Advisor. Recently a business case was approved by the Chief Executive and Executive Leadership Team (ELT) for a Zero Harm Administrator role for a six month secondment to support the implementation of a number of strategic improvement activities.</p>
	<p>7. Poor organisational safety culture</p>	<p>The basis for Council's organisation safety culture is set down in its Zero Harm Policy. Council's vision is to promote a culture of Zero Harm to ensure that people are safe at work and go home safe and healthy every day. Work has been undertaken to further personalise and embed not only Councils Zero Harm culture by the review and refreshing of its Zero Harm Essentials (see Appendix 1).</p> <p>A key focus for the last six months has also been to develop and improve personal ownership of health</p>

		and safety via safety engagement conversations. Tools and coaching has been provided to people leaders to support them when undertaking a safety engagement conversation.
	<p>8. Inadequate or no understanding of critical risks (Existing risk treatment ref#: MC00416)</p>	<p>Work has been undertaken to identify and manage Councils critical risks. The Executive Leadership Team (ELT) has been involved in the selection and ongoing review of the organisations Zero Harm Critical Risks. The following fourteen critical risks have been identified;</p> <ul style="list-style-type: none"> - Asbestos - On Road Driving - Workplace Violence and Aggression - Hazardous Substances - Working on or Near Roads - Working with Dangerous Animals - Working in a Confined Space - Working at Height - Working in or Near Trenches/Open Excavations - Working with Energy - Working Over or Near Water - Working Alone/In Isolation - Working with Firearms - Stress and Fatigue <p>Council's health and safety critical risks are being managed in BWare Safety Manager. Bowtie Risk Assessment has been completed for On Road Driving and Asbestos (see Appendix 2).</p> <p>Bowties are currently being developed for Workplace Violence and Aggression and Hazardous Substances. Control gap analysis has been completed for On Road Driving and Asbestos and actions to implement outstanding controls have been assigned in BWare. The status of critical risk control implementation is reported to Council on a monthly basis as part of the Zero Harm Dashboard.</p> <p>Zero Harm Safety Management System (ZHSMS) standards are also being written where necessary to support the management of critical risk. ZHSMS standards detail Councils expectations and minimum requirements for managing a critical risk (see Appendix 3).</p>
	<p>9. Inadequate or no strategic planning to manage health and safety (Existing risk treatment ref#: MC00415)</p>	<p>Council has a strategic health and safety plan in place (see Appendix 4) that clearly identifies high level improvement activities to deliver on the organisation's Zero Harm vision. The plan is based on the principles of Edward Deming's problem solving and continuous improvement approach of PDCA (Plan, Do, Check, Adjust). The plan identifies timeframes and responsibility for each activity. The plan has been approved by the Executive Leadership Team (ELT) and shared with the Senior Leadership Team (SLT) and Safety Action Team (SAT). Progress against the plan is reviewed monthly and reported to the ELT and Council Committee.</p>

	10. Inadequate or no management of contractual health and safety requirements	Council has in place documented procedures detailing how Contractor health and safety is to be managed. These procedures cover prequalification, tender and contract letting, information sharing, performance monitoring and communication and post contract review. Work is being undertaken to coach and support Council Contract Managers to ensure the health and safety processes that they have in place for contracted works is best practice for managing the zero harm risks.	
Current Risk Scores (Inherent and Residual) <i>Would you want to change these?</i>	Likelihood: 4 (Likely)	Consequence: 5 (Catastrophic)	Inherent: 20 (Extreme)
	Likelihood: 3 (Possible)	Consequence: 5 (Catastrophic)	Residual: 15 (High)
If you have changed the risk score, provide comments	The current risk assessment scores are misaligned with the organisational risk appetite. The Executive Leadership Team have identified that the scores require review. This work has commenced and is scheduled be completed during October and November 2018.		
Recommendations on Management/Planned Treatments <i>If more needs to be done, what do you suggest – and what are the limitations or constraints?</i>	<p>Recommendations to improve the management of Councils Zero Harm strategic risk form the basis for the Zero Harm “Work Safe, Home Safe” Strategic Plan for 2018-2019. Proposed key activities to strengthen the management of Councils Zero Harm risk include;</p> <ul style="list-style-type: none"> - Developing and undertaking a Safety Leadership survey with all People Leaders - Further strengthening the Safety Engagement Conversation culture - Implementing training for Safety Action Team representatives - Developing and deploying a compliance calendar - Continuing to review and further develop the documented Zero Harm Safety Management System (ZHSMS) - Reviewing and further developing Contractor health and safety management procedures and processes - Reviewing hazard management procedures and the use of BWare to manage hazard data - Reviewing hazard management and event investigation training requirements and implementing required training for all levels of the organisation. - Reviewing and developing Critical Risk Standards and Bow Ties for the fourteen critical risks. 		
Improvements to span of control <i>How will the implementation of planned treatments be effective in improving our ability to mitigate the risk?</i>	<p>Undertaking Bow Tie Risk Assessment of Council’s Zero Harm strategic risk will provide a systematic and detailed understanding of it and enable selection of appropriate treatments to manage it.</p> <p>Improvement activities detailed in the Zero Harm “Work Safe, Home Safe” Strategic Plan for 2018-2019 are also based around three key areas of safety management;</p> <ul style="list-style-type: none"> - People - Managed Risks - Disciplined Management System <p>See diagram in Appendix 5</p>		
Date actions to be delivered	2018-2019		
Risk Assurance			
Target risk score	Likelihood: 2 (Possible)	Consequence: 5 (Catastrophic)	Residual: 10 (Moderate)

Further comments	
Deep-dive review completed by:	Lynn Shirley (Zero Harm Manager)
Date of review:	6 th September 2018

4. APPENDICES

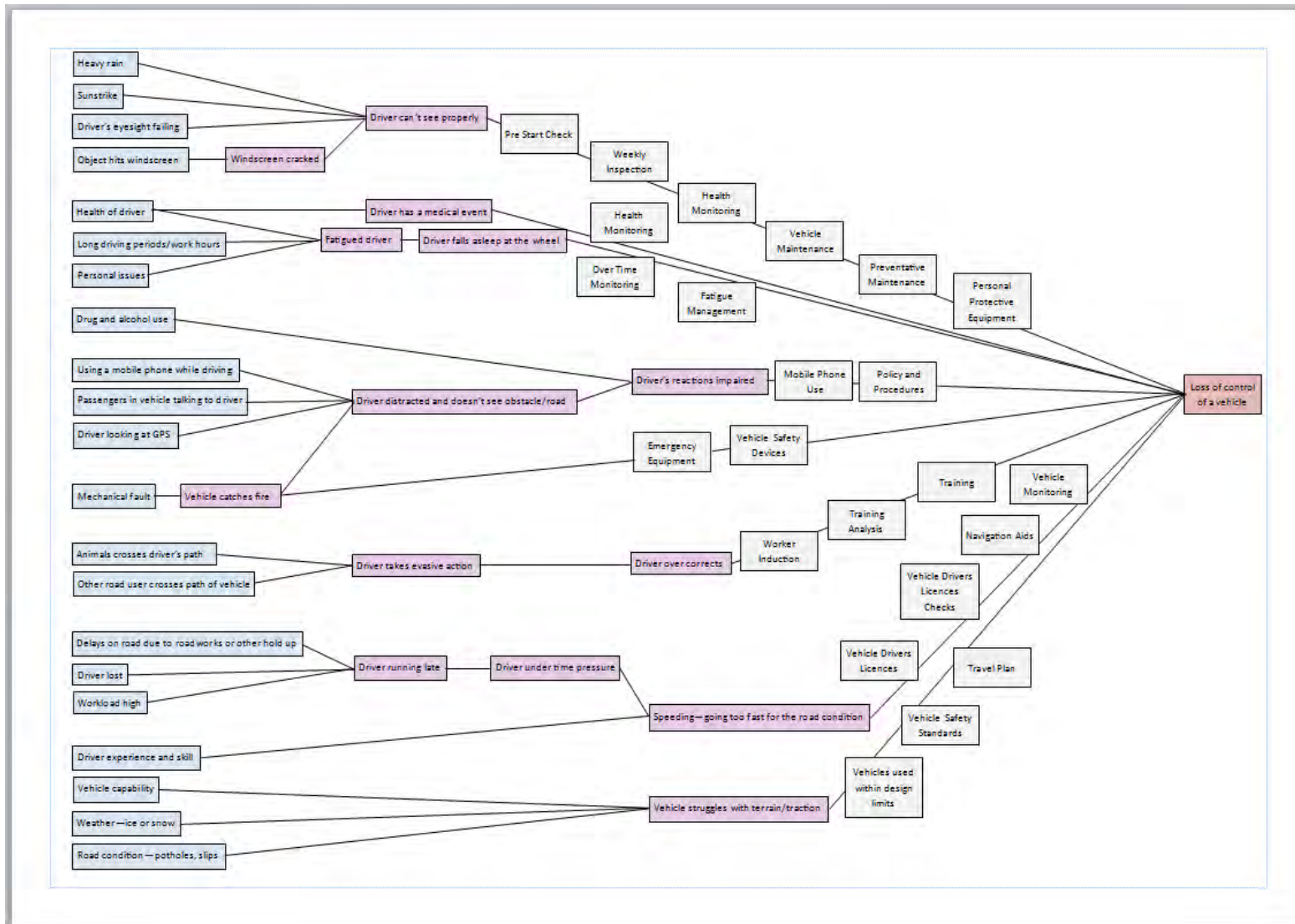
Appendix I: Zero Harm Essentials

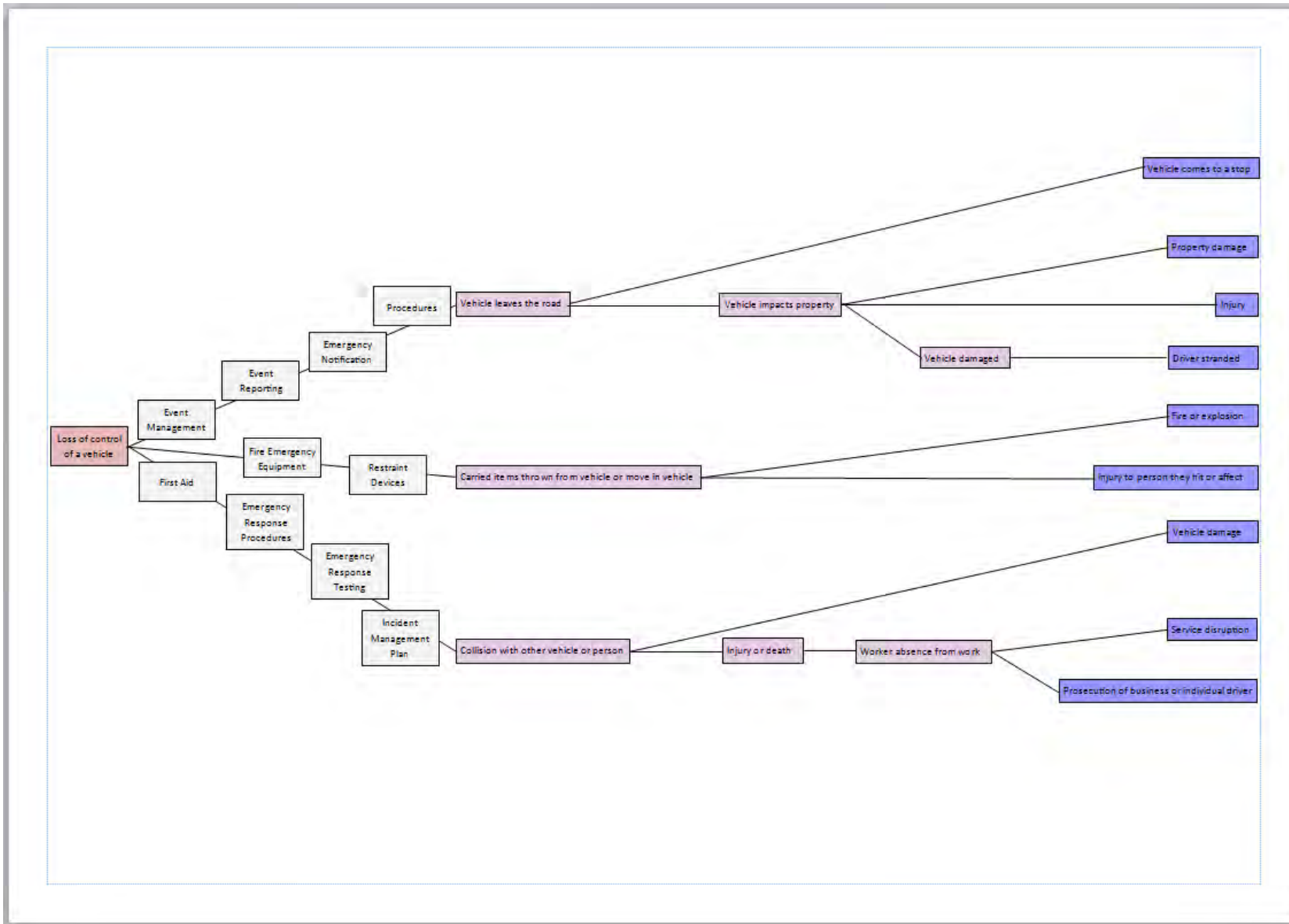


ZERO HARM
"WORK SAFE, HOME SAFE"





Appendix 2: On Road Driving Critical Risk Bow Tie



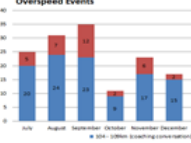




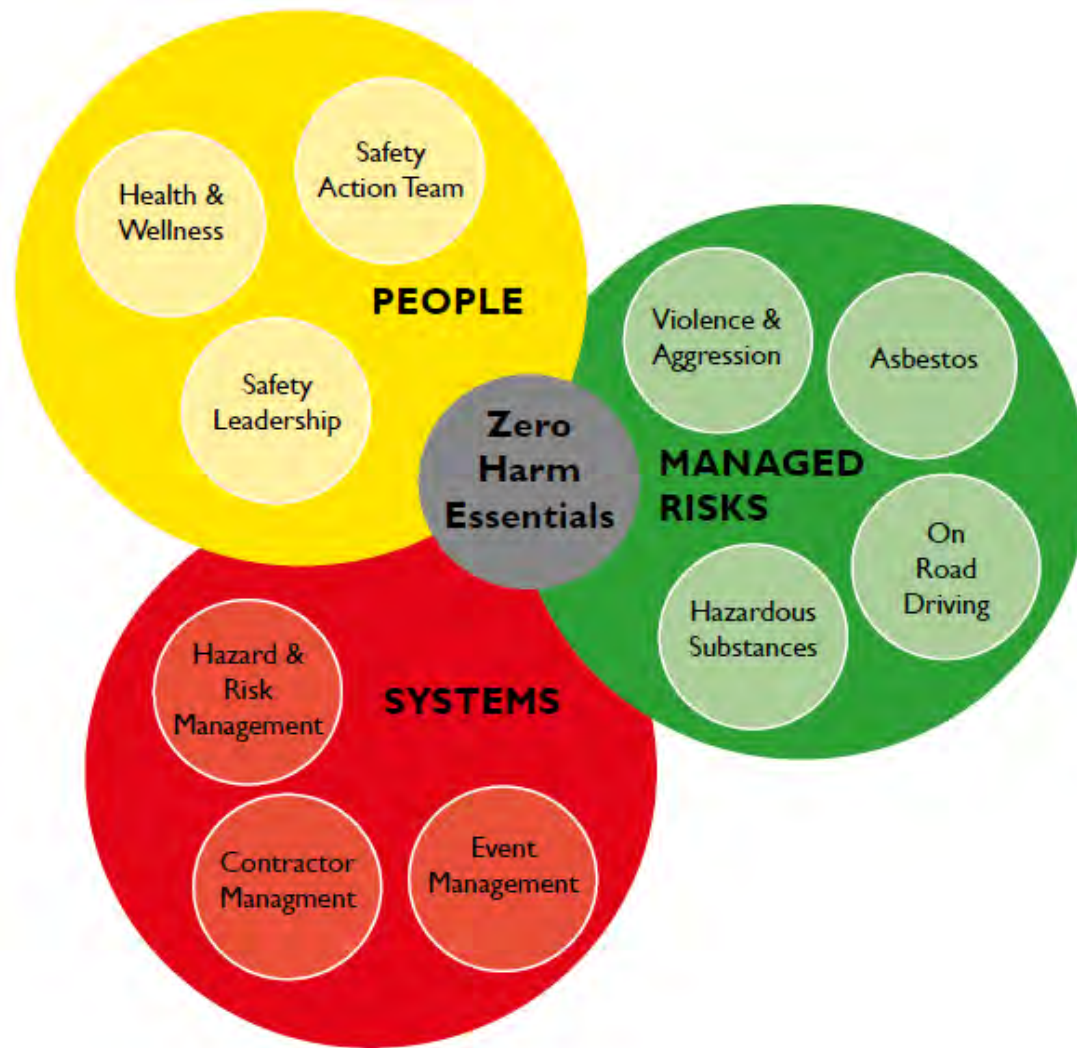
Appendix 3: Zero Harm Safety Management System (ZHSMS) 3.2 Workplace Violence Management Standard

<p>WDC ZHSMS 3.2</p> <p>Workplace Violence Management Standard</p> <p>Version 1 Issue Date: 23 August 2018</p> <p></p> <hr/> <p>1.0 Purpose</p> <p>Workplace violence is a serious occupational health and safety risk that has the potential to cause both physical and mental harm. The purpose of this standard is to define the minimum requirements that the Waikato District Council (WDC) shall follow to manage the risks associated with workplace violence, to prevent harm to its workers and others. WDC's response to all forms of violence will be consistent with zero-tolerance and without favour.</p> <p>2.0 Scope</p> <p>This standard applies to all WDC facilities, structures and operations including contractors or volunteers.</p> <p>3.0 Definitions</p> <p>Physical assault: means an assault which results in actual physical harm.</p> <p>Physical threat: means attempted physical assault that does not result in actual harm.</p> <p>Verbal/written threats: means verbal or written communication where the individual perceives a risk of harm to their person or property.</p> <p>Workplace violence: violent acts, including physical assaults and treats of assaults, directed toward persons at work or on duty. Workplace violence ranges from offensive or threatening language to homicide.</p> <p>4.0 Responsibilities</p> <p>Chief Executive (CE) is accountable for;</p> <ul style="list-style-type: none"> Ensuring resources are available to support the implementation and compliance with this standard <p>Managers and Team Leaders are responsible for;</p> <ul style="list-style-type: none"> Ensuring that all instances of violent and/or threatening behaviour are appropriately investigated and addressed Ensuring that workers who are 'at risk' are provided with effective controls to prevent and/or minimise exposure to customer initiated violence or threatening behaviour Ensuring that workers who encounter violence or threatening behaviour know what to do and are provided with post incident support Ensuring that any violence or threatening behaviour exhibited by, and or as a result of, employee behaviour is investigated and addressed in accordance with the WDC Code of Conduct and Harassment and Bullying Policy. <p>Workers are responsible for;</p> <ul style="list-style-type: none"> Ensuring they do not exhibit violent behaviour or provoke violence/threatening behaviour Cooperating with their manager/team leader to identify areas of work where the potential for violence or threatening behaviour is likely 	<p>WDC ZHSMS 3.2</p> <p>Workplace Violence Management Standard</p> <p>Version 1 Issue Date: 23 August 2018</p> <p></p> <hr/> <ul style="list-style-type: none"> Working in accordance with the procedures put in place by WDC to prevent or reduce the risk of violence or threatening behaviour, including any work practices, methods and instructions Immediately reporting all incidences of violence or threatening behaviour to their manager/team leader Supporting fellow workers who may have been victims of violence or threatening behaviour Following procedures to ensure their safety when working alone Following documented emergency procedures in the event of a violent or threatening situation <p>Zero Harm Team is responsible for;</p> <ul style="list-style-type: none"> Providing coaching and support to ensure this standard is understood, implemented and complied with. <p>5.0 Workplace Violence Management Requirements</p> <p>5.1 Background</p> <p>Workplace violence typically falls into four types of categories based on the relationship among victims, offenders and work settings.</p> <p>Type 1 – Criminal Intent</p> <p>In this kind of violent incident, the offender has no legitimate relationship to the victim or the organisation, but enters to commit robbery or another crime.</p> <p>Type 2 – Customer/Client</p> <p>When the violent person has a legitimate relationship with the business – for example, the person receives services from the organisation when they commit an act of violence against them.</p> <p>Type 3 - Worker on Worker</p> <p>Involves current or former employees acting out toward their present or past places of employment.</p> <p>Type 4 – Personal Relationship</p> <p>Violence committed in the workplace by someone who doesn't work there, but has a personal relationship with an employee – an abusive spouse or domestic partner that spills over into the workplace.</p> <p>Violent incidents may involve a "one-off" physical act of violence that results in a fatal or nonfatal injury or psychological injury; or some form of harassment that continues over time. Violent acts and behaviours can include:</p> <ul style="list-style-type: none"> Verbal abuse and intimidation Threatening phone calls or letters Stalking Threats of harm to the worker or their family and friends Destruction of property or possessions Physical assault of some kind
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Appendix 4: Zero Harm “Work Safe, Home Safe” Strategic Plan for 2018-2019

Date: 06/08/2018 DRAFT Version 1	Zero Harm “Work Safe, Home Safe” Strategic Plan 2018/2019	Lead: Gavin Ion Support: Kylie Anderson and Lynn Shirley																																																																																													
<p>Vision</p> <p>To promote a culture of Zero Harm to ensure that people are safe at work and go home safe and healthy every day</p> <p>We want our “work safe, home safe” vision to extend beyond the workplace. We encourage the safe and healthy practices we undertake at work to be carried out in the home and community environment.</p> <div style="text-align: center;">  <p>Waikato DISTRICT COUNCIL <i>Te Kaunihara oa Takiwā o Waikato</i></p> </div> <p>Performance, gaps and targets <i>Where are we?</i></p> <div style="display: flex;"> <div style="flex: 1; padding-right: 5px;"> <p>2017 / 2018 Performance</p> <ul style="list-style-type: none"> • 6 Total Recordable Injuries (TRIFR) • 624 events reported in BWare Safety Manager • 256 Over speed events (46% reduction on 2016/2017) • 54 Over speed events at greater than 110km (27% reduction on 2016/2017) • No WorkSafe NZ Notifiable Events • The number of safety engagement conversations being held has increased (23% on 2016/2017) <p>Gaps</p> <ul style="list-style-type: none"> • We have had limited focus on Critical Risk Management • Our H&S Management System is fragmented • We have low levels of hazard reporting in BWare • We are not always investigating and identifying corrective actions following events • We are not undertaking analysis on our event data to identify trends and opportunities for improvement • A number of people leaders have not received a safety leadership training </div> <div style="flex: 1;">   </div> </div>	<p>“Work Safe, Home Safe” 2018/2019 Plan</p> <table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 15%;">Goal</th> <th style="width: 45%;">Activities</th> <th style="width: 5%;">Lead</th> <th style="width: 5%;">Q1</th> <th style="width: 5%;">Q2</th> <th style="width: 5%;">Q3</th> <th style="width: 5%;">Q4</th> </tr> </thead> <tbody> <tr> <td rowspan="5">People Safety Engagement Conversation Target = 2 per Manager/Team Leader per month</td> <td>1. 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Appendix 5: three key areas of safety management



Open Meeting

To	Audit & Risk Committee
From	Tony Whittaker Chief Operating Officer
Date	05 September 2018
Prepared by	Katja Jenkins Project Management Advisor
Chief Executive Approved	Y
Reference #	GOV1318 / 2073011
Report Title	Risk Conversations – Monitoring

I. EXECUTIVE SUMMARY

The purpose of this report is to enable key staff within the organisation who are managing risk in their everyday activities (expect this to be third tier managers and/or team leaders) to come and share “their business”, from a risk perspective, with the Audit & Risk Committee (“the Committee”). This will provide the Committee an opportunity to dialogue with these staff to obtain assurance, from a governance perspective, that appropriate controls and culture are in place.

The intention is to have one of these conversations at every Audit & Risk Committee meeting. The Monitoring Team leadership will attend the September Audit & Risk meeting for this purpose.

The Hazard and Risk Management (“HARM”) register for the Monitoring Team is a work in progress. The register is being reviewed and updated so currently includes only some of the operational risks and controls effecting Monitoring employees.

It is suggested that the ‘Risk Conversation’ is focused on the following risk portfolios;

- People risk
- Compliance/ Regulatory risk

2. RECOMMENDATION

THAT the report from the Chief Operating Officer be received.

3. ATTACHMENTS

Hazard & Risk Management (“HARM”) Register - Monitoring Team



Hazard and Risk Management (HARM) Register



Risk / Hazard	IRA	Control methods	RRA	Status
Hazard / Risk:				
Critical Risk: On Road Driving - Light Vehicles Drivers and passengers of light vehicles driven on a public road or access way are at risk of sustaining potential serious injuries or becoming a fatality when involved in accidents or incidents with other vehicles, structures, animals or people. Light vehicles include cars and light trucks used by employees or contractors who either drive a company owned, leased or privately owned vehicle for work related purposes. Road crashes are one of the most common causes of work-related fatalities, injuries and absence from work and are responsible for significant numbers of bystander and commuter fatalities.	20		10	Assessing
Critical Risk: Working Alone	20	M: Administrative - Refer to promapp process Undertake a Site Visit / Step 4 which describes your procedures for a site visit. Minimise - Be aware of your safety when working alone or going out on site.	8	Assessing
Insect Stings/bites.	6	M: Administrative - Ensure that if you have an allergy, to	4	Assessing



Hazard and Risk Management (HARM) Register



Risk / Hazard	IRA	Control methods	RRA	Status
Hazard / Risk:				
		<p>put it onto your personal records with Human Resources. Ensure that your Team Leader is aware of the nature of the allergy.</p> <p>M: Administrative - Be alert for bees, wasps and wasp nests, if you have an allergy, you must make sure to carry your anti-histamine medication and/or EpiPen.</p>		
Slippery/Uneven ground.	12	<p>M: Administrative - Test your footing before proceeding.</p> <p>M: Administrative - Do not walk in areas where you are unsure of the ground conditions.</p> <p>M: Administrative - Look for safe route to access the site.</p> <p>M: PPE Controls - Wear appropriate footwear.</p>	9	Assessing
Walking or near roads	12	<p>M: Administrative - Limit time on road and/or alongside of road.</p> <p>M: Administrative - Continually assess your safety where it becomes un-safe return to vehicle.</p> <p>M: Administrative - Be aware of approaching traffic in either direction or move to a place on the side of the road</p>	8	Assessing



Hazard and Risk Management (HARM) Register



Risk / Hazard	IRA	Control methods	RRA	Status
Hazard / Risk:				
		visible to approaching traffic. M: Administrative - Stand in safe position off the road formation as much as possible. M: PPE Controls - High Vis jacket, steel cap safety boots, hard hat. M: PPE Controls - When stopped on roadside, ensure hazard lights and roof bar lights are switched on.		
Weather Conditions	3	M: Administrative - Drink plenty of water. Stand in shade as much as possible and limit time in the sun. M: PPE Controls - Wear appropriate PPE gear (sun hat, sun glasses). Make sure you have access to sunscreen and re-apply as required.	1	Assessing

Open Meeting

To	Audit & Risk Committee
From	Tony Whittaker Chief Operating Officer
Date	10 September 2018
Prepared by	Melissa Russo Acting Corporate Planning Team Leader
Chief Executive Approved	Y
Reference #	GOV1318 / 2074398
Report Title	Draft 2017/18 Annual Report

I. EXECUTIVE SUMMARY

Attached is the draft 2017/18 Annual Report and draft 2017/18 Annual Report Summary. At the time of preparing this report, these documents were still being audited by our independent auditors, Audit New Zealand.

The Audit & Risk Committee are encouraged to provide feedback from a risk perspective.

The Annual Report and Summary will be presented to the Strategy & Finance Committee on 26 September 2018 to recommend for adoption by Council on 08 October 2018.

2. RECOMMENDATION

THAT the report from the Chief Operating Officer be received.

3. ATTACHMENTS

- Draft 2017/18 Annual Report
- Draft 2017/18 Annual Report Summary

**GROWING
THE DISTRICT
OUR JOURNEY
SO FAR**



OUR NEW VISION

**Liveable, Thriving and
Connected Communities.**

*He noohanga aahuru, he iwi whai
ora, he hapori tuuhono tahi.*



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OVERVIEW

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and Chief Executive

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THIS IS WAIKATO DISTRICT

WE PROVIDE...

9,137,000

LITRES OF
DRINKING WATER A DAY

52 PUBLIC
TOILETS
USED BY 4,000
PEOPLE EVERYDAY

12 
SKATEPARKS

KERBSIDE
COLLECTIONS
OF **9,673**
TONNES OF
REFUSE EACH YEAR

51 
PLAYGROUNDS

3 SWIMMING
POOLS

WE MAINTAIN...

1,836KMS 
OF SEALED ROADS

241KMS
OF FOOTPATHS

600KMS 
OF UNSEALED
ROADS

51 PARKS AND
RESERVES 

39 
COMMUNITY HALLS

WAIKATO IS HOME TO...

73,600
PEOPLE

(24.1% IDENTIFY
AS MAAORI)



174 NEW
NZ
CITIZENS IN 2017/18

14,812 DOGS



WAIKATO SPANS...

OVER

445,000

HECTARES
OF LAND

IN 2017/18 WE SUPPORTED...

151

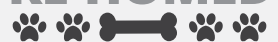
COMMUNITY
GROUPS



AND

231

DOGS WERE
RE-HOMED



WE OPERATE...

6 LIBRARIES THAT SERVICE
21,289 LIBRARY MEMBERS



31 WATER
RESERVOIRS
WITH A TOTAL
CAPACITY OF **39,467m³**



7 WATER TREATMENT
PLANTS WITH A TOTAL CAPACITY
OF **19,206m³**
PER DAY



2 ANIMAL
SHELTERS

22
CEMETERIES

27 DOG
EXERCISE AREAS

FROM THE MAYOR AND CHIEF EXECUTIVE

A pivotal year

2018 was a pivotal year for Waikato District: it was marked by a series of major initiatives to prepare for a long period of growth and change.

We are one of the fastest growing districts in the country, forecasting a 20% jump in property numbers (from 32,000 to 38,500) in the next decade, and population growth of more than 12,000 – close to the combined populations of our two largest towns, Ngaruawahia and Huntly.

A new vision to guide our growth

We unveiled a new vision of ‘liveable, thriving and connected communities’ to guide how we shape our growth so we create communities that people feel connected to and want to live in.

This new vision was laid out in our Long Term Plan 2018-28 and supported by a \$1 million budget to implement a series of ‘master plans’ – or ‘blueprints’ - for our key growth areas. Our challenge is to balance spending on infrastructure and services for people-friendly living, while maintaining rates at an affordable level. To complement the new direction, our proposed Waikato District Plan offers a new spatial vision for community development, setting the guidelines for land use and for protecting our environment and heritage. Changes include a village zone, and the opportunity for papakainga (multiple dwelling) development on all Maaori freehold land with multiple owners.

We worked with our neighbouring councils and other agencies to reach common understandings over shared cross-boundary issues. We adopted the Waikato Plan to guide regional development, worked to revise our sub-regional Future Proof strategy to manage growth across Hamilton City and Waikato and Waipa districts, and endorsed a business case for integrated growth management in North Waikato. We also partnered with the Government on a Hamilton-Auckland Corridor Plan to maximise opportunities offered by the main trunk railway and the new Waikato Expressway.

Sustainable delivery of services

We continued to identify sustainable ways of delivering the services needed by a growing district.

We reviewed our organisational capabilities to deliver on our Long Term Plan commitments and will realign our operations in the new financial year to provide the internal

resources required. We also developed an Information Management roadmap to identify and budget for the technology solutions we need to support our customer-focussed strategic goals.

We expect to save at least \$28.3 million in the next decade by negotiating a contract with Watercare Services to manage our waters services under the guidance of a professional Council-appointed Waters Governance Board that includes Waikato-Tainui representation.

We secured \$38 million from the Government’s Housing Infrastructure Fund to facilitate development in Te Kauwhata over the next decade and \$868,000 from the Government’s Tourism Infrastructure Fund to renew toilet and refuse facilities in Raglan.

Through the Waikato District Alliance we delivered efficiencies in road asset management - including a LED streetlight upgrade projecting \$70,000 annual savings - and progressed work on alternative transport modes. We assessed the work required to establish commuter rail facilities at Tuakau and Huntly rail stations and set aside \$500,000 for further work.

We are proud that some of our most widely-used services recorded customer satisfaction levels of 80% or more including libraries (97%), parks and reserves (86%), wastewater (95%), water (83%), rubbish (80%), recycling (84%) and animal control (82%). Overall, 74% of survey respondents were satisfied with the way rates are spent on the services and facilities we provide.

Caring for our environment

We continued a \$1.76 million wastewater system upgrade programme to reduce the risk of overflows to protect our waterways and environmentally sensitive areas.

We reviewed our Waste Management and Minimisation Plan and undertook initiatives to promote our vision that ‘zero waste and resource recovery are an integral part of our community’. In partnership with Raglan’s Xtreme Zero Waste, we began a kerbside food waste collection in Raglan and diverted 123 tonnes of food waste from landfill to compost.

We completed a switch to water meter charging for all properties connected to our water infrastructure to encourage water conservation, and help us locate and fix

water losses. We charted a one-year baseline of drinking water usage at 240 litres per resident per year.

We are proud that Raglan's tap water – sourced from a local artesian spring – was judged the best tasting tap water in the country at the annual Water Industry Operations Group (WIOG) New Zealand Water Taste Test.

Economic development

To encourage business growth and employment opportunities we promoted Waikato district as a centre of national importance for the freight and logistics industry, facilitated collaboration between local businesses interested in exporting into Asia, supported the development of local tourism networks in destination townships, and committed \$60,000 a year to help underwrite the establishment of a Waikato Regional Economic Development Agency.

Waikato District attracted 183 new businesses and more than 500 new jobs in the year to March 2018, and local tourism spending leaped 12.2% to \$128 million in the same period. Major developments included decisions by Synlait Milk to invest \$250 million in a nutritional milk powder factory in Pokeno opening in 2019-20, and by the Government to extend fast internet to a total of 17 of our towns and mobile blackspot areas.

Financial Performance

We met our financial targets for the year. We worked hard to set rates and debt levels that balance affordability with the need to provide for our growing community.

Average rates per rateable property were \$2,792 for 2017/18 compared with a calculated affordability limit of \$2,999. Average debt per rateable property is \$2,557. This is 57 per cent below our debt servicing limit, offering capacity for funding services and facilities as needed for the future.

Building communities together

We want to involve you in decisions affecting the future of our district. We engaged with you on more than 80 initiatives, plans, strategies and bylaws during the year on subjects ranging from speed limits to library services.

We nurtured youth leadership through our youth action groups, launched a \$10,000 student scholarship with Waikato-Tainui, and supported youth employment initiatives from cadetships to driver training days.

We committed grants totalling more than \$800,000 from Council-owned or administered funds for distribution to 174 organisations to enable communities to meet some of their own needs.

We are proud of what we have achieved by working together to meet our district's present and future needs.

"We unveiled a new vision of 'liveable, thriving and connected communities' to guide how we shape our growth."



Gavin Ion
Chief Executive

Allan Sanson
Mayor

OUR ROLE AND STRUCTURE

The Council is elected by the residents and ratepayers of the Waikato district. Thirteen Councillors are elected from within the 10 wards they represent. The Mayor is elected at large. The Councillors and the Mayor make the decisions affecting the communities across the whole district.

Wards

The district is divided into 10 wards as identified in the map opposite. They are: Awaroa ki Tuakau, Eureka, Hukanui-Waerenga, Huntly, Newcastle, Ngaruawahia, Onewhero-Te Akau, Raglan, Tamahere, and Whangamarino.

Community boards

Five community boards, whose members are elected within the board areas, deal with local issues within their areas. Community boards are established in Huntly, Ngaruawahia, Onewhero-Tuakau, Raglan and Taupiri.

Community committees and groups

By advocating on behalf of their local communities, voluntary community committees and groups play an important role within community decision-making. The Council works with them and the community boards so it can take into account local perspectives as part of its decision-making.

They include: Aka Aka, Eureka, Glen Afton/ Pukemiro, Gordonton, Horsham Downs, Matangi, Meremere, Newstead, North East Waikato (including Mangatawhiri, Mangatangi and Maramarua), Pokeno, Port Waikato, Pukekawa, Rangiriri, Tamahere, Te Kauwhata, Te Kowhai, and Whatawhata.

Our Governance Structure



Mayor
2017/18
Allan Sanson



WHO WE ARE 2017/18

The Council

Cr Stephanie Henderson
Awaroa ki Tuakau Ward

Cr Jacqui Church
Awaroa ki Tuakau Ward

Cr Jan Sedgwick
Whangamarino Ward

Cr Shelley Lynch
Huntly Ward

Cr Frank McNally
Huntly Ward

Cr Bronwyn Main
Onewhero-Te Akau Ward

Cr Dynes Fulton
Hukanui-Waerenga Ward

Cr Janet Gibb
Ngaruawahia Ward

Cr Eugene Patterson
Ngaruawahia Ward

Cr Rob McGuire
Eureka Ward

Cr Lisa Thomson
Raglan Ward

Cr Noel Smith
Newcastle Ward

Cr Aksel Bech
Tamahere Ward

Wards shown on map: Awaroa ki Tuakau Ward, Whangamarino Ward, Onewhero-Te Akau Ward, Huntly Ward, Hukanui-Waerenga Ward, Ngaruawahia Ward, Eureka Ward, Raglan Ward, Newcastle Ward, Tamahere Ward.

The Executive Leadership Team



Gavin Ion
Chief Executive



Ian Cathcart
General Manager
Service Delivery
(appointed April 2018)



Sue O'Gorman
General Manager
Customer Support



Tony Whittaker
General Manager
Strategy and
Support



Vanessa Jenkins
Human Resources
Manager



Jacob Quinn
Marketing and
Communications
Manager

STATEMENT OF SERVICE PROVISION *TAUAAKI RATONGA WHAKARITENGA*

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Animal control	26
Building quality	27
Environmental health	29
Strategic and district planning	30
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33 Roding

37 Stormwater

39 Wastewater

42 Water supply

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STATEMENT OF SERVICE PROVISION

What we did

This Annual Report reviews our progress towards achieving what we set out to do in the third year of our 2015-2025 Long Term Plan (LTP). The LTP sets out our strategic direction for 10 years ahead and is reviewed every three years. It establishes our goals and outlines the work we need to carry out to achieve the community outcomes identified.

Our work programmes and associated budgets are divided into eight groups of activities that contribute to the community outcomes we're seeking. In the 2015-2025 LTP our community outcomes were encapsulated by the Council's guiding principles of People, Energy and Economy. (These change from 2018/19 under our new LTP.)

People

We will develop and maintain relationships and partnerships and provide accessible services, facilities and activities that create a supported, healthy, safe and engaged community.

Economy

We will promote sustainable growth, maintain accessible, safe and connected infrastructure and services, create an attractive business environment and provide sound financial governance.

Energy

We will provide active leadership, empowerment and collaboration in our business environment and we will effectively and sustainably manage natural resources.

Activity	Outcome		
	People	Economy	Energy
Governance	✓	✓	✓
Sustainable Communities - Customer and partnership focus - Economic development - Emergency management - Grants and donations - Parks and facilities	✓	✓	✓
Sustainable Environment - Animal control - Building quality - Environmental health - Strategic and district planning - Solid waste	✓	✓	✓
Roading	✓	✓	✓
Stormwater	✓	✓	✓
Wastewater	✓	✓	✓
Water Supply	✓	✓	✓
Organisational Support			

How we did

We have established performance measures for our work programmes to gauge our progress towards the community outcomes identified. In the following pages, you'll see we have shown how we're doing against our performance measures. We've used the 'traffic light' system to indicate whether:



We've achieved



We're on track towards the target but haven't quite made it (within 5%)



We've not met the target (variance greater than 5%)

We conclude with a tabular presentation of our progress towards community outcomes on pages 48 to 51.

GOVERNANCE

What we did

We developed our Long Term Plan 2018-28 with a new vision and goals to embrace the growth and changes we face in the next 10 years. Our vision is that we work together as a district to build liveable, thriving and connected communities as our district grows.

To lead the implementation of our Plan, we re-appointed our Chief Executive for a new five-year term after a competitive appointments process.

Involved our communities in decision-making

Our goal, as a democratically-elected Council, is to involve you in the decisions that affect the future of our district.

We reviewed our representation arrangements for the next local body elections and will finalise these with your input in the new financial year. We consulted widely on our Long Term Plan and received more than 700 submissions before we adopted the plan that sets our budgets and direction for the years ahead. We also engaged with our communities on more than 80 other initiatives, plans, strategies and bylaws, on subjects ranging from waste management to waters services, and from speed limits to our District Plan rules.

We expanded our efforts to engage with you through a range of media, surveys, public meetings and market days, and we added to our range of online services. We attracted nearly 193,000 people to visit our website in the past year, and we have more than 8,700 followers on Facebook.

More than 5,000 customers contributed ideas to the future of our library services, and several thousand took up our ANZAC challenge to decorate a tree in every community with knitted poppies.

We continued to encourage youth leadership through our youth action groups, to develop links within their communities and with the Council as they worked on projects of their own choosing.

Monitored our performance

We measured your response to our work through an independent customer satisfaction survey. While we did not meet all our targets, nearly two-thirds of respondents said they were satisfied with the overall service received (66%) and that it took little or no effort to conduct business with the Council (64%).

We also monitored our performance to ensure we continue to provide an acceptable standard of infrastructure, community services and facilities, and published the results on a quarterly basis.

Developed our regional partnerships

Together with nine other councils that comprise the Waikato region, we adopted the Waikato Plan to provide a collective voice on regional priorities and guide decision-making on regional issues involving population change, infrastructure, economic development and the environment, and enable leverage of central government funding.

Working with Hamilton City, Waipa District and Waikato Regional Councils, tangata whenua and NZ Transport Agency (NZTA) representatives we revised our sub-regional Future Proof strategy to manage growth while addressing complex cross-boundary issues.

We began working with the Government and regional partners to develop a Hamilton-Auckland Corridor Plan to maximise opportunities offered by the main trunk railway and Waikato Expressway. We also endorsed a North Waikato Integrated Growth Management Programme business case, developed in partnership with Auckland Council, NZTA, the Regional Council and other government agencies, to ensure that fast growth is supported by the infrastructure needed.

Maintained iwi partnerships

We worked closely with our iwi partners as we developed our proposed District Plan and received positive feedback for extending the opportunity for papakainga (multiple dwelling) development on all Maaori freehold land with multiple owners, rather than limiting it to marae development.

During Joint Management Agreement meetings with Te Whakakitenga o Waikato (Waikato-Tainui) and Ngaati Maniapoto on the Waikato and Waipa Rivers, we kept iwi briefed as we developed Long Term Plan options for the future management of our waters services, and gained support for Waikato-Tainui representation on a Waters Governance Board to progress the option adopted.

Together with Waikato-Tainui we launched a new \$10,000 student scholarship to support their rangatahi (youth) to undertake tertiary studies that may contribute to our vision of restoring the health of the Waikato River.

How we did

Performance measures	2016/17 result	2017/18 target	2017/18 result	Rating	Explanation
Satisfaction of residents that they were able to contact their councillor as and when required.	83%	100%	77%		Contact details for councillors are available on our website, through our call centre and in our Link newsletter. Some councillors write regular newspaper columns with their contact details provided. Councillors also attend many community meetings.
Number of upheld objections/appeals lodged against election process.	0	0	0		Target met.
Number of joint committee meetings held per annum.	2 Waikato-Tainui, 2 Maniapoto	2 Waikato-Tainui, 2 Maniapoto	2 Waikato-Tainui, 2 Maniapoto		Target met.
Number of identified or notified breaches/objections under Joint Management Agreements, MOU's and MOA's.	0	0	0		Target met.
Number of formal governance hui held between the Council and iwi/hapuu groups.	7	Minimum of 3	4		Target met.
Percentage of minutes of all open meetings that are made publicly available via the Council's website.	100%	100%	100%		Target met.
Percentage of Council decisions that comply with statutory requirements.	100%	100%	100%		Target met.

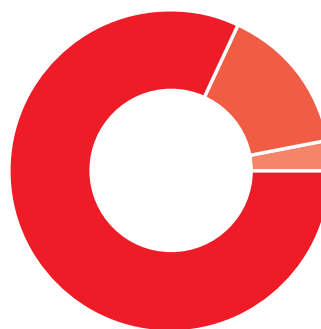
What this tells us

Your feedback through our regular customer satisfaction survey is giving us the information we need to improve the way we work with you. We have not met all our targets for the year overall, but we are making positive progress in working with you to ensure our district continues to develop as an attractive place to live and work.

- *There are no potential significant negative effects associated with this activity.*

How we paid for it

Operational funding



82% General rates

15% Internal charges recovered

3% Targeted rates

SUSTAINABLE COMMUNITIES

This group of activities includes economic development, grants and donations, parks and facilities, emergency management, and customer and partnership focus. We provide these services to address social and economic wellbeing to support the development of 'communities' and not just discrete sets of towns and villages. It's about the provision of leisure options and the protection of enduring communities.

Our strategic focus is to support economic growth rather than spatial growth, and to enrich our communities through employment and improved quality of life rather than simply encouraging population growth.

Customer and partnership focus

We want to make it easy for you to contact us about issues and questions regarding the services we provide. Key contact points include staff in our libraries and service centres, and our call centre. In order for our customer to feel supported outside of normal working hours, an after-hours service is provided by Hamilton City Council.

Economic development

We are continually providing infrastructure to support businesses and residents, and updating the district plan to attract industry to our district, along with many other initiatives. The goal is to ensure our district has longevity by bringing more employment opportunities. The unit leads, supports and co-ordinates economic development activities, plans and initiatives across the district's growth nodes to help build a local environment that attracts and sustains new and existing business investment, residential development and visitor experiences.

Emergency management

Public safety and emergency management activities are fundamental to the protection of life and property in the community. We have a key role in disaster and emergency response, management and recovery.

Grants and donations

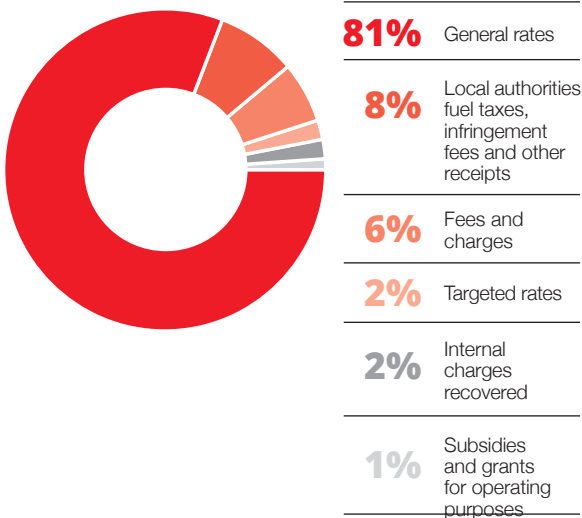
Every year we provide grants and donations to various organisations and charities throughout the district, which otherwise might not have access to funding for their work.

Parks and facilities

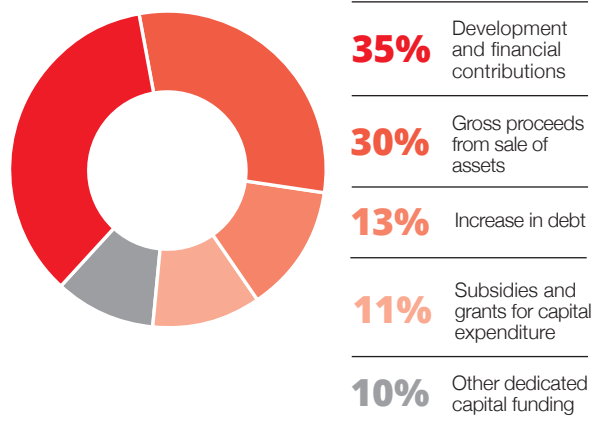
We provide many parks and open spaces, playgrounds and public facilities, including aquatic centres and libraries, walkways and sports grounds. Providing these facilities and amenities supports a healthy and thriving community.

How we paid for it

Operational funding



Capital funding



Customer and partnership focus

Customer satisfaction survey

Our ongoing customer satisfaction survey recorded satisfaction levels of 80% or more with some of our largest and most widely-used services – public libraries (97%), parks and reserves (86%), wastewater (95%), water (83%), rubbish (80%) and recycling (84%) – as well as our animal control enforcement service (82%). These services also figured highly in our engagement and public consultation efforts through the year.

Overall, 74% of survey respondents were satisfied with the way rates are spent on the services and facilities provided by the Council. Any dissatisfaction recorded with our services was no higher than nationally-collated council averages, while several services – building and inspection, animal control, public toilets and footpaths – recorded markedly low dissatisfaction compared with national averages.

Staff responsiveness

We undertook regular quality assurance coaching for our call centre staff, and a sustained internal programme focussed on customer responsiveness and engagement.

Despite strong efforts by staff to simplify the customer experience and to represent the Council in a professional manner we did not meet all our customer satisfaction targets. Nevertheless nearly two-thirds of survey respondents said they were satisfied with the overall service received (66%) and that it took little or no effort to conduct business with the Council (64%).

Customer engagement

We engaged with our communities on more than 80 initiatives, plans, strategies and bylaws during the year. We consulted on subjects ranging from speed limits to waste management, and from our District Plan rules to the way we manage our waters services over the long term.

More than 5,000 customers gave their opinion for a consultation on the 'Future of our Library Services'. Several thousand people also knitted poppies to support our district-wide ANZAC 'yarn bombing' celebrations - which was just one of our 'placemaking' initiatives to encourage communities to reclaim their public spaces through artistic and cultural endeavours.

Our online customer engagement continued to rise as we expanded our online services and lifted our social media engagement. Compared with 2016/17 there was a 9.4 per cent increase in website visits during 2017/18, a 10.7 per cent rise in website users (to nearly 193,000 unique visitors during the year) and an 11.8 per cent increase in new users. Visitor numbers viewing the website via mobile phone rose 15.8 per cent and visitors on tablets were up 11.7 per cent.

We manage three Facebook pages and a Facebook group. Our main page averages an 'organic' (unpaid) reach to 5,876 people a day – more than 2 million per year – and our customers engage with us via 'likes', comments and 'shares' more than 18,000 times every month.

Youth engagement is a key initiative. We continued to work with our youth action groups on projects of their own choosing to help them develop links within their communities and with the Council.









Library services






Our libraries are an important focus for community activity, hosting community group meetings as well as regular reading programmes and other learning opportunities. Our regular library programmes include our Matariki creative writing and design competitions which attracted more than 500 entries this year. We expanded our ability to act as community hubs by installing digital community noticeboards in all our offices and libraries

We advanced plans to redesign our Meremere and Tuakau libraries, but put new plans for the Ngaruawahia library on hold after they failed to win support during public consultation on a proposed new community facility. We also celebrated the launch of our new library management system, Kōtui, together with an extensive e-collection of books, audio and magazines that can be borrowed online.

All our libraries became cash-free sites this year, supported by a full range of non-cash payment options including online banking for a council payment via the libraries free wi-fi. Off-site options for cash payments to Council are available through NZ Post shops.

How we did

Performance measures	2016/17 result	2017/18 target	2017/18 result	Rating	Explanation
Percentage of customers satisfied that the Council engages with the community regarding the right issues.	45%	60%	40%		We have engaged with our community on a large and wide-ranging number of topics (more than 80) in the past year. The Significance and Engagement Policy is applied when considering what issues require public engagement to ensure a consistent approach. Consultation 'fatigue' may be an issue.
Percentage of customers satisfied with the ease of access to information regarding key community issues.	52%	60%	52%		We make information available through a range of channels including our website, newsletter, direct mail as well as advertised events for particular projects such as the Long Term Plan and District Plan.
Percentage of customers satisfied that the material available on key issues is clear and provides sufficient information to allow feedback.	49%	60%	52%		We improved the result, and will continue to work with our Communications team to provide clear and simple information that helps our community understand the issues and form an opinion.
Percentage of customers satisfied that council provides a suitable range of options and avenues to engage through.	49%	60%	49%		We use a range of methods to engage with people and help them provide feedback. The most popular is still a direct mailout with a hard copy submission form that people can complete and return.
Percentage of customers satisfied that Council provides sufficient time and opportunity for engagement with the community.	55%	60%	49%		One month is a standard consultation timeframe. We rarely consult for less than one month, and will usually hold a public event to assist with engagement if timeframes are particularly tight.
Average level of effort to conduct business with council. On a scale of 1 – 5 (5 being high effort) how much effort did it take to conduct your business with the Council?	2.25	Less than or equal to 3	2.51		Target met.
Percentage of CRM calls responded to within agreed timeframes.	90%	90%	88.35%		We have employed a number of new staff this year. This could have contributed to the slight decrease in this result.
Percentage of respondents/customers who are satisfied or very satisfied with the resolution of their request of the Council.	62%	70%	53%		We cannot always provide the outcomes our customers are seeking. We try hard to clarify the reasons for outcomes and aim to better manage customer expectations and experiences.

Performance measures	2016/17 result	2017/18 target	2017/18 result	Rating	Explanation
Percentage of respondents who are satisfied or very satisfied with the overall service received when contacting the Council.	70%	75%	66%		The results do not appear to reflect the strong efforts staff have made to simplify the customer experience and to represent Council in a professional manner.
Net Promoter Score (level of likelihood that library users will recommend to friends and family their library as a place to go).	92%	80%	N/A		We did not run these surveys, but ran focus groups instead. We ran a major 'Future of Our Library Services' consultation and did not want to risk 'survey fatigue' in our population.
Level of customer satisfaction that the quality of library resources meets their needs.	90%	90%	N/A		We did not run these surveys, but ran focus groups instead to avoid 'survey fatigue' alongside a major 'Future of Our Library Services' consultation.
Percentage of books that are less than five years old.	68%	50%	68.2%		Target met.
Percentage of books that are less than 10 years old (excluding reference, specialist items, local history and core stock of long term value).	95%	100%	98%		A major acquisitions and culling effort over the past year should see us attain this target in the coming year.
Percentage of time that access to a free internet service is available in libraries.	100%	100%	100%		Target met.
Number of publicly shared reports assessing Council's progress against its goals and objectives.	4	4	4		Target met.

What this tells us

A strong focus on engaging with our communities on key issues has not yet been reflected in the customer satisfaction levels for which we're aiming.

We engaged with our communities on a large number of major initiatives through the year, and survey results

varied through the year depending on the issues at hand and the level of perceived engagement activity. Overall there were high 'neutral' response rates and relatively low dissatisfaction scores on questions relating to community engagement, so some 'low satisfaction' results may be misleading.

Potential significant negative effects

Potential negative effect	How we are addressing this
Damaged library items.	Repaired as condition assessed during the issuing or receipting process, or discarded in accordance with the collections policy.
Inappropriate books/magazines/material in the collection (such as adult material, or offensive to cultures, religion, or in general).	Items are acquired in accordance with the collections policy and catalogued as per the nature of the material.

Economic development

What we did

Strategy

We progressed a programme of work to support growth in areas of identified economic strength for the district, and in identified growth industries.

We developed a Waikato District Visitor Plan to undertake a stocktake of local attractions and to identify opportunities for local tourism investment, product development and destination marketing.

We augmented our Economic Development Plan with an International Relations Strategy to examine opportunities for attracting international investment and business partnerships to create more employment in the district. These include exploring sister city opportunities, and developing other avenues for international enquiries. We're facilitating collaboration between Waikato businesses interested in exporting into Asia and translating the Council's 'Open Waikato' business promotion pages into Mandarin.

Regional Approach

Through the Waikato Mayoral Forum we supported the establishment of a Waikato Regional Economic Development Agency, and have committed \$60,000 per year through our Long Term Plan 2018-28 to help underwrite it.

We continued to support Hamilton & Waikato Tourism with an annual grant of \$150,000 and leveraged this investment with collaborative initiatives to build Raglan into a key regional destination.

Partnering with the Ports of Auckland we promoted Waikato district as a centre of national importance for the freight and logistics industry.

Local initiatives

We continued to promote a free business advisory service in Tuakau, Huntly and Raglan in partnership with Waikato Innovation Park.

We rolled out key initiatives under our Visitor Plan by commissioning a review of our i-SITE contracts, supporting the development of local tourism networks in Ngaruawahia and Franklin as well as Raglan, and commissioning promotional videos for Ngaruawahia and Huntly that have reached more than 175,000 people online.

We attracted 1,000 people to the opening of the Perry bridge and the completion of the northern stretch of the Te Awa cycleway. A survey shows this section of the cycleway now attracts more than 1,100 users a week.

With a growing suite of digital resources for business users, the 'Open Waikato' website attracted 17,622 visitors and generated 272 business-related enquiries.

Highlights

Business development

Waikato District attracted 183 new businesses and more than 500 new jobs in the year to March 2018, with business and employment growth closely reflecting the national average.

Business park developments in Horotiu and Pokeno are filling fast. Nearly 90% of the 109-hectare development at Horotiu, and 95% of the 80-hectare Pokeno industrial park, are now sold or under contract.

Major developments included announcements that Synlait Milk will invest \$250 million to develop a nutritional milk powder factory in Pokeno for the start of the 2019-20 milking season, and the Pokeno Whisky Company will build a distillery with production starting in 2019.

Tourism spending in the District increased 12.2% to \$128M in the March 2018 year compared with an 8.3% increase in national tourism expenditure.






Infrastructure Funds

We successfully secured \$38 million from the Government's Housing Infrastructure Fund to facilitate development in Te Kauwhata over the next decade and \$868,000 from the Government's Tourism Infrastructure Fund for renewing carpark, toilet and refuse facilities in Raglan.

Ultrafast broadband (UFB)

Six more towns and three tourism mobile blackspot areas in our district were included in the latest extension of the Government's UFB rollout. This means our Registration of Interest (ROI) for broadband funding has been successful in bringing fast internet to 17 district towns and areas.

How we did

Performance measures	2016/17 result	2017/18 target	2017/18 result	Rating	Explanation
Net Promoter Score (level of likelihood that business owners will recommend WDC as a district to do business in).	+12 (100% increase)	20% increase on previous year	+11 (8% decrease)		Respondents in the business perception survey rated the Waikato district 8.6 out of 10 as a place to do business and we achieved a Net Promoter Score of +11. It would be hard to improve on these good results.
The percentage increase in number of business units in the Waikato District. (Same or higher than New Zealand growth rate in number of business units).	2.2%	District growth rate is = or higher than NZ growth rate	2.1%		Growth in the Waikato district was in line with national growth of 2.1%. The district now has 8,874 business units compared with the 8,691 reported last year using provisional Infometric figures.
Percentage increase in number of enquiries generated through the Open Waikato website.	116%	20%	51.9%		There were 272 enquiries via Open Waikato channels over the 2017/18 year, compared with 179 enquiries in 2016/17.
Measureable tourism expenditure in \$.	\$114m	\$101m	\$128m		Tourism expenditure in Waikato District increased 12.2% to \$128m in the March 2018 year, outstripping a national increase of 8.3%. MBIE changed the methodology for calculating these amounts in mid-2017 and applied it retrospectively.
The percentage of the Economic Development strategic work programme delivered.	100%	90%	100%		In addition to delivering the economic development strategic work programme, we also successfully led or supported the following projects: Tourism Infrastructure Fund application, Housing Infrastructure Fund business case, Long Term Plan 2018-2028, section 17A review of i-SITES.

What this tells us

The pace of our residential growth has slowed in the past year but we are still among the fastest growing districts in the country. Tourism expenditure growth outstripped the national average and business and employment matched the national average. Our reputation as a place to do business has continued to increase year on year.

We are working hard with Government, industry and our communities to support this growth in a planned way and to underpin a new vision for the district of building liveable thriving and connected communities.

- *There are no potential significant negative effects associated with this activity.*

Emergency management

What we did

Planning for recovery

This year we have developed our internal systems and external stakeholder relationships to ensure we can support communities to recover from an emergency.

We updated our local Civil Defence and Emergency Management (CDEM) Plan in line with legislative changes focussed on recovery. New provisions in our plan include triggers for notifying a 'transition period' for extending civil defence emergency powers after an event to assist with recovery management, and how we involve community stakeholders in the recovery process to achieve a good outcome.

We created some new positions of responsibility to provide depth in our emergency management capability. We formally appointed an additional Civil Defence Controller for the district, alternative recovery and welfare managers, and team leaders to help coordinate our operational responsibilities through emergency periods.

Our emergency management staff continued to build relationships with community support network groups, for example, assisting the Rural Support Trust to run a rural community day to promote rural and farmer wellbeing. A number of staff completed specialist courses in welfare, logistics and public information management.

We also updated our internal systems so that we can better manage service requests during an emergency and recovery period, with call centre notifications automatically sent to our emergency operations centre as well.

Integrated incidence preparedness

To mitigate the potential for emergencies we continued to apply CDEM principles across our Council planning functions, for example, to inform decisions about retreating assets where erosion threatens our coastline.





During the year we took part in several exercises to test our systems and preparedness. These included a welfare exercise in July to test our resources for establishing a temporary Civil Defence centre, a two-day exercise with Fire and Emergency NZ in August to test our ability to share and map photos taken by drones to assess damage during an emergency, and the annual 'Get Ready Get Thru' public campaign in October.

We continued with a programme of visits to schools, churches and marae to improve community understanding of emergency preparedness, and teaching the 'drop, cover, hold' earthquake safety drill.

Emergency management in action

In January this year we used our incident management framework to work with our neighbouring Councils to respond to major flooding in the Kaiaua and Thames area, which included Miranda in our own district. This also required a long recovery effort to support the community after the event.

How we did

Performance measures	2016/17 result	2017/18 target	2017/18 result	Rating	Explanation
The percentage of community response plans completed.	13%	30%	0%		Pokeno and Tuakau communities have commenced their plans and are still developing them. We initiate these plans and support the community response groups, but completion relies on volunteer input from the local groups. To support this KPI being achieved a new community focused CDEM position has been approved.
Council maintains a minimum number of trained staff to fulfil core Emergency Operations Centre roles.	120 staff trained	30 staff trained	135 staff trained		Target met.
Percentage of Council's business continuity processes implemented.	80%	100%	100%		Target met.
Council manages local participation in the national Get Ready, Get Thru campaign annually.	100%	100%	100%		Target met.

- *There are no potential significant negative effects identified with this activity.*

Grants and donations

What we did

Local groups supported

We supported the work of 174 organisations and charities throughout the district this year with grants and donations from Council-owned or administered funds.

From Council-owned funds (see table) we committed more than \$613,000 for distribution to 151 local groups. Of this the largest single amount was \$150,000 to support the work of Hamilton and Waikato Tourism, and this is already paying dividends in joint research and planning work to underpin our growing tourist industry sector in Raglan.

On behalf of the Creative Communities Scheme Fund we distributed \$71,256 to benefit 16 local groups, and the work of seven more groups benefited from \$125,529 we distributed on behalf of an independent trust we administer, the Waikato District Community Wellbeing Trust ([see page 58](#)).

Council funds committed

Council funds committed for distribution (see table) included \$344,000 for 28 local groups and projects as a result of Long Term Plan pledges. A further \$268,800 of discretionary grants and other funding was committed for distribution to 123 local groups during the year through applications processes

managed by Council committees and Community Boards.

One initiative we supported with \$5,000 through our newest fund, the Heritage Project Fund, was the production and launch of the book, 'Wāhia Ngā Rua' by Mai Uenuku ki te Whenua Marae. This illustrated educational resource tells the story of the prominent Waikato chief Ngaere, who lived in the late 1600s, and how Ngaruawahia and the Hakarimata Ranges came to be named. It draws connections between local landmarks significant to the history of Ngaruawahia and includes a whakapapa (genealogy).



Another significant project was the launch of Waikato district's first fitness trail, featuring outdoor gym equipment, along the Waikato Esplanade. Costing nearly \$60,000, the fitness trail was spearheaded with a \$10,000 discretionary grant from the Ngaruawahia Community Board and \$10,000 funding (committed in 2016/17) from the Waikato District Community Wellbeing Trust, and completed with support from the WEL Energy Trust, Perry Group Ltd, and the Ngaruawahia Lions Club. The fitness trail provides a community resource that adds to Ngaruawahia's attraction as a fitness destination alongside the 'Te Awa Great NZ River Ride' cycleway, and complementing the popular Hakarimata walking track.

Description	Annual Plan 2017/18 Committed \$	Amount Paid 2017/18 \$
Twin Arts Information Centre	5,000	5,000
Raglan Museum	20,000	20,000
Waikato District Sports Award	5,000	5,000
Life Education Trust	5,000	5,000
Ecosourced Waikato in the District	2,000	2,000
Waikato district crime prevention	10,000	1,395
Bush Tramway	1,000	1,000
Te Akau Community	7,000	7,000
Te Otamanui Lagoon	25,000	25,000
Tamahere Community Committee	4,000	1,500
Hamilton & Waikato Tourism	150,000	150,000
Tuakau and District Museum Society Inc.	10,000	10,000

Description	Annual Plan 2017/18 Committed \$	Amount Paid 2017/18 \$
North Waikato Transport Trust	2,000	2,000
Waikato district lakes	20,000	40,000-
Para Kore	5,000	5,000
Karioitahi Hall	2,906	2,906
Te Kauwhata & Districts Information and Support Centre	10,000	10,000
Waikato Coalfields Museum	50,000	50,000
Waikato Biodiversity Forum	3,155	3,000
Franklin Tourism	2,500	2,500
Matariki Festival (involving 8 local groups)	5,000	5,000
Sub-total of Annual Plan 2016/17 commitments	344,561	353,301
A total of 123 other groups benefited from:		
Heritage assistance fund	19,524	48,479*
Conservation Fund Grants	31,550	1,500
Heritage project fund	40,000	30,322
Community Administration Funding	10,000	8,548
Discretionary Grants	167,794	207,239*
Total Council funds committed 2017-2018	613,429	649,389

* Includes funds committed in 2016/17.

How we did

Performance measures	2016/17 result	2017/18 target	2017/18 result	Rating	Explanation
Number of discretionary grant funding rounds undertaken per year.	4	4	4		Target met.
The percentage of community funding/grant recipients meeting grant obligations, as evidenced through accountability reports.	100%	100%	100%		Target met.

- There are no potential significant negative effects associated with this activity.

Parks and facilities

What we did

District wide

We consulted with our communities and worked to broaden our sources of funding to help progress our key Parks and Facilities strategies including plans for our playgrounds, halls, toilets and trails. These strategies provide a framework for maintaining and improving our district's key assets by outlining priority works, timeframes and budgets required.

For example, we are updating our playground strategy to identify priorities for playground renewal based on useage, and where we should develop new destination playgrounds in line with our new standard-setting playground at Te Kowhai last year. Following community consultation on various halls in our district we are awaiting seismic assessment results before finalising our halls strategy.

An independent contract for managing our aquatic facilities in Ngaruawahia, Tuakau and Huntly continued to produce good results. Our facilities operator, Belgravia Leisure Ltd, reported another year of increased patronage with a 32% increase in learn to swim numbers, a 65% increase in gym memberships and a 17% increase in the overall visitor numbers. Genesis Energy Huntly Aquatic Centre was also named Belgravia Leisure NZ facility of the year ahead of all the other facilities they manage, judged by a range of criteria including customer service.

Central Waikato

A contract for the development of the Tamahere Recreation Reserve was awarded to Foster Construction. Civil works began for the village commercial hub, piazza and carpark. The sports fields were largely completed in time for the 2018 winter season. Plans include a playground, skate park, basketball half court, and cricket pitch. When finished this project will not only meet the recreation needs of a growing local community but will also be a quality destination in the district.

We completed the second of a four-year Lake Rotokauri restoration programme including fencing boundaries and planting native species. This four-year programme is supported with nearly \$400,000 funding from the Waikato River Authority.

We worked with our Ngaruawahia Community Board who helped source independent funding to install the district's first fitness trail featuring outdoor gym equipment along the Waikato Esplanade.

Consultation with the Huntly community showed support for refurbishing the Huntly War Memorial Hall, so further planning will be undertaken in the new financial year to find a cost-effective solution.

North Waikato

Planning began for a Tuakau skate park for a project being led by our Onewhero-Tuakau Community Board.

With the Port Waikato Hall under threat from coastal erosion, we began examining the options available for an alternative facility with a view to consulting with the community in the new financial year.











Planning continued for the development of a Pokeno sports park with a view to providing the community with a suitable facility for rugby, soccer, cricket, netball and tennis.

Raglan area

We were successful in winning \$868,000 from the Government's Tourism Infrastructure Fund for upgrading public toilet and refuse facilities in Raglan. As part of this project we are also upgrading the carpark at Joyce Petchell Reserve and formalising parking on Stewart Street.

We also undertook the landscaping for Raglan's new all-weather pump track for bikers, skateboarders and scooter riders at Papahua, next to the Raglan Kopua Holiday Park.

How we did

Performance measures	2016/17 result	2017/18 target	2017/18 result	Rating	Explanation
Percentage of customers who are satisfied with Parks and Reserves, including sports fields and playgrounds overall.	92%	85%	86%		Target met.
Percentage of interments completed within the requested timeframe.	100%	95%	100%		Target met.
Percentage progress of the Playground Strategy implementation plan.	100%	90%	75%		We did not complete the Woodlands playground to allow time to develop a management plan for the site overall. The delay impacted this result but allows a more educated and planned approach to ensure we get it right.
Percentage of customers who are satisfied with public toilets in the annual satisfaction survey.	74%	75%	67%		It's difficult to give a reason for fluctuating satisfaction levels. We increase the frequency of cleaning during summer when visitor levels are highest to ensure our toilets continue to be maintained to a high standard.
Percentage of natural areas (categorised in parks strategy) which have had restoration efforts undertaken.	7%	4%	8%		Target met.
Percentage of buildings that require a warrant of fitness and that comply with it.	100%	100%	100%		Target met.
Percentage of time that pool water meets the NZS5826 Part 1 Water Standards: 2000 Code of Practice for the operation of swimming pools.	90%	95%	97%		Target met.
Percentage of customers who are satisfied with the pool facility.	91%	85%	82%		We changed the method of measuring this result to a Net Promoter Score to provide more consistent and quantifiable data. While the result did not meet our target, it was a major improvement on the baseline result of 58.1% using this method in 2016/17.
Percentage of satisfied customers as per the Council 'Housing for the Elderly' survey.	92%	75%	75%		Target met.
Total annual energy consumption.	2.5% increase on previous year	1.5% reduction on previous year	0.07% increase on previous year		Energy audits are being planned to obtain the energy savings in converting to LED lighting. We expect a better result once these audits are factored in.

Potential significant negative effects

Potential negative effect	How we are addressing this
Disability access to facilities.	Development of the disabilities access policy. Design and maneuverability for wheelchair access, or mobility scooter. New facilities to be designed in accordance with the Hamilton City Council development manual.
Noise and disorderly behaviour issues from events at reserves, and general use of reserves.	Events managed in line with the council's terms and conditions of hire. Any disturbance will be handled by local police or noise control if required.
Herbicides impacting environment.	Working in conjunction with Hazardous Substances and New Organisms (HSNO) standards for handling agri-chemicals. Enforcing appropriate conduct and use of wash down facilities and hard stands. Ensuring pest and weed control activities are within guidelines.
Damages to property and harm to people from falling trees and branches.	Tree maintenance programme according to industry standards. Focus on higher risk areas such as walkways, playgrounds, higher use reserves, and power networks. Responsive to customer requests and cyclical maintenance.
Reserves can create a fire hazard for properties.	Management of fire breaks to prevent this effect.
Hazardous chemicals used to keep bio hazards under control, can be harmful if mishandled.	Staff training to identify and handle emergency events and safety standards strictly adhered to. Sodium hypochloride used which is safer alternative than traditional chemicals.
Accidents at aquatic facilities.	Pools managed to Pool Safe certification standards. Wet floor signage for appropriate areas.
Isolation/location of public toilets leading to safety concerns.	Ensure toilets are designed appropriately and located in areas that are easily visible and accessible. Use Crime Prevention Through Environmental Design (CPTED) principles.
Toilets can present a sanitary risk to the community.	Included in Water & Sanitary services assessments (three yearly).
Considered to have a negative aesthetic effect.	Use of eco design, strategic locations, planting to minimise the impact, environmentally complementary plain colour.
Noise and disorderly behaviour issues from events at cemeteries and general use of cemeteries.	Restricted opening hours.
Congregation of undesirable groups with the potential to vandalise equipment.	Maintenance regimes in place to rectify any issues, installation of CCTV as appropriate. Use CPTED design principles.
Potential pollution of waterways from cemetery activities.	Maintain an adequate separation distance between human remains and the highest seasonal ground water table. Maintain an adequate buffer zone around cemeteries, and plant with deep rooting trees.

SUSTAINABLE ENVIRONMENT

This group of activities includes animal control, building quality, strategic and district planning, solid waste and environmental health.

Our strategic focus is to develop and maintain an integrated approach to providing sustainable, attractive, affordable and safe options for living, in a way that's in tune with what ratepayers want. We need to provide more streamlined processes that cost less while still delivering required results for our community and Council.

Animal control

The Animal Control Team provides animal control services through dog registration, complaint response, and impounding wandering stock and animals as required by the Dog Control Act 1996, Impounding of Stock Act 1955, and Council's Dog Control Policies and Bylaws. This is achieved through active enforcement of requirements and via the education of dog owners and the general public.

Building quality

We protect the community by ensuring that buildings in our district comply with legislation, including the fencing of swimming pools. We process building consent applications and carry out construction inspections.

Environmental health

We provide a range of services to ensure food outlets maintain high food safety standards, alcohol outlets operate to the conditions of their licences, and that noise and nuisance complaints, hazardous substances and contaminated sites are all managed.

Strategic and district planning

Land use and growth management planning ensures the district can grow and develop in a sustainable manner and in accordance with the principles contained in the Resource Management Act (RMA) 1991.

Solid waste

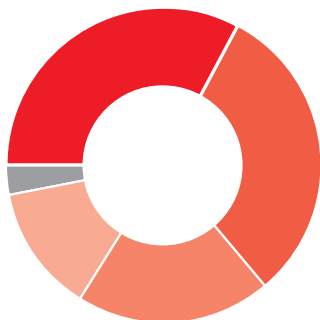
As set out in the Waste Minimisation and Management Plan (WMMP), Council has adopted an aspirational vision of 'Working towards zero waste for the Waikato district.'

The goals of the WMMP are summarised as:

- Working more closely with our communities in managing waste;
- Working more closely with the growing waste management industry in the district and the other councils around us;
- Improving our kerbside recycling collections;
- Considering ways to reduce the amount of rubbish we collect and how much it costs; and
- Improving transfer stations to recover and recycle more material than we do now.

How we paid for it

Operational funding



33% General rates

31% Fees and charges

20% Local authorities fuel taxes, infringement fees and other receipts

13% Targeted rates

3% Internal charges recovered

Capital funding



100%

Subsidies and grants for capital expenditure

Animal control

What we did

Public education

Our focus on educating owners about responsible dog ownership is helping to reduce numbers in our dog pounds and is building community satisfaction. Our Council customer satisfaction survey showed 82% of respondents were either satisfied or very satisfied with animal control services (compared with 77% last year and 65% three years ago).

We created a new position to support and develop our community engagement work, which includes educating the district's future dog owners. This year we ran 21 school visits in our 'Dogsmart Education Programme' to teach children about dogs, safety and responsible ownership. We also continued our highly sought-after 'Dogs in Libraries' programme, which helps children to read as well as interact with and learn about dogs.

Two new events proved so popular that we may make them a regular annual feature. A 'pool party' attracted 70 dogs and their families to the Ngaruawahia swimming pool in March just before winter closure, and a 'Dirty Dog Challenge' held at the Ngaruawahia Christian Youth camp in collaboration with Hamilton City Council in June drew nearly 200 entries. Profits from these events went to helping animals in need in our communities.

Ahead of our annual registration we again offered free

property inspections to help responsible owners who meet fencing requirements to qualify for our 'selected dog owner' list and enjoy reduced registration fees. Of 9,329 dog owners in the district, more than 3,000 now meet the stringent criteria established for selected dog owners.

In consultation with our growing community in Tuakau we added two more dog exercise areas at Kowhai Reserve and Centennial Park to the Dog Control Bylaw.

Dog registrations

The number of dogs registered was 14,070, and this represents nearly 95% per cent of all known dogs in the district.




Animals impounded, returned and rehomed

The number of dogs impounded dropped to 859, compared with 1,120 last year. We were able to return nearly half of them and, with the help of 11,000 followers on our Pound Pups Facebook page, we rehomed 231 dogs. We also responded to 363 calls involving stock, impounding 52 animals.

Response times to call-outs

Although some parts of our district cannot be reached within an hour's travel time, we still met our goals to be on-site within an hour for 95 per cent of emergency animal control call-outs.

How we did

Performance measures	2016/17 result	2017/18 target	2017/18 result	Rating	Explanation
The percentage of aggressive dog behaviour complaints, where immediate risk to public safety is present, that has council personnel on site within 1 hour.	99%	95%	96%		Target met.
The percentage of complaints regarding stray stock that have council personnel on site within 1 hour.	95%	95%	96%		Target met.
The number of dog owners on the selected owner policy list (i.e. good dog owners) for known dogs increases by 5% each year.	32%	40%	33%		The result is lower than expected due to our free Selected Owner Policy inspections being delayed this year. Some requests could not be processed before the end of the year.

Potential significant negative effects

Potential negative effect	How we are addressing this
Injury to Animal Control Officers from attack by dog owners, dogs and livestock.	Continue to provide ongoing training and ensure the correct and required personal protection equipment is provided.
Dog owners disgruntled by enforcement action taken against them.	Professional and courteous enforcement.
Members of the public are at risk from dog attack.	Ensure animal control services are maintained at a level to ensure stray dogs are impounded.
Dog control activity is predominantly paid for through registration of known dogs which may not target those that use the service.	Implement cost recovery options where possible.

Building quality

What we did

Building consents systems

We introduced new digital 'back-of-house' systems to improve efficiencies in handling consent applications. Some 80 per cent of our building consents customers now use the new paperless system and any paper-based applications are scanned into the system for consenting purposes. The plan is to augment the system with an online portal which will make lodging consents via the internet even easier in the future.

Inspections

We also moved to a digital system for building inspections, via the use of portable tablets and electronic check sheets, representing a big step-change for the building industry and our staff.

We have met our targets for swimming pool inspections as a result of new legislated authority as well as increased capacity following the slowdown in new house-building. We also met our targets for auditing buildings with WOFs to ensure code compliance.

Accreditation

We supported staff who need to work towards diploma-level qualifications by the end of the 2018 calendar year so that we continue to meet Building Consent Authority accreditation requirements.

Issues

Consents processing





Changes that have reduced pressure in the housing market mean building consent numbers have dropped slightly in the past year to 1,751 overall (1,977 last year) with consents for new dwellings falling to 566 across the district (from 726 last year). Nevertheless Waikato district remains one of the fastest-growing districts in the country measured by new dwelling consents, so the respite may be temporary.

Our new paperless system is bringing increased efficiencies and will continue to do so in the future, but at times – during its introduction and bedding-down phase – we were unable to maintain statutory timeframes for consents. We have put in place contingency plans for increasing staff levels as and when required.

Assessment of earthquake-prone buildings

New legislation came into effect during the year giving us five years to finish identifying potential earthquake-prone buildings in the district, and requiring affected owners to undertake an initial seismic assessment (ISA). In anticipation of the legislation we had already identified about 416 buildings in the central and southern parts of the district. We will now start these assessments in the north Waikato area, including Pokeno, Tuakau and Port Waikato, before reclassifying buildings already identified in line with the new legislation.

How we did

Performance measures	2016/17 result	2017/18 target	2017/18 result	Rating	Explanation
The percentage of existing buildings with building WOFs that are monitored and audited for compliance annually.	51%	33%	40%		Target met.
The percentage of buildings that provide sleeping care or paid accommodation that are audited for compliance annually.	100%	100%	100%		Target met.
The percentage of swimming pools that are inspected for compliance annually.	1.7%	20%	35.5%		Target met.
The percentage of building consent applications that are processed within 20 working days.	86%	100%	97.8%		All new dwelling consents met statutory timeframes, but 40 other building consents did not due to efforts to introduce new digital systems to increase future efficiencies.

Potential significant negative effects

Potential negative effect	How we are addressing this
Legislation is requiring more council input into plan review and building inspection, which increases costs.	The council has to react to new legislation, but tries to limit the cost increase as much as possible.
Non-compliance requires the council to take offenders before the Courts.	Prosecution of blatant offences against the Building Act is necessary to reinforce compliance, maintain equity for those who obtain consents and fulfil statutory duty.
The time to process applications might be regarded as a delay to construction.	This is mitigated through the simplification of the consent process.
Leaky homes are identified.	More thorough vetting of the drawings, inspections by better trained highly skilled inspectors, will assist in reducing the incidence of leaky homes.

Environmental health

What we did

Implementing new food legislation

We continued to work with owners of food businesses to ensure a successful transition to registration under the new Food Act 2014. This staged transition must be completed by early 2019. The new system allows higher risk operations, registered with individualised Food Control Plans, to be audited more frequently than lower risk operations that must be registered under a national programme.

We developed a Quality Management System (QMS) for the registration and verification of food operations in our district. This has been approved by the Ministry of Primary Industries (MPI) and will form the basis for future audits and accreditation of our system and processes. Implementation of the system into our daily operations is being progressed. As a goodwill gesture we shared our QMS with other Territorial Authorities who are working on their own systems.

Staff

Two trainee Environmental Health Officers were employed in 2017 to complete studies in 2018. Both staff members have contributed considerable

capability and capacity to operations especially in the specialist areas of contaminated land and foods.

Applications, inspections and audits





During the year we responded to a total of 1,214 excessive noise complaints and issued 170 excessive noise notices. Our contractors have struggled to meet demand in this area and we continue to explore opportunities to improve the service.

We also produced 485 Hazardous activity and industry list (HAIL) reports in response to demand for contaminated land information, reflecting the high level of growth and development in the district.

Our monitoring team were kept busy through the year checking that visitors to the district were abiding by our new Freedom Camping Bylaw, and that new commercial and industrial developments were compliant with resource consent requirements.

We handled 316 alcohol licence applications, inspected or audited 320 food operations, and responded to 225 requests for technical comment on a range of other matters.

How we did

Performance measures	2016/17 result	2017/18 target	2017/18 result	Rating	Explanation
The percentage of registered food premises that are inspected/audited annually.	100%	100%	100%		Target met.
The percentage of medium risk or higher fee category licensed premises that are inspected annually.	100%	100%	100%		Target met.
Percentage of excessive noise complaints responded to within agreed timeframes.	79%	90%	79%		Our 'out-of-hours' service has improved on response times, but due to a range of factors, including distances to be covered, it will be difficult to make further significant improvements.
Percentage of environmental health complaints responded to within agreed timeframes.	94%	95%	91.6%		Of 225 complaints 19 were not within timeframes. These included daytime noise complaints which often take longer to resolve.

- There are no potential significant negative effects associated with this activity.

Strategic and district planning

What we did

A new vision

Our Council developed a new vision to create 'liveable, thriving and connected communities' as our district grows, and we completed two major pieces of planning work to support this vision.

Our Long Term Plan 2018-28 establishes our infrastructure and financial strategies for the next 10 years, and foreshadows changes in our approach to planning for our key growth towns and to managing our Waters services to meet future needs.

We also notified our proposed District Plan to provide a new spatial vision for our district with updated guidelines for development, including rules for protecting the district's environment and heritage. Planning is focussed on sustainably managing predicted household growth of 660 to 880 a year and a projected growth rate of between 56% and 73% in the period 2016-2043.

Sub-regional and regional

To ensure that fast growth in north Waikato is supported by the physical and social infrastructure needed, we endorsed a North Waikato Integrated Growth Management Programme business case, developed in partnership with Auckland Council, the New Zealand Transport Agency (NZTA), the Regional Council and other government agencies responsible for key community services.

Working with Hamilton City, Waipa District and Waikato Regional Councils, we adopted a revised Future Proof growth strategy to guide development across our shared sub-regional area. We also completed a 'housing and business assessment' as the basis for a joint strategy to provide sufficient land for development in line with the Government's National Policy Statement on Urban Development Capacity 2016 (NPS-UDC).

The Council is partnering with Government to develop a Hamilton-Auckland Corridor Plan to maximise growth opportunities offered by the main trunk railway and construction of the Waikato Expressway. It has provided the context for a proposed start-up Hamilton to Auckland passenger rail service.

In August last year we adopted the Waikato Plan with nine other councils that comprise the Waikato region. This is a significant milestone which will provide a collective voice on regional priorities, guide decision-making on regional issues involving population

change, infrastructure, economic development and the environment, and enable leverage of central government funding.

District wide

Two Plan Changes were completed to allow for new residential development in north Waikato. Plan Change 20, for 1,600 additional houses in Te Kauwhata, became operative in July 2018 just after the year in review. Plan Change 21, for 150 new houses in Pokeno, became operative in August 2018.

We continued our highly-commended programme of 'placemaking' projects to encourage communities to reclaim their public spaces through artistic and cultural endeavours. An ANZAC poppy tree 'yarn bombing' project 'blossomed' in 21 communities this year, and 30 'little libraries' were built ready for installation in rural communities across the district in the new financial year.

Youth engagement is another key initiative. We continued to support our youth groups to work on local community projects, including tree planting and other local events, and celebrated the programme with a youth event at the Council in December 2017.

Consents

Despite an easing in the rapid growth in demand for housing, we still managed a significant resource consents and planning workload.





Our Consent Planners and Land Development Engineers handled 1,215 resource consent applications, up 8.5% per cent from last year, and our Planning and Engineering Officers undertook detailed assessments of 1,315 building consent applications, (compared with 1,487 last year). Property enquiries were up 8.8% at 1,916, whereas LIM requests were down 3.9% at 1,335 and enquiries handled by our Duty Planners were down 12.3% to 3,967.

Highlights

- Our proposed District Plan integrates the Waikato and Franklin sections into a single plan for the first time since the district's boundary changes in 2010 and provides more opportunities for growth.
- We secured \$38 million from the Government's Housing Infrastructure Fund for works needed to support residential development in Te Kauwhata over the next decade.

- Our Long Term Plan 2018-28 includes a \$1 million budget to implement a series of 'master plans' – or 'blueprints' – for our key growth areas to support our vision to create 'liveable, thriving and connected communities'.
- Our North Waikato Integrated Growth Management programme has brought together key government agencies to support the development of liveable communities in our high growth towns.

How we did

Performance measures	2016/17 result	2017/18 target	2017/18 result	Rating	Explanation
The percentage of resource consent applications which are processed within statutory timeframes.	99.9%	100%	99.6%		Of 1,080 resource consents issued in the year, four were not completed within statutory timeframes due to the level of complexity of the consents.
Percentage of residents who feel they have the opportunity to be involved and participate in publicly-notified Council projects and processes, to help Council make informed decisions.	59%	70%	65%		The result has improved, but does not reflect our increasing efforts to provide opportunities for public participation. It may be a reflection of the community's increasing appetite for engagement.
The percentage of projects in identified areas of growth and as contained in the Long Term Plan, which are on track or completed.	100%	100%	94%		Areas of residential growth include Tamahere, Te Kauwhata, Tuakau and Pokeno. Areas of industrial growth include Horotiu, Tuakau and Pokeno. We've identified 49 projects planned or underway in our growth areas, of which 44 are on track (33 being developer led) and 2 completed.
The percentage of all land use consents that have been issued and are current that have been monitored for compliance in the past two years.	78%	79%	80%		Target met.

What this tells us

This has been a watershed year for the Council in terms of setting a new vision with underpinning strategies and plans for the future of our district.

We are making good progress in meeting current demands arising from rapid growth as well as planning for future growth in a sustainable way.

Potential significant negative effects

Potential negative effect	How we are addressing this
Planning may increase development costs, through compliance costs, development levies or financial contributions.	Benefits flow back to developers from improved environmental quality, and provision and co-ordination of services such as infrastructure, and any net negative effect is not significant.
Non-compliance with statutory requirements for the issuing of resource consents may cause delays.	Improvement of systems is ongoing to ensure continual improvement in services.
Inadequate or harsh monitoring of District Plan requirements may discourage development, affecting the economy in the district.	Apply a reasonable, concise, consistent monitoring process.

Solid waste

What we did

We undertook a waste assessment which, based on the evidence available, calculated Waikato district generates about 52,000 tonnes of waste, excluding farm waste, to landfill each year – an average of 750kgs per person – and diverts about 71,000 tonnes of material through reuse, recycling and composting.

This formed the basis for a six-yearly review of, and consultation on, our Waste Management and Minimisation Plan and our vision that ‘zero waste and resource recovery are an integral part of our community’. As a next step we will review our waste services to ensure they align with the new plan.

We undertook a number of initiatives to raise awareness about waste and to promote our vision.




In partnership with Xtreme Zero Waste, we rolled out

a kerbside food waste collection in Raglan. In 10 months this has diverted about 123 tonnes of food waste from landfill to be mixed with green waste to create a high-quality local compost. The service will be reviewed in the new financial year, and local ratepayers consulted, to determine whether it should continue with targeted rate funding.

We collaborated with other local councils to raise awareness about waste issues through a range of media channels, including a series of videos featuring ‘waste heroes’.

We also supported other initiatives, including a zero waste education programme for primary and area schools and an Enviroschools Programme aimed at secondary schools.

How we did

Performance measures	2016/17 result	2017/18 target	2017/18 result	Rating	Explanation
The percentage of schools in the district that receive solid waste education.	81%	55%	77.6%		Target met.
The number of times that bags or bins are missed in Council's kerbside collection.	1,784	Less than 200 per annum	234		Reasons for missing the target included contractor issues such as new drivers, visual obstruction from new construction in growth areas, and refuse tags missing from wheelie bins.
The percentage of kerbside collection complaints that are resolved within agreed timeframes.	96%	100%	89.3%		A number of complaints required site visits, and some were sent to the wrong contractor in error, resulting in longer timeframes required for a satisfactory resolution.

Potential significant negative effects

Potential negative effect	How we are addressing this
Increase in the amount of refuse to be disposed as population increases over time.	The council acts as the advocate for waste reduction through the adoption of the Waste Management Plan. The council also supports education initiatives and provides education material for its customers.
Environmental impacts caused by the discharge of contaminants to land and water from closed landfills.	Compliance with resource consent conditions that stipulate the frequency and parameters to be monitored.
Ease of disposal, through convenient waste management services, encourages increased quantities of material to be sent to waste by customers.	Education and programmes to build awareness and foster ownership of waste minimisation within the community.
Potential impacts on customer satisfaction due to service failure /delays /responsiveness.	Monitor and report on Levels of Service and in Service provider contracts. Seek to resolve customer complaints to ‘close the loop’.
Health and safety risks associated with the operation, maintenance, or construction of solid waste infrastructure.	Ensure compliance with legislation and health and safety management plans. Maintain an incidents register.
Under-provision of recycling facilities fails to promote a positive shift in the community's attitude to waste.	Each main urban community in our district has green waste and/or recycling facilities.
Waste entering the water bodies affect the mauri of the environment.	Each main urban community in our district has green waste and/or recycling facilities.

ROADING

What we did

The Waikato District Alliance continued to deliver high standards in roading asset management and maintenance, and to exceed expectations of customer responsiveness that were set when this joint venture between the Council and Downer NZ was established three years ago.

Planning for growth

A major focus has been on planning for changes to the local roading network to support new residential subdivisions and to support the construction of the Waikato Expressway.

We made progress on plans to support new developments in Pokeno, Te Kauwhata and Tuakau, and we monitored developer-led roading and bridgework for the Rangitahi Peninsula development in Raglan.

Design and funding issues for the proposed new Mangawara Stream bridge at Taupiri were resolved, and construction should start in the new financial year.

Waikato Expressway

The Waikato Expressway will bring long term benefits to the district, but there are some short term negative impacts on local roads during construction. We've managed these through discussion and agreements with the NZ Transport Agency (NZTA) and its contractors. We monitored the impact of increased truck movements on the condition of our roads to adjust maintenance regimes and safety measures as required.

Once the Expressway is complete, almost 90kms of old State Highway and 5kms of new local roads will have been added to the local road network. Maintenance for these roads was factored into our Long Term Plan 2018-28 budgets, and we continued discussions with NZTA on how to mitigate the impact of the change on our communities.

Managing new regulations

NZTA introduced a new framework for assessing speed limits in 2017/18. We used the new guidelines to assess and make several changes to speed limits in the northern part of the district where traffic has increased.

We adopted a cautious approach to increases in the allowable maximum weights for heavy vehicles, and

– except for the Tainui Bridge at Huntly – we decided not to open our Waikato River bridges to heavier vehicles until detailed structural analyses could be made. We're seeking support from industry for the work required.

Innovation

We instituted a number of innovations to improve processes and outcomes. One example is a trial with a new product, Polycom, which helps bind together surface particles on unsealed roads to prevent corrugations and reduce maintenance costs. The trial will be reviewed in the new financial year.

We also completed a \$1.5 million programme to upgrade most (2,600) of our existing sodium (yellow) street lights to LED, but at a cost of only \$225,000 thanks to an increased 85% subsidy from NZTA. The upgrade has improved our street lighting levels and will bring about \$145,000 savings in energy and maintenance costs each year. Council's share of the savings is about \$70,000 per year, bringing cost recovery in just three years.

Road safety education

We worked with the NZ Police, NZTA and other agencies to deliver a road safety education programme covering issues such as driver fatigue, driving to the conditions, and drink driving. We ran skills training days, workshops, roadside education stops, and advertising campaigns. We worked with community volunteers to mentor young learner drivers and ran 'young driver training days' focussing on driving skills and vehicle maintenance for young drivers about to sit their restricted or full licence.

Alternative transport modes

The new Government has signalled an increased focus and support for alternative transport modes including walking, cycling and public transport such as commuter trains. In response, we've assessed the work required to establish commuter rail facilities at Tuakau and Huntly rail stations and set aside \$500,000 for further work.

One of our highest profile projects of recent years won accolades at both the IPWEA and LGNZ Excellence Awards – securing a Highly Commended from both organisations. The delivery of the Ngaruawahia-Horotiu section of the Te Awa cycleway, including the iconic new Perry Bridge across the Waikato River, has resulted in the numbers of

pedestrians and cyclists using the new facilities more than doubling each week from 481 to 1,102 since November last year.








We laid a number of new footpaths district-wide at a cost of \$95k, and we increased our future footpath budgets to \$720k per year in response to community

requests for extensions to our network.

Road surfacing and strengthening

We have re-surfaced 110.4 km of sealed roads, completed 17.3 km of road strengthening work, undertook 1,323 kms of grading on unsealed roads, and filled 4,000 potholes.

How we did

Performance measures	2016/17 result	2017/18 target	2017/18 result	Rating	Explanation
The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network.	+9	Target for reducing the number of serious injuries or fatalities -1	+3		For the year under review, 49 fatal and serious injury crashes are recorded in the NZTA crash database compared with 46 for 2016/17. (Note: This measure is based on crash data, not the number of casualties.)
The average quality of ride on a sealed local road network, measured by smooth travel exposure.	98%	91% (minimum)	97%		Target met.
The percentage of footpaths that fall within the level of service or service standard for the condition of footpaths that is set out in relevant documents (such as its annual plan, activity management plan, asset management plan, annual works program or long term plan).	99.7%	90% or greater at Category 3 or better	99.7%		Target met.
Percentage of development areas that have co-ordination plans for forward works programming and development requirements complete.	66%	100%	85%		A coordination plan for Te Kauwhata was developed for the HIF business case. Works in Pokeno and Tuakau are included in an integrated North Waikato Programme business case which awaits NZTA endorsement.
The percentage of the sealed local road network that is resurfaced.	7.3%	8% (minimum)	6.9%		Increased road life being obtained from strengthening works and improved asset management has reduced the need for resurfacing. 127.7 km of the road network was resurfaced during 2017/18 which equates to 6.9% of the length of sealed road.
The percentage of customer service requests relating to roads to which we respond within the timeframes specified.	96%	80%	97.2%		Waikato District Alliance resourcing has allowed greater focus on customer service requests than anticipated when the target was set.
The percentage of customer service requests relating to footpaths responded to within the timeframes specified.	100%	80%	94.9%		Waikato District Alliance resourcing has allowed greater focus on customer service requests than anticipated when the target was set.

What this tells us

We surpassed our targets for the quality of the roading and footpath network, and for our responsiveness to customers' maintenance requests. We made good progress on planning for new developments, but

changes are required to accommodate new proposals and these need to be co-ordinated with requirements for water, power, and telco infrastructure as well as our renewal projects.

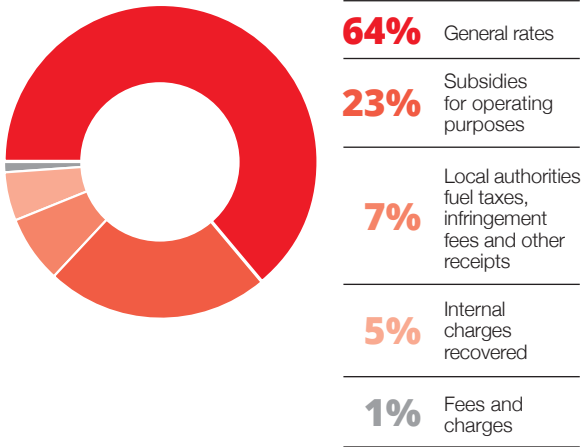
Potential significant negative effects

Potential negative effect	How we are addressing this
Road and environmental factors can contribute to crashes, particularly those that involve loss of control.	NZTA monitors and records through the Crash Analysis System (CAS) the percentage of accidents cause by loss of control. Undertake crash reduction studies (CRS). Maximise funding for minor safety works.
Increased traffic congestion on existing transport network.	Roading contributions imposed under consent conditions contribute to road upgrading.
The particular needs of cyclists and pedestrians and their conflicts with other forms of traffic.	Implement the recommendations of the Walking and Cycling Strategy.
Speed restrictions imposed on inappropriate locations causing speed limits to be ignored.	Speed limit surveys carried out and resulting recommendation in accordance with Speed Limit New Zealand and Transport Agency rules.
If effect is not given to the Livestock Movement Bylaw 2011 then existing crossings will remain with resulting traffic hazards and public nuisance.	Monitor to ensure the appropriate and safe crossing of cattle as per bylaw.
Economically, the cost of desired infrastructure improvements may exceed the community's ability to pay.	Consult with the community on all costs and options for levels of service through the Long Term Plan process.
The quality of surface runoff from roads that discharges into adjacent coastal or other waters.	Compliance with resource consents and the Council's engineering standards and guidelines. Environmental controls.
Dust nuisance.	Track and record complaints and comply with resource consent conditions during construction activities.
Danger to people and property and high social cost from crashes.	Continuing the programme of road safety improvements.
Main roads can divide communities.	Continuing to advocate for by-passes around urban centres.
Potential for negative impacts from traffic noise and vibration to properties adjoining roads.	High use roads are usually surfaced with asphalt to improve useful life and level of service. Traffic calming will avoid use of speed humps. Specific issues will be investigated and mitigation measures undertaken as appropriate.

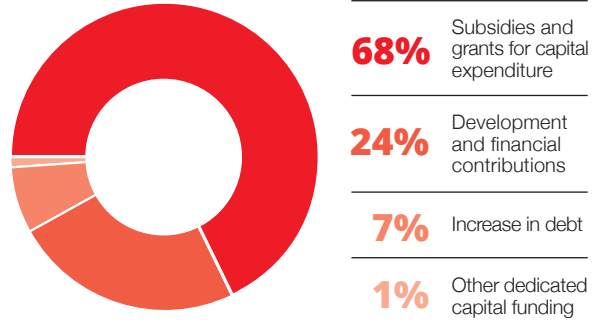
Potential negative effect	How we are addressing this
Potential for air pollution from traffic fumes to affect health.	Continuing to advocate for bypasses around urban centres.
Heavy traffic volumes can lead to loss of amenity in urban areas.	Continuing to advocate for bypasses around urban centres.
Provides easier access to sites that are culturally sensitive.	Continuing to better identify sites of cultural significance.
Potential for road construction to disturb sites of cultural significance, including waahi tapu.	Continuing to invest in good relationships with tangata whenua.

How we paid for it

Operational funding



Capital funding



STORMWATER

What we did

We undertook a schedule of minor upgrades across the district, installing new pipes to increase stormwater capacity where required, and completed the planning and investigations required for the district's 10-year Long Term Plan 2018-28.

North Waikato

We oversaw development-led extensions of the stormwater network and riparian planting beside streams in Pokeno to ensure that stormwater management keeps up with growth in the area. We also continued work on a stormwater catchment management plan for the Tuakau area.


Raglan

We started work to upgrade the Raglan stormwater network to mitigate flooding issues and to improve catchment management.

Central Waikato

We completed work to upgrade the Ngaruawahia stormwater network and undertook further network improvements to alleviate flooding issues in Huntly.

How we did

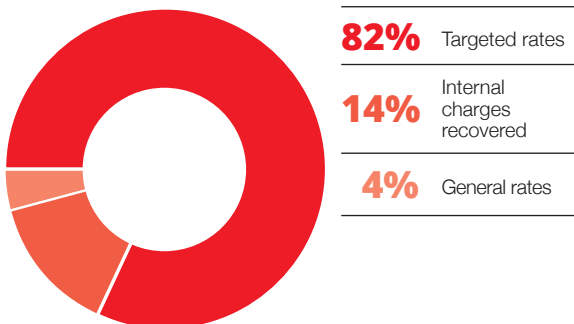
Performance measures	2016/17 result	2017/18 target	2017/18 result	Rating	Explanation
The number of flooding events that occur in the district.	0	<5 events per annum	0		Target met.
For each flooding event, the number of habitable floors affected (expressed per 1000 properties connected to the stormwater system).	0	0.3 affected per thousand properties per event	0		Target met.
The median response time to attend a flooding event, measured from the time that Council receives notification to the time that service personnel reach the site.	0	< 8 hours	0		Target met. There were no flooding events in 2017/18.
The number of complaints received by Council about the performance of its stormwater system, expressed per 1000 properties connected to the stormwater system.	3.65 per 1000 properties for the year	<1 per 1000 properties per quarter	1.86 per 1000 properties for the year		Target met.
Council's level of compliance with resource consents for discharge from its stormwater system, measured by the number of: <ul style="list-style-type: none"> - Abatement notices - Infringement notices - Enforcement orders - Convictions 	0	0	0		Target met.

Potential significant negative effects

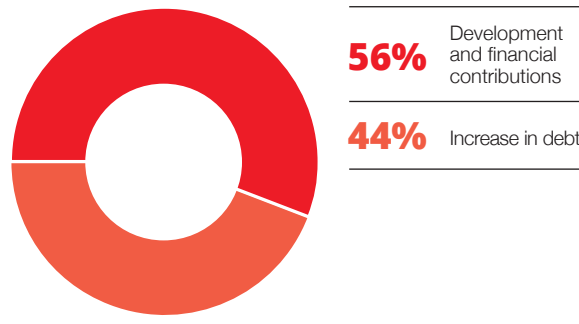
Potential negative effect	How we are addressing this
Discharges to land and waterways not complying with resource consents.	Improve processes (may be capital related) and continue to monitor discharges.
Discharge of contaminants to waterways and streams impacting upon public health and the environment (includes but not limited to wastewater overflows and stormwater runoff containing sediments, oils, greases and heavy metals).	Implement improvements (capital related) and ensure compliance with the council's Development Manual Guidelines for new developments.
Erosion of streams and river beds.	Implement Development Manual Guidelines.
Chemical spills affecting waterways.	Establish procedures and emergency response plans with Waikato Regional Council.
Health and safety risks associated with the operation, maintenance, or construction of stormwater infrastructure.	Ensure compliance with legislation and health and safety management plans. Maintain an incidents register.
Potential impacts on customer satisfaction due to service failure/delays/responsiveness.	Monitor customer requests for service and report on Levels of Service. Ensure customer complaints are resolved.
Disruption during the implementation of works.	Works will be implemented under resource consent or contract conditions dictating how the service will be maintained (case by case basis).
Individuals can affect the stormwater network and neighbouring properties by altering natural flow paths.	Monitor new developments to ensure natural flow paths are maintained.
Flooding can affect public health and safety.	Continue to advise land owners of potentially flood-prone areas.
Stormwater can cause public health issues through bacterial contamination of beaches.	Establish procedures and emergency response plans with Waikato Regional Council.
Contamination of the receiving environment is unacceptable to tangata whenua.	Continuing to better identify sites of cultural significance.

How we paid for it

Operational funding



Capital funding



WASTEWATER

What we did

We undertook a major programme of work to invest in upgrading our wastewater systems around the district in line with our Annual Plan consultation for 2017/18.

This consultation, and the decisions arising from it, was prompted by an independent report we commissioned in August 2016 after spills closed Raglan Harbour three times that year, resulting in a formal warning from the Waikato Regional Council. The report outlined network weaknesses that contributed to wastewater overflows district-wide and recommended a series of steps to fast-track improvements.

We also identified a new way of managing all our waters services – water, wastewater and stormwater – and began progressing this with the community support provided through our Long Term Plan 2018-28 consultation. We expect to save at least \$28.3 million in the next decade by negotiating a contract with Watercare Services Ltd to manage our three waters services under the guidance of a professional Council-appointed Waters Governance Board that includes Waikato-Tainui representation.

District-wide continuous improvement programme

In 2017/2018 we completed the second year of a \$1.76 million ‘continuous improvement programme’ to mitigate the risk of wastewater overflows with a particular focus on protecting waterways and environmentally sensitive areas. We:

- Cleaned 42kms of wastewater pipes in Raglan, Huntly, Ngaruawahia, Meremere, Te Kauwhata, Tuakau and Pokeno and inspected them via Closed Circuit Television (CCTV) cameras, including smoke testing in some areas;
- Established a programme of priority renewals and replacements for the district’s 2018-28 Long Term Plan;
- Used a portable generator at Raglan’s Marine Parade pump station and installed a permanent back-up generator at Raglan’s Greenslade Road pump station to safeguard operations from power outages, and successfully protected the harbour from overflows on at least two occasions during storms in March and April;
- Rolled out a district-wide public wastewater education campaign (after a successful trial in

Raglan) to help reduce the blockages caused by foreign objects in the network that have caused 80% of wastewater overflows in the district.

The public education campaign has used a variety of channels from fliers and direct mail to electronic and social media, as well as school visits, to inform the community to flush only pee, poo and paper down the loo and to dispose of grease, fats and oils in the bin, not down the sink. Foreign objects that have caused blockages include wipes, clothing, sanitary pads and nappies flushed down toilets, grease, oil and food scraps poured down kitchen sinks, and even curtains, chairs, railway iron and concrete thrown or poured down manholes.

Our wastewater education campaign was bolstered by an Enviroschools programme we ran with the Waikato Regional Council in our primary schools, and a Smart Waikato employer programme for secondary students that included trips to our treatment plants and pump stations to interest them in engineering careers.

We also continued a staged programme to invest in separate teams and equipment for drinking water supply and wastewater services in line with Ministry of Health best practice guidelines.

Development-led works







We completed construction of phase 2 of the new Pokeno wastewater system to reticulate all dwellings on the western side of the motorway. This also services the existing village so that septic tanks can be phased out. We added more than 70 new connections to the network as a result.

We completed the business case for infrastructure work in Te Kauwhata, including wastewater, to secure \$38 million from the Government’s Housing Infrastructure Fund.

Treatment plant upgrades

We developed a maintenance and improvement programme for all our treatment plants in order to improve compliance. We undertook interim maintenance at our Meremere treatment plant before starting on designs for an upgrade programme. We also completed designs for upgrading the filtration system at the Raglan treatment plant to improve compliance with consented discharge standards.

How we did

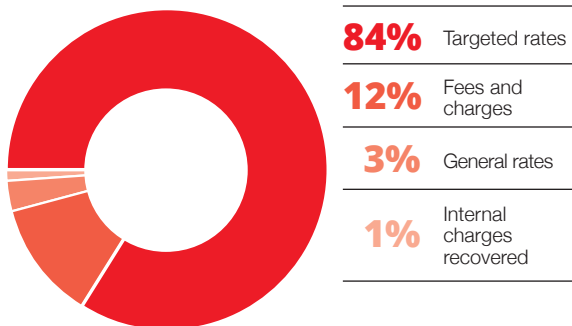
Performance measures	2016/17 result	2017/18 target	2017/18 result	Rating	Explanation
The number of dry weather sewage overflows from Council's system expressed per 1000 sewage connections to that sewage system.	1.8	Equal or less than 5	1.9		Target met.
Where Council attends to sewage overflows resulting from a blockage or other fault in its sewage system, the following median response times measured:					
- Attendance time: from the time that Council receives notification to the time that service personnel reach the site.	30 minutes	Less than or equal to 1 hour (60 minutes)	42 minutes		Target met.
- Resolution time: from the time that Council receives notification to the time that service personnel confirm resolution of the blockage or other fault.	106 minutes	Less than or equal to 4 hours (240 minutes)	139 minutes		Target met.
The total number of complaints received by Council about any of the following (expressed per 1000 connections to the sewage system):					
- Sewage odour					
- Sewage system faults					
- Sewage system blockages					
- Council's response to issues with its sewage system					
	7.3 per 1000 connections	Less than or equal to 25 per 1000 connections	7.0 per 1000 connections		Target met.
Council's level of compliance with resource consents for discharge from its stormwater system, measured by the number of:					
- Abatement notices					
- Infringement notices					
- Enforcement orders					
	0	Equal or less than 2	4		As a result of our 2016/17 compliance reports we received formal warnings for discharges in Meremere and Te Kauwhata and letters of direction for Raglan and Huntly. Compliance for 2017/18 is not assessed by Waikato Regional Council until the following year.
- Convictions	0	0	0		Target met.

Potential significant negative effects

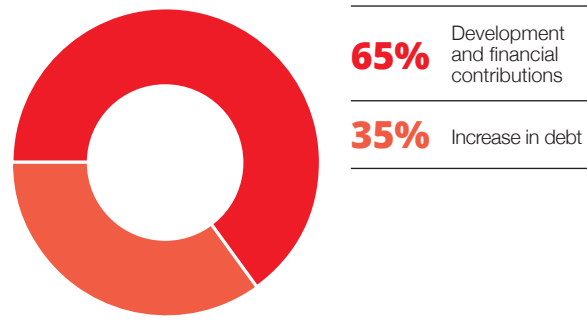
Potential negative effect	How we are addressing this
Discharges to land and waterways not complying with resource consents.	Improve processes (may be capital related) and continue to monitor discharge.
Odour from manholes, pump stations and at treatment plants.	Improve process and implement improvements (capital related).
Discharges from manholes.	Investigate and take remedial measures.
Health and safety risks associated with the operation, maintenance, or construction of wastewater infrastructure.	Ensure compliance with legislation and health and safety management plans. Maintain an incidents register.
Pump station overflows.	Investigate causes and provide additional storage if required.
Chemical spills at treatment plants.	Ensure procedures are in place for correct identification, storage and handling of chemicals. Ensure appropriate funded areas and storage facilities are in place.
The cost of providing, operating and maintaining the schemes is high due to energy requirements.	When looking for solutions for small communities, consider alternatives to traditional public wastewater systems.
Unless properly maintained there can be problems with foul odour.	We will continue to investigate alternatives for the sustainable disposal of sewage sludge.
Creates an ongoing need for the disposal of sewage sludge.	We will continue to encourage households to reduce the amount of wastewater they produce, for example through reuse of grey water for garden irrigation.

How we paid for it

Operational funding



Capital funding



WATER SUPPLY

What we did

We continued to address the need for a safe and adequate water supply for our district, with a particular focus on our fast-growing communities.

We identified a new means of managing all our waters services and began progressing this following consultation with our community on our Long Term Plan 2018-28.

We also charted a one-year baseline of water usage in the district after completing our district-wide water metering programme.

Waters services management

We worked with other Councils and agencies to investigate joint options for future management of all our waters services – water, wastewater and stormwater. The goal was to find the best means of providing fit-for-purpose infrastructure and services at an affordable price, while meeting challenges that were identified as including: significant capital investment requirements; anticipated tougher environmental, regulatory and public health standards following from the Havelock North drinking water inquiry; and market shortages of skilled staff.

The option chosen, through consultation on our Long Term Plan 2018-28, was to contract Watercare Services Ltd to provide the district's three waters services under the control of a professional Council-appointed Waters Governance Board. This option will be progressed in the new financial year. It is expected to save up to \$28.3 million or more over the next 10 years and keep targeted rates increases under 5% for those services from 2019/20.

Security of supply

The first of two new water reservoirs for Pokeno was installed, and extensions to the water supply network in Pokeno were constructed as required to meet the needs of new subdivision in the area.

Planning work was undertaken for the installation of a new water reservoir in Matangi.

Safe water

We continued a staged programme to invest in separate teams and equipment for handling our drinking water supply and wastewater services in line with Ministry of Health best practice guidelines.

Water quality

Raglan's tap water was judged the best tasting tap water in the country against samples supplied by 16 councils at the annual Water Industry Operations Group (WIOG) New Zealand Water Taste Test in May. An independent judging panel decided our sample, taken from Raglan, was the best-tasting water while also factoring in how it looked and smelled. Raglan's tap water is sourced from an artesian spring from the hills above Raglan.







We continued to work hard to deal with episodic incidents of discoloured water in Huntly. We are managing this through a regular flushing programme until further research determines a better solution.

Sustainability

To facilitate the sustainable supply and consumption of drinking water in our district, we completed a programme to meter all properties connected to our water infrastructure and switched all newly metered properties to water meter charging from the start of the financial year. This metering programme is designed to help residents understand their usage and to encourage conservation, as well as to assist us to track, locate and fix water loss from the system.

We have now charted a definitive one-year baseline of drinking water usage in our district at 240 litres per resident per year. Our baseline results also tell us our network is in average condition compared with other councils in New Zealand.

How we did

Performance measures	2016/17 result	2017/18 target	2017/18 result	Rating	Explanation
<p>The extent to which Council's drinking water supply complies with:</p> <ul style="list-style-type: none"> - Part 4 of the drinking water standards (bacteria compliance criteria). - Part 5 of the drinking water standards (protozoal compliance criteria). 	18	18 (no. of zones that comply out of 18)	17		We had a technical non-compliance in our routine sampling regime, which has now been adjusted for future years. Water was treated to a safe standard.
	18	15 (no. of zones that comply out of 18)	15		Target met.
<p>Where Council attends a call-out in response to a fault or unplanned interruption to its networked reticulation system, the following median response times measured:</p> <ul style="list-style-type: none"> - Attendance for urgent call-outs: from the time that Council receives notification to the time that service personnel reach the site. - Resolution of urgent call-outs: from the time that Council receives notification to the time that service personnel confirm resolution of the fault or interruption. 	28 minutes	Equal or less than 1hr (60 minutes)	38 minutes		Target met.
	88 minutes	Equal or less than 4hrs (240 minutes)	88 minutes		Target met.
<p>Where Council attends a call-out in response to a fault or unplanned interruption to its networked reticulation system, the following median response times measured:</p> <ul style="list-style-type: none"> - Attendance for non-urgent call-outs: from the time that Council receives notification to the time that service personnel reach the site. - Resolution of non-urgent call-outs: from the time that Council receives notification to the time that service personnel confirm resolution of the fault or interruption. 	1 day	Equal or less than five days	1		Target met.
	1 day	Equal or less than five days	1		Target met.

Performance measures	2016/17 result	2017/18 target	2017/18 result	Rating	Explanation
<p>The total number of complaints received by Council about any of the following (expressed per 1000 connections to the networked reticulation system):</p> <ul style="list-style-type: none"> - Drinking water clarity - Drinking water taste - Drinking water odour - Drinking water pressure or flow - Continuity of supply - The local authority's response to any of these issues 	22 per 1000 connections	Maximum 17 per 1000 connections	26 per 1000 connections		We received multiple complaints about single 'dirty water' events in the first half of the year. A common theme concerns the clarity of Huntly's drinking water. We are managing this through a flushing programme until further research determines the cause and possible resolution.
The average consumption of drinking water per day per resident within the Waikato district.	270L per annum	250L per annum	240L per annum		Target met.
The percentage of real water loss from Council's networked reticulation system.					
- Tuakau	14.5%	<15%	10%		Target met.
- Pokeno	34.2%	<15%	44%		A data quality issue may have impacted the result. We're investigating a solution.
- Mid Waikato	34.4%	<25%	31%		We improved our result but also tightened our target.

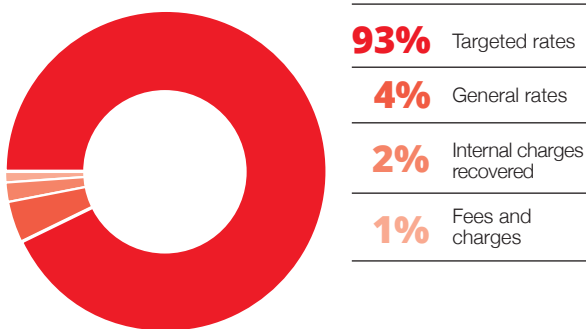
Performance measures	2016/17 result	2017/18 target	2017/18 result	Rating	Explanation
- Central Districts	33.5%	<20%	27%		We improved our result but also tightened our target.
- Raglan	28.1%	<25%	29%		We tightened the target and expect to do better in future years as a result of our district-wide metering programme
- Huntly	30.5%	<15%	22%		We improved our result but also tightened our target.
- Southern & Western Districts	15.3%	<15%	14%		Target met.
- Onewhero	10.6%	<20%	17%		Target met.
- Port Waikato	53%	<20%	28%		We improved our result but also tightened our target.
- Te Akau	34%	<20%	38%		The high loss is due to the need to empty a reservoir due to over-chlorination.
- Taupiri / Hopuhopu	Not measured	<10%	Not measured	Not measured	This scheme is now included in Central Districts.

Potential significant negative effects

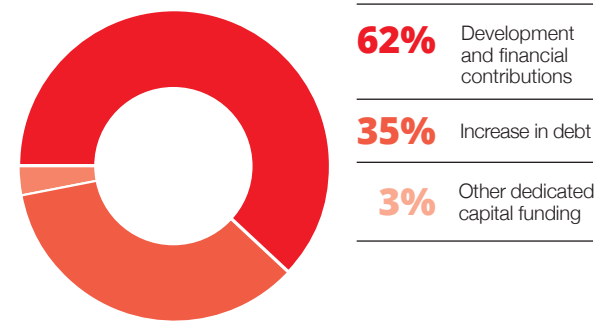
Potential negative effect	How we are addressing this
Potential contamination of the raw water supply.	Emergency response plans, operational procedures and monitoring of the raw water supply as per the Water Safety Plan (WSP) are all in place.
Discharges of backwash water from treatment plants and chlorinated water from maintenance activities or pipe failures.	Compliance with resource consents, the Council's engineering standards and guidelines and maintenance programme.
Effects on river ecology caused by river water extraction during low flows.	Compliance with resource consents.
Depletion of aquifer resources.	Compliance with resource consents.
Health and safety risks associated with the operation, maintenance, or construction of water supply infrastructure.	Ensure compliance with legislation and health and safety management plans. Maintain an incidents register.
Insufficient water supplies during times of drought or emergency.	Ensure water sources security and identify potential new sources and back up supplies as per the WSP.
Drinking water not meeting DWS2005.	Continue to monitor water quality and improve process if necessary as per the WSP (may be capital related).
Inadequate pressure and flow to fight fires.	Carry out modelling/pressure testing and implement remedial works.
Water abstraction from streams and rivers can have an adverse effect on the mauri of the water body.	Continuing to better identify the cultural significance of water catchments through resource consent conditions.
Insufficient water available during times of drought and emergencies.	Implement conservation measures and prioritise use for public health requirements.

How we paid for it

Operational funding



Capital funding



ORGANISATIONAL SUPPORT

What we did

Business process improvements

We continued to review and upgrade our business processes and our use of technology with a focus on improving community engagement and customer service efficiencies.

Alongside the development of our new Council vision and Long Term Plan (LTP) 2018-28, we undertook a major project to review our commitments and our organisational capabilities. This will help us to realign our operations in the new financial year to provide the internal resources required to achieve our long term goals and community outcomes.

We reviewed and streamlined our project management systems, and introduced an internal training programme to raise our project management skill levels. By refining our risk management frameworks, we also clarified the boundaries within which staff can be empowered to take initiatives to support our goals.

We developed an Information Management (IM) roadmap to identify technology solutions to support our strategic goals, and this was approved and budgeted through the LTP 2018-28.

Among some of the IM projects undertaken during the year we:

- Upgraded our disaster recovery capability with an off-site back-up server to support business continuity in case our main data centre becomes inoperable,
- Completed an electronic cash receipting project to streamline our electronic payments systems for our ratepayers,
- Moved our library catalogue system to the National Library cloud-based system Kotui, and gave our district library users access to more than 13,000 electronic books and magazines through two new online applications,
- Created all the online maps and 'layers' required to support the development and release of our proposed District Plan,
- Put the framework in place for a project to digitise all our paper records.

We also prepared a business case to build a single online portal for access to geospatial data from local authorities across the region to respond to increased demand for property information, and online consenting services, as the region develops and grows. (See also page XX for information about the work of Local Authority Shared Services Limited that we jointly own with 11 other local authorities in the region.)

Procurement and contract management

We saved more than \$595,000 through a variety of initiatives, including procurement through MBIE-led 'all of government' contracts.

Health and safety programme

To support a culture of health and safety awareness, we reviewed and redesigned our 'Zero Harm' programme to concentrate on three key areas: disciplined management systems, believable and capable leadership, and managed risks.

We focussed our activities on managing our critical risks, and ensuring compliance with all relevant legislation and regulations. We also continued to place a strong emphasis on personal health and wellbeing by offering personal health testing and annual influenza vaccinations.

How we paid for it

Operational funding



93%	Internal charges recovered
5%	Local authorities fuel taxes, infringement fees and other receipts
2%	General rates

PROGRESS TOWARDS COMMUNITY OUTCOMES

The following tables outline the progress we've made towards the community outcomes we seek as a result of the Council's work programmes.

Governance

Community outcomes		Progress
People	To ensure that our diverse community is represented in a democratically accountable and respectful manner.	We reviewed our representation arrangements for the next elections. The contact details of our elected members are available on our website and via the call centre.
Economy	To ensure that decisions are underpinned by sound financial governance.	All minutes of open meetings were made available to the public via our website.
Energy	To ensure that decisions and processes take into account both short and long term impacts on our customers and partners.	Where decisions significantly impact our customers, we have sought the opinions of our communities. Consultation on the Long Term Plan was a good example of this.

Sustainable communities

Community outcomes		Progress
People	To provide our customers and partners with opportunities for engagement thereby providing input to the decision making process.	We have engaged with our communities on over 80 plans, bylaws, projects and initiatives in a range of ways from formal submission procedures to open days, public meetings, and market days, and through social media.
People	To ensure Council and our communities are resilient and have the capability to respond, manage and recover from emergencies.	We have 135 staff trained in civil defence emergency management. We updated our CDEM Plan in line with legislative changes focused on community recovery.
People	To build community capacity by encouraging voluntary and community-based organisations to provide activities and services.	We committed grants totalling more than \$800,000 from Council-owned or administered funds for distribution to 174 organisations to enable communities to meet some of their own needs.
People	To ensure that our open spaces are safe and well maintained and offer opportunities for a wide range of recreational, cultural and community activities.	Results from our annual customer survey showed that 86% of our customers are satisfied or very satisfied with the parks and reserves that we provide.
People	To ensure the Council provides safe, accessible and well-maintained community and leisure facilities and general properties which contribute to the community's recreational, economic and cultural needs.	Of those surveyed through our customer satisfaction survey, 82% of respondents are satisfied with their local pool facility (with overall pool visitor numbers up 17%), and 75% of customers in Council housing for the elderly are satisfied with their housing service.
Economy	To ensure that a seamless consistent quality service is provided to our customers via a range of channels.	Nearly two-thirds of our customer satisfaction survey respondents said they were satisfied with the overall service received (66%) and that it took little or no effort to conduct business with the Council (64%). We use a range of engagement methods including social media, our website, letter drops, open days and the Link newsletter.

Community outcomes		Progress
Economy	Tourism in the district is enhanced and Council's processes and infrastructure support and facilitate new and existing business.	Tourism spending in the District increased 12.2% to \$128M in the March 2018 year. We supported Hamilton & Waikato Tourism, and the establishment of a Regional Economic Development Agency. Our Open Waikato website generated 272 business-related enquiries.
Energy	To ensure that we are accountable to our customers for our outcomes.	All minutes from open meetings were made publicly available via our website. We also made publicly available the quarterly reports outlining progress against our organisational goals.
Energy	Restoration, protection and enhancement of natural areas in the district to increase natural habitat and biodiversity.	We completed the second of a four-year Lake Rotokauri restoration programme including fencing boundaries and planting native species.

Sustainable environment

Community outcomes		Progress
People	To ensure that animals are kept in a way that protects their well-being and minimises danger and public nuisance, and provide animal owners with education regarding their responsibilities.	We achieved two of our three performance measures relating to animal control including our goal to be on-site within an hour for 95 per cent of emergency animal control call-outs. We ran 21 school visits in our 'Dogsmart Education Programme'.
People	To ensure that building regulations and standards are met so that people living and working in buildings are safe.	We met all of our performance measures relating to safe buildings in our district.
People	To ensure that development enhances the wellbeing and safety of the community, and that people have the opportunity to participate in the strategic and district planning process.	The community had the opportunity to be engaged with over 80 projects throughout the year. Key projects included consultation on the development of our District Plan and our Long Term Plan consultation which included future management of our Waters services.
People	To ensure communities are well informed about the effects of waste and opportunities they have to reduce waste.	We engaged with our community on our Waste Management and Minimisation Plan. We undertook a number of initiatives including a Raglan food waste collection, diverting 123 tonnes of food waste from landfill to compost.
People	To ensure that activities are managed so that our communities are healthy and safe, legislative requirements are met and nuisance is managed.	We handled 316 alcohol licence applications, inspected or audited 320 food operations, responded to 225 requests for technical comment on a range of other matters, and responded to 1,214 noise complaints.
Economy	To ensure that timely and accurate information and efficient processes are provided to people planning to build on or purchase a property.	We introduced new digital 'back-of-house' systems to improve efficiencies in handling consent applications. Some 80 per cent of our building consents customers now use the new paperless system.
Economy	To ensure sustainable growth is encouraged in appropriate locations supported by well-planned essential services.	We notified our proposed District Plan which provides a new spatial vision for our district with updated guidelines for development.
Energy	To ensure that planning controls assist in protecting cultural heritage and the natural and physical environment.	Our proposed District Plan includes rules for protecting the district's environment and heritage.
Energy	To ensure that our waste and recycling services are efficient and effective and protect our natural environment.	We undertook a district-wide waste assessment to underpin our review of our Waste Management and Minimisation Plan. The next step is to review our waste services to ensure they align with the new plan.

Roading

Community outcomes		Progress
People	To ensure that the district is easy and safe to get around and alternative transport options are available.	We re-surfaced 127.7kms of sealed roads, maintained a road safety education programme and investigated alternative transport options.
Economy	To ensure that transport infrastructure is planned at a rate to consider growth and demand in a cost effective manner.	We made progress on plans to support new developments in Pokeno, Te Kauwhata and Tuakau. We assessed the work required to establish commuter rail facilities at Tuakau and Huntly rail stations and set aside \$500,000 for further work.
Energy	To ensure that the network is well maintained and negative environmental effects are mitigated.	During the past year we surfaced 110.4 km of sealed roads, completed 17.3 km of road strengthening work, undertook 1,323 kms of grading on unsealed roads, and filled 4,000 potholes.

Stormwater

Community outcomes		Progress
People	To ensure that the Council's water infrastructure supports safe and healthy conditions and conforms to established public health standards.	There are no instances where flooding from our stormwater network occurred in the district. All performance targets relating to stormwater activity were met.
Economy	To ensure that the waters infrastructure networks are managed and maintained to ensure it is both cost effective and reliable, and meets water industry best practice.	We undertook a schedule of minor upgrades across the district, installing new pipes to increase capacity where required.
Energy	To ensure that the water infrastructure network is managed effectively to minimise wastage and ensures that water is sustainably and appropriately collected, treated and disposed of to protect the environment.	We completed work to upgrade the Ngaruawahia stormwater network, started work to upgrade the Raglan stormwater network, oversaw development-led extensions of the network in Pokeno, and worked on a stormwater catchment management plan for Tuakau.

Wastewater

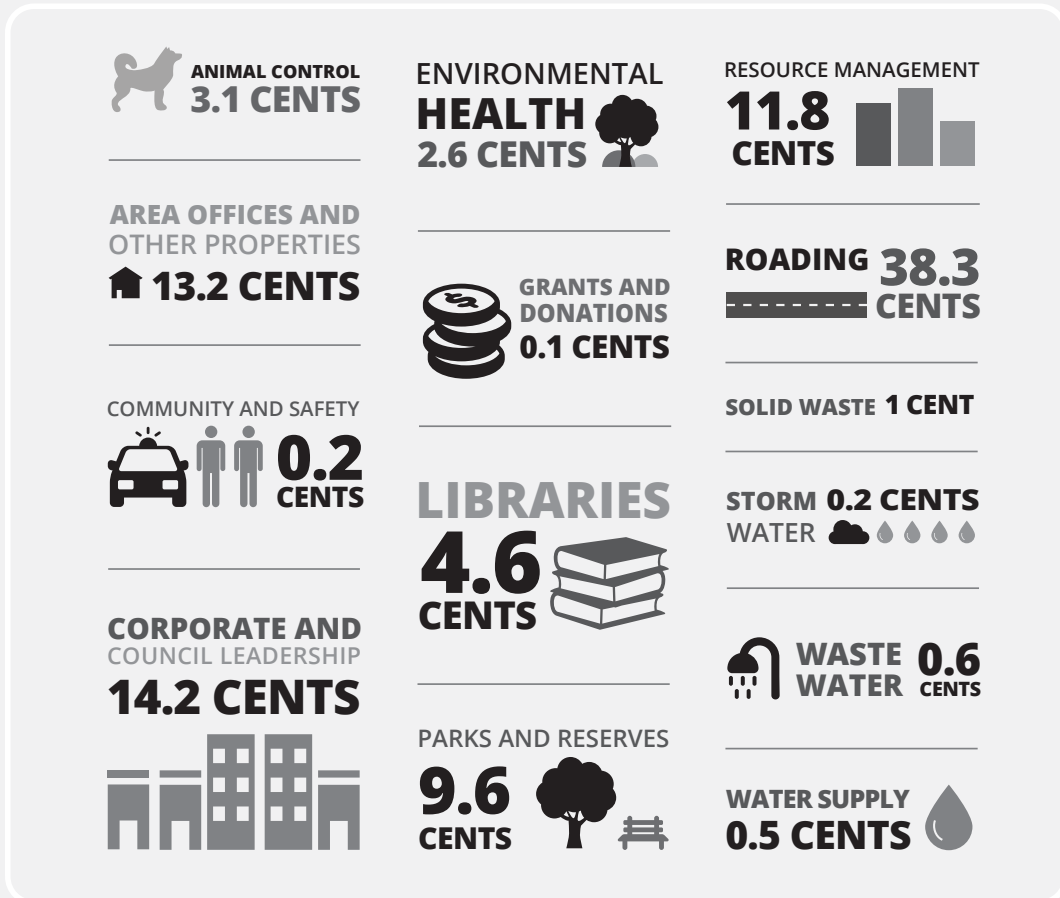
Community outcomes		Progress
People	To ensure that the Council's water infrastructure supports safe and healthy conditions and conforms to established public health standards.	We continued a staged programme to invest in separate teams and equipment for drinking water supply and wastewater services in line with Ministry of Health best practice guidelines.
Economy	To ensure that the waters infrastructure networks are managed and maintained to ensure it is both cost effective and reliable, and meets water industry best practice.	We completed the second year of a \$1.76m programme of works to improve our current network.
Energy	To ensure that the water infrastructure network is managed effectively to minimise wastage and ensures that water is sustainably and appropriately collected, treated and disposed of to protect the environment.	We rolled out a district-wide public wastewater education campaign to help reduce the blockages caused by foreign objects in the network that have caused 80% of wastewater overflows in the district.

Water supply

Community outcomes		Progress
People	To ensure that the Council's water infrastructure supports safe and healthy conditions and conforms to established public health standards.	Water was treated to a safe standard despite a technical non-compliance in our routine water sampling regime for one of our two performance targets relating to drinking water.
Economy	To ensure that the waters infrastructure networks are managed and maintained to ensure it is both cost effective and reliable, and meets water industry best practice.	We examined options for managing our Waters services in the future, and expect to save at least \$28.3 million in the next decade by negotiating a contract with Watercare Services to manage our waters services under the guidance of a professional Council-appointed Waters Governance Board.
Energy	To ensure that the water infrastructure network is managed effectively to minimise wastage and ensures that water is sustainably and appropriately collected, treated and disposed of to protect the environment.	We completed a switch to water meter charging for all properties connected to our water infrastructure to encourage water conservation, and help us locate and fix water losses.

WHAT YOU GOT FOR \$1

We deliver a broad range of services to our diverse district of residents, business owners and visitors. Here's how we spent every \$1 we received from general rates.*



*This does not include targeted rates. A targeted rate funds a specific council activity or group of activities rather than general council services. For example, those who receive a refuse collection pay for it through a targeted rate. Those who don't receive it don't pay for it.

STATEMENT OF COMPLIANCE AND RESPONSIBILITY

Statement of Compliance

The Council and management of the Waikato District Council confirm that all the statutory requirements of Part 6 of the Local Government Act 2002 have been complied with.

Statement of Responsibility

The Council and management of the Waikato District Council accept responsibility for the preparation of the Annual Financial Statements and the judgements used in them, and for establishing and maintaining internal control systems to provide reasonable assurance as to the integrity and reliability of financial reporting.

In the opinion of the Council and management of the Waikato District Council, the Annual Financial Statements and Statements of Service Performance for the year ended 30 June 2018 fairly reflect the financial position and operations of the Council.

Allan Sanson
Mayor

Gavin Ion
Chief Executive

ANNUAL REPORT SUMMARY

Waikato District Council

October 2018



2 | Building connected communities

2 | Caring for our environment

3 | \$800K for local groups

4 | Road & footpath networks growing

NEW BUSINESSES BRING 500 MORE JOBS



Waikato District attracted 183 new businesses and more than 500 new jobs in the year to March 2018, with business and employment growth closely reflecting the national average.

To encourage business investment and job opportunities we promoted Waikato district as a centre of national importance for the freight and logistics industry, facilitated collaboration between local businesses interested in exporting into Asia, supported the development of local tourism networks in destination townships and, in our new LTP, we committed \$60,000 a year to help underwrite the establishment of a Waikato Regional Economic Development Agency.

Business park developments in Horotiu and Pokeno are filling fast. Nearly 90% of the 109-hectare development at Horotiu, and 95% of the 80-hectare Pokeno industrial park, are now sold or under contract.

Major developments included decisions by Synlait Milk to invest \$250 million in a nutritional milk powder factory in Pokeno opening in 2019-20, and by the Government to extend fast internet to a total of 17 of our towns and mobile blackspot areas.

Tourism spending in the District increased 12.2% to \$128 million in the March 2018 year compared with an 8.3% increase in national tourism expenditure.

WELCOME TO OUR ANNUAL REPORT SUMMARY FOR 2017/18

Welcome to our snapshot of what we've been doing in the community over the past 12 months.

Every year we produce an Annual Report of our activities and financial performance that compares what we did with what we planned to do when we developed our Long Term Plan (LTP). This year we also report on how we performed on the changes we made to the LTP, with your agreement, in our Annual Plan 2017/18.

This summary provides you with a 'scorecard' so that you can review the work we have been doing on your behalf.



A NEW VISION FOR OUR DISTRICT

2018 was a pivotal year for Waikato District: it was marked by a series of major initiatives to prepare for a long period of growth and change.

As one of the fastest growing districts in the country – forecasting a 20% jump in property numbers and population growth of more than 12,000 in 10 years - we needed a new vision to guide how we shape our growth so we create communities that people feel connected to and want to live in.

People-friendly living

We unveiled a vision of 'liveable, thriving and connected communities' in our new Long Term Plan 2018-28 and supported it with a \$1 million budget to implement a series of 'blueprints' for our key growth areas. Our challenge is to balance spending on infrastructure and services for people-friendly living, while maintaining rates at an affordable level.

We have reviewed our organisational capabilities to deliver on our Long Term Plan commitments and are realigning our operations to provide the resources required.

To complement the new direction, our proposed Waikato District Plan now offers a new spatial vision for community development, setting the guidelines for land use and for protecting our environment and heritage. Changes include a village zone, and the opportunity for papakainga (multiple dwelling) development on all Maaori freehold land with multiple owners.

Financial performance

We worked hard to set rates and debt levels that balance affordability with the need to provide for our growing community. Average rates per rateable property were \$2,797 for 2017/18 and average debt per rateable property is \$2,557. This leaves capacity for funding services and facilities to meet future needs.

Sustainable development

We've undertaken a series of initiatives

to support growth that's socially and economically sustainable.

We're finding more efficient ways of doing things, such as managing our waters services and lighting our roads. We completed a switch to water meter charging to encourage water conservation, began a kerbside collection in Raglan to divert 123 tonnes of food waste from landfill to compost, and continued a wastewater system upgrade programme to protect our environment from overflows

We're working with you to build our communities through discretionary community grants, and a range of other initiatives through Youth Action Groups and 'placemaking' projects to revitalise our public spaces. We're proud of what we've achieved together.

WORKING TOGETHER IN PARTNERSHIP

As a democratically-elected Council, our goal is to involve you in the decisions that affect the future of our district.

We reviewed our representation arrangements for the next local body elections and will finalise these with your input in the new financial year. We consulted widely on our Long Term Plan and received more than 700 submissions before we adopted the plan that sets our budgets and direction for the years ahead. We also engaged with our communities on more than 80 other initiatives, plans, strategies and bylaws, on subjects ranging from waste management to waters services, and from speed limits to our District Plan rules.

We expanded our efforts to engage with you through a range of media, surveys, public meetings and market days, and we added to our range of online services. We attracted nearly 193,000 people to visit our website in the past year, and we have more than 8,700 followers on Facebook.

More than 5,000 customers contributed ideas to the future of our library services, and several thousand took up our ANZAC challenge to decorate a tree in every community with knitted poppies.

“Some of our most widely-used services recorded customer satisfaction levels of 80% or more”

We measured your response to our work through an independent customer satisfaction survey. While we did not meet all our targets, nearly two-thirds of respondents said they were satisfied with the overall service received (66%) and that it took little or no effort to conduct business with the Council (64%).

We are proud that some of our most widely-used services recorded customer satisfaction levels of 80% or more including libraries (97%), parks and reserves (86%), wastewater (95%), water (83%), rubbish (80%), recycling (84%) and animal control (82%). Overall, 74% of survey respondents were satisfied with the way rates are spent on the services and facilities we provide.

BUILDING CONNECTED COMMUNITIES

We provide the facilities and resources that support liveable, thriving and connected communities. We maintain six libraries, 39 community and town halls, 51 parks and reserves, 51 playgrounds, 12 skateparks, and three swimming pools.

Our libraries are an important focus for community activity, hosting community group meetings as well as regular reading programmes and other learning opportunities. Our regular library programmes include our Matariki creative writing and design competitions which attracted more than 500 entries this year.

We launched our new library management system, Kōtui, together with an extensive e-collection of books, audio and magazines that can be borrowed online, and we installed digital community noticeboards in all offices and libraries.

We progressed plans for our playgrounds, halls, toilets and trails. We installed the district's first fitness trail featuring outdoor gym equipment along the Waikato Esplanade, we awarded a contract for the

development of the Tamahere Recreation Reserve, and we secured \$868,000 from the Government's Tourism Infrastructure Fund for upgrading public toilet and refuse facilities in Raglan.

Our pool facilities reported another year of increased patronage with a 32% increase in learn to swim numbers, a 65% increase in gym memberships and a 17% increase in overall visitor numbers.

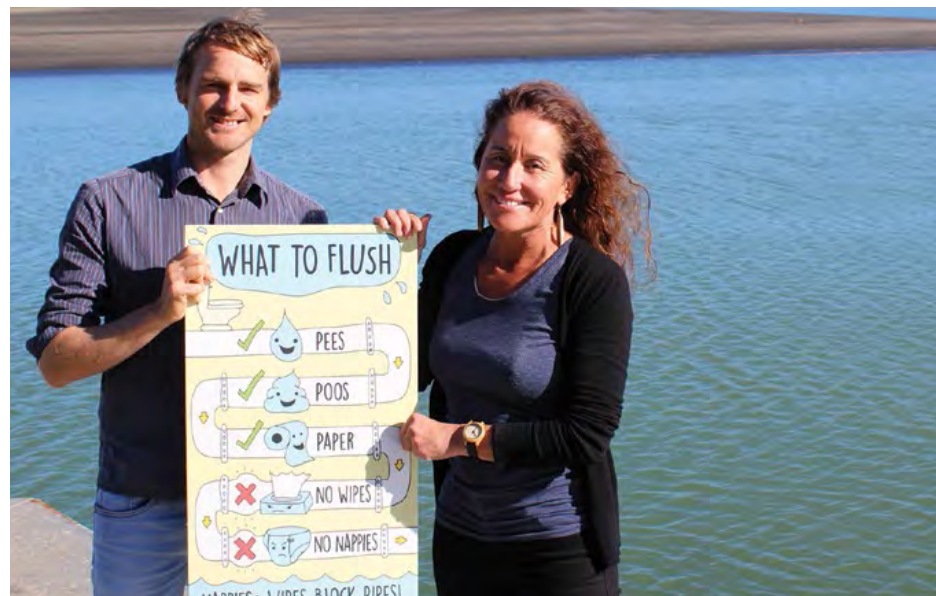
We continued our highly-commended programme of 'placemaking' projects to encourage communities to reclaim their public spaces through artistic and cultural endeavours. An ANZAC poppy tree 'yarn bombing' project 'blossomed' in 21 communities this year, and 30 'little libraries' were built ready for installation in our rural communities in the new financial year.



We nurtured youth leadership through our youth action groups, launched a \$10,000 student scholarship with Waikato-Tainui, and supported youth employment initiatives from cadetships to driver training days.

CARING FOR OUR ENVIRONMENT

Economic and environmental sustainability were high on our list of reasons for undertaking a number of major projects this year.



Our aim is to provide sustainable, attractive, affordable and safe options for living, in a way that's in tune with what ratepayers want.

Waste minimisation

We reviewed our Waste Management and Minimisation Plan and undertook initiatives to promote our vision that 'zero waste and resource recovery are an integral part of our community'. In partnership with Raglan's Xtreme Zero Waste, we began a kerbside food waste collection in Raglan and diverted 123 tonnes of food waste from landfill to compost. The service will be reviewed in

the new financial year, and local ratepayers consulted, to determine whether it should continue with targeted rate funding.

Environmental Health

We developed a Quality Management System (QMS) for the registration and verification of food operations in our district to meet requirements under the new Food Act 2014.

We also produced 485 Hazardous activity and industry list (HAIL) reports in response to ongoing demand for contaminated land information, which reflects the high level of growth and development in the district.

Water and Wastewater

We completed the second year of a \$1.76 million 'continuous improvement programme' to mitigate the risk of wastewater overflows with a particular focus on protecting our waterways and environmentally sensitive areas.

We completed a switch to water meter charging for all properties connected to our water infrastructure to encourage water conservation, and help us locate and fix water losses. We charted a one-year baseline of drinking water usage at 240 litres per resident per year.

We are proud that Raglan's tap water – sourced from a local artesian spring – was judged the best tasting tap water in the country at the annual Water Industry Operations Group (WIOG) New Zealand Water Taste Test.

Our natural environment

With nearly \$400,000 funding from the Waikato River Authority, we completed the second of a four-year Lake Rotokauri restoration programme, including fencing and planting.

We committed funding to support conservation projects and groups including Eco-sourced Waikato, and the Waikato Biodiversity Forum.

\$800K FOR LOCAL GROUPS

We committed grants totalling more than \$800,000 for distribution to 174 community groups and charities throughout the district enabling communities to come together to meet local needs.

This included more than \$613,000 of targeted and discretionary Council funds, another \$71,256 distributed on behalf of the Creative Communities Scheme Fund, and \$125,529 distributed on behalf of the Waikato District Community Wellbeing Trust, an independent trust we administer.

With \$5,000 from our Heritage Project Fund, we supported the production of a local history book, 'Wāhia Ngā Rua' by Mai Uenuku ki te Whenua Marae. This illustrated educational resource tells the story of the prominent Waikato chief Ngaere, who lived in the late 1600s, and

how Ngaruawahia and the Hakarimata Ranges were named.

Another significant project was the district's first fitness trail, featuring outdoor gym equipment, along the Waikato Esplanade and Te Awa cycleway. Costing nearly \$60,000, the fitness trail was spearheaded with a \$10,000 grant from the Ngaruawahia Community Board, \$10,000 from the Waikato District Community Wellbeing Trust, and support from WEL Energy Trust, Perry Group, and the Ngaruawahia Lions Club.



This new community resource adds to Ngaruawahia's attraction as a fitness destination.



Agreed a new vision of building 'liveable, thriving and connected communities' with 10-year budgets to support it

Committed more than \$800,000 in grants to 174 organisations and charities throughout the district

Found a way to save about \$28.3 million or more on how we manage our waters services in the next 10 years

Upgraded our streetlights with LED to improve lighting levels and save \$70,000 a year

Notified a proposed District Plan with a new village zone and more opportunities for papakainga (multiple dwelling) development

Helped secure fast internet for a total of 17 district towns and mobile blackspot areas

Diverted 123 tonnes of food waste from landfill to compost by supporting a kerbside food waste collection in Raglan

Expanded our online services and gained a 9.4% rise in online (website) visits and a 10.7% rise in users (to nearly 193,000 unique visitors)

WHAT YOU GOT FOR \$1

We deliver a broad range of services to our diverse district of residents, business owners and visitors. Here's how we spent every \$1 we received from general rates.*

 **ANIMAL CONTROL**
3.1 CENTS

ENVIRONMENTAL HEALTH 
2.6 CENTS


RESOURCE MANAGEMENT
11.8 CENTS 

AREA OFFICES AND OTHER PROPERTIES
 **13.2 CENTS**

 **GRANTS AND DONATIONS**
0.1 CENTS

ROADING  **38.3 CENTS**

COMMUNITY AND SAFETY
 **0.2 CENTS**

LIBRARIES
4.6 CENTS 

SOLID WASTE **1 CENT**

CORPORATE AND COUNCIL LEADERSHIP
14.2 CENTS

STORM WATER  **0.2 CENTS**



PARKS AND RESERVES
9.6 CENTS 

 **WASTE WATER** **0.6 CENTS**

WATER SUPPLY
0.5 CENTS 

*This does not include targeted rates. A targeted rate funds a specific council activity or group of activities rather than general council services. For example, those who receive a refuse collection pay for it through a targeted rate. Those who don't receive it don't pay for it.



LEARNING TO BE 'DOGSMART'

Our focus to educate owners about responsible dog ownership is helping reduce numbers in our dog pounds, and growing community satisfaction with our services.

Through our 'Dogsmart' education programme we visited 21 schools to teach children about dogs, safety and responsible ownership, and we continued our sought-after 'Dogs in Libraries' children's reading programme.

Two new events proved so popular that we may make them an annual feature. A 'pool party' attracted 70 dogs and their families to the

Ngaruawahia swimming pool in March just before winter closure, and a 'Dirty Dog Challenge' held at the Ngaruawahia Christian Youth camp in collaboration with Hamilton City Council in June drew nearly 200 entries. Profits from these events went to helping animals in need in our communities.

Dog registrations numbered 14,070,

representing 95 per cent of all known dogs in the district. More than 3,000 of our 9,329 district dog owners now meet the stringent criteria established for 'selected dog owners'. We impounded 859 dogs (down from 1,120 last year), and re-homed 231 with the help of 11,000 followers on our Pound Pups Facebook page.

SUPPLYING 9.1M LITRES OF WATER A DAY

With demand for drinking water exceeding 9.1 million litres a day in our district, we examined how to continue to provide our communities with a safe and sustainable water supply and we identified a new way of managing all our waters services.

The option chosen, through consultation on our Long Term Plan 2018-28, was to contract Watercare Services Ltd to provide the district's waters services – water, wastewater and stormwater – under the control of a professional Council-appointed Waters Governance Board. This option will be progressed in the new financial year. It is expected to save up to \$28.3 million or more over the next 10 years and keep targeted rates increases under 5% for those services from 2019/20.

Meanwhile, we installed two new reservoirs in Pokeno, progressed plans for a new reservoir in Matangi, and completed a switch to water meter charging for all properties connected to our water infrastructure to encourage conservation.

We are proud that Raglan's tap water – sourced from a local artesian spring – was judged the best tasting tap water in the country at the annual Water Industry

Operations Group (WIOG) New Zealand Water Taste Test.

Wastewater

We continued a \$1.76 million wastewater system upgrade programme to reduce the risk of overflows to protect our waterways and environmentally sensitive areas.

We cleaned and inspected 42kms of wastewater pipes, established a programme of priority renewals and replacements, installed a permanent back-up generator at one of our pump stations in Raglan, and rolled out a district-wide education campaign to help reduce the blockages that have caused 80% of wastewater overflows in the district.

We completed the business case for wastewater and other infrastructure work in Te Kauwhata to secure \$38 million from the Government's Housing Infrastructure Fund. We also completed construction of phase 2 of the new Pokeno wastewater



system that will service the existing village so that septic tanks can be phased out.

We continued a staged programme to separate our drinking water supply and wastewater services operations in line with Ministry of Health best practice guidelines.

ROAD AND FOOTPATH NETWORKS GROWING



Through the Waikato District Alliance we delivered high standards in road asset management, and exceeded expectations of customer responsiveness that were set when this joint venture between the Council and Downer NZ was established three years ago.

A major focus has been on planning for changes to the local roading network to support new residential growth and the construction of the Waikato Expressway. Once the Expressway is complete, almost 90kms of old State Highway and 5kms of new local roads will have been added to our existing 2,436km local road network. We have factored maintenance for these new roads into our 10-year budgets.

We completed a \$1.5 million LED street lighting upgrade project at a cost of only \$225,000 thanks to an 85% subsidy from the NZ Transport Agency. The upgrade has improved street lighting levels and will bring about \$145,000 annual savings in energy and maintenance costs. Council's share of the savings is about \$70,000 per year, bringing cost recovery in just three years.

In response to Government signals of support for alternative transport modes we set aside \$500,000 in our new LTP for future work at Tuakau and Huntly rail stations, and we increased our future footpath budgets from \$102,000 to \$720,000 a year to fulfil community requests for network extensions.

We were Highly Commended at both the IPWEA and LGNZ Excellence Awards for our work on the northern section of the Te Awa cycleway, including the iconic Perry Bridge across the Waikato River. Since November last year, pedestrians and cyclists using the new facilities have more than doubled from 481 to 1,102 weekly.

THIS IS WAIKATO DISTRICT

WAIKATO IS HOME TO...

73,600
PEOPLE
(24.1% IDENTIFY AS MAAORI)



174 NEW
NZ
CITIZENS IN 2017/18

14,812 DOGS



WE PROVIDE...

9,137,000 LITRES OF
DRINKING WATER A DAY

52 PUBLIC
TOILETS
USED BY 4,000
PEOPLE EVERYDAY

12 SKATEPARKS

51 PLAYGROUNDS

KERBSIDE
COLLECTIONS
OF **9,673**
TONNES OF
REFUSE EACH YEAR

3 SWIMMING
POOLS

WAIKATO SPANS...

OVER **445,000** HECTARES
OF LAND

IN 2017/18 WE SUPPORTED...

151 COMMUNITY
GROUPS



AND **231** DOGS WERE
RE-HOMED



WE MAINTAIN...

1,836KMS OF SEALED ROADS

241KMS
OF FOOTPATHS

600KMS
OF UNSEALED
ROADS

51 PARKS AND
RESERVES



39 COMMUNITY HALLS



WE OPERATE...

6 LIBRARIES THAT SERVICE
21,289 LIBRARY MEMBERS



31 WATER
RESERVOIRS
WITH A TOTAL
CAPACITY OF **39,467m³**



2 ANIMAL
SHELTERS



7 WATER TREATMENT
PLANTS WITH A TOTAL CAPACITY
OF **19,206m³**
PER DAY



22
CEMETERIES

27 DOG
EXERCISE AREAS



HOW WE DID

Our projects and work programmes range across eight groups of activities. For each group of activities we have performance measures that provide us with targets to meet, such as responsiveness, safety, timeliness, meeting statutory requirements and compliance. This graph summarises how we did, where we met expectations and where we need to improve. Please see the full Annual Report on the Waikato District Council website to find out more about the targets and how we performed against them.

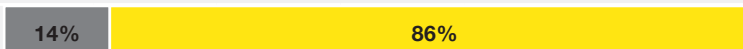
See the colour coding system below to indicate how well we've done.

- We've achieved
- We're on track, but haven't quite met the target (within 5%)
- We've not met the target (variance greater than 5%)

PERFORMANCE TARGET RESULTS

Governance

We met six of our seven targets in how we make decisions, conduct meetings and consult with iwi. We missed one target because 77% of customers surveyed said they were satisfied with the availability of Councillors compared with a target of 100%.



Sustainable Communities

We were aiming for higher satisfaction levels with the way in which we engage with our communities than we achieved, but the very large number of issues (80) on which we consulted and engaged with our community during the year may have contributed to this. Our staff are trained, tested, and able to manage emergencies, but community response planning has been slower than targeted. We were unable to improve upon a high rating of Waikato district as a place to do business, otherwise we met all goals to support our community through economic development, and via grants and donations. Despite missing some targets, overall satisfaction with our Parks and Reserves was 86%.



Sustainable Environment

Public perception about the opportunity to be involved in Council decision-making improved to a positive 65%, but did not reach a more ambitious target, and the high complexity of some consent applications put pressure on our planning and consents teams. These affected our results in strategic and district planning. Environmental health results were affected by the time it takes to respond to and resolve noise complaints in a far-flung rural district, but all food and licensed premises were inspected as required. Solid waste service targets were affected this year by issues such as refuse contractor staffing changes. We missed one animal control target - for increasing the percentage of good dog owners qualifying for 'selected' status - but customer satisfaction levels with the service overall rose to 82%.



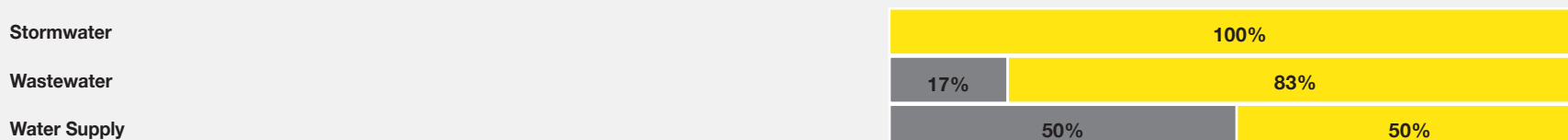
Roading

We delivered improvements in roading asset management enabling us to scale back our road resealing to 6.9% of the network (target 8%) because of the increased road life being obtained. We surpassed targets for the quality of the roading and footpath network, and for our customer responsiveness. Despite the quality of our roads, and a comprehensive local road safety education programme, we were unable to meet our target to reduce the number of serious road crashes.



Waters Services

We met all targets for stormwater services. Our compliance with wastewater discharge levels are assessed the following year, so wastewater discharges in the 2016/17 year meant we missed our target this year, but our \$1.76 million upgrade programme is designed to address this. Our water supplies were treated to a safe standard although we recorded a technical non-compliance in our routine water sampling regimen, and we are managing concerns about Huntly's drinking water clarity with a flushing programme until further research offers a solution. Some missed targets in water supply losses are expected to be mitigated in the future by our metering programme which will help us locate and fix these. We met all our customer responsiveness targets.



SUMMARY FINANCIAL STATEMENTS

Statement of comprehensive revenue and expense for the year ended 30 June 2017

	Council			Group	
	2016/17 Actual \$'000	2016/17 Budget \$'000	2015/16 Actual \$'000	2016/17 Actual \$'000	2015/16 Actual \$'000
Total revenue	134,891	119,662	141,057	135,480	145,664
Finance costs	(3,659)	(3,588)	(4,259)	(3,659)	(4,416)
Operating expenditure excluding finance costs	(109,744)	(101,289)	(107,902)	(110,742)	(113,606)
Share of joint venture's surplus (deficit)	-	-	-	-	(2,438)
Surplus (deficit) before tax	21,488	14,785	28,896	21,079	25,204
Income tax expense	-	-	-	-	(26)
Surplus (deficit) after tax wholly attributable to Waikato District Council	21,488	14,785	28,896	21,079	25,230
Other comprehensive revenue and expense					
Gain (loss) on property revaluations	64,849	25,507	12,072	64,849	12,000
Revaluation reserve – landfill	(204)	-	(104)	(204)	(104)
Financial assets at fair value through other comprehensive income	10,162	-	9	10,162	9
Total other comprehensive revenue and expense	74,807	25,507	11,977	74,807	11,905
Total comprehensive revenue and expense wholly attributable to Waikato District Council	96,295	40,292	40,873	95,886	37,135

Statement of financial position As at 30 June 2017

	Council			Group	
	2016/17 Actual \$'000	2016/17 Budget \$'000	2015/16 Actual \$'000	2016/17 Actual \$'000	2015/16 Actual \$'000
Current assets	24,830	33,609	18,193	29,172	26,909
Non-current assets	1,742,143	1,694,292	1,640,893	1,741,953	1,637,018
Total assets	1,766,973	1,727,901	1,659,086	1,771,125	1,663,927
Current liabilities	40,809	63,478	28,900	40,912	29,033
Non-current liabilities	66,830	58,534	67,177	66,830	67,397
Total liabilities	107,639	122,012	96,047	107,742	96,430
Net assets	1,659,334	1,605,889	1,563,039	1,663,383	1,567,497
Total equity	1,659,334	1,605,889	1,563,039	1,663,383	1,567,497

Statement of changes in net assets/equity For the year ended 30 June 2017

	Council			Group	
	2016/17 Actual \$'000	2016/17 Budget \$'000	2015/16 Actual \$'000	2016/17 Actual \$'000	2015/16 Actual \$'000
Balance at start of year					
Accumulated funds including share of joint venture	1,004,834	1,005,693	964,246	1,006,334	968,085
Other reserves	558,205	559,904	557,920	561,163	562,277
Balance at 1 July as previously reported	1,563,039	1,565,597	1,522,166	1,567,497	1,530,362
Total comprehensive revenue and expense for the year wholly attributable to Waikato District Council	96,295	40,292	40,873	95,886	37,135
Other equity movements	-	-	-	-	-
Balance at 30 June wholly attributable to Waikato District Council	1,659,334	1,605,889	1,563,039	1,663,383	1,567,497
Represented by equity at the end of the year					
Accumulated funds	1,029,070	1,024,526	1,004,834	1,030,204	1,006,334
Other reserves	630,264	581,363	558,205	633,179	561,163
Balance at 30 June wholly attributable to Waikato District Council	1,659,334	1,605,889	1,563,039	1,663,383	1,567,497

Statement of cash flows For the year ended 30 June 2017

	Council			Group	
	2016/17 Actual \$'000	2016/17 Budget \$'000	2015/16 Actual \$'000	2016/17 Actual \$'000	2015/16 Actual \$'000
Net cash from operating activities	37,867	37,218	45,051	36,684	44,145
Net cash from investing activities	(58,172)	(56,418)	(58,430)	(58,847)	(52,238)
Net cash from financing activities	20,000	19,142	7,050	20,115	3,800
Net (decrease) increase in cash and cash equivalents	(305)	(58)	(6,329)	(2,048)	(4,293)

SUMMARY ACCOUNTING POLICIES

Waikato District Council is a territorial local authority governed by the Local Government Act 2002 (LGA 2002) and is domiciled and operates in New Zealand.

The Group consists of the ultimate parent Waikato District Council (Council), its 100% owned subsidiary Strada Corporation Limited (Strada) and the Waikato District Community Wellbeing Trust. Strada was a 50% party to a Joint Venture Agreement, Waikato Quarries Limited. All the companies in which Council has an interest, directly or through Strada, are incorporated and domiciled in New Zealand.

The principal activity of Council is the provision of local infrastructure, local public services and the performance of regulatory functions to the community. Council does not operate to make a financial return.

Council has designated itself and the Group as public benefit entities (PBE's) for financial reporting purposes.

The financial statements of Council and the Group have been prepared in accordance with LGA and the Local Government (Financial Reporting and Prudence) Regulations 2014 (LG(FRP)R) which include the requirement to

comply with generally accepted accounting practice in New Zealand (NZ GAAP). These summary financial statements have been prepared in accordance with and comply with Tier 1 PBE accounting standards.

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000's).

The summary financial statements of Council are for the year ended 30 June 2017. The full annual report and summary financial statements were authorised for issue by Council on 9 October 2017.

INDEPENDENT AUDITOR'S REPORT

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

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SUMMARY ADDITIONAL DISCLOSURES

Contingencies

Contingent liabilities for Council at balance date are \$10,000 (2016: \$nil). The Group's contingent liabilities at balance date are: \$10,000 (2016: \$2,843,000). They include guarantees, uncalled capital contributions, outstanding insurance and other claims.

Council is a 35 per cent capital beneficiary of the WEL Energy Trust. The life of the Trust ends in 2073 unless terminated earlier if its purpose is completed. Given the uncertainty surrounding the life of the Trust, Council is unable to accurately establish the appropriate value of the 35 per cent share.

Commitments

Council has \$57,283,000 (2016: \$80,590,000) of capital commitments. Strada had no capital commitments at balance date (2016: \$nil).

Events after balance date

No events which provide evidence of conditions existing at balance date have occurred between then and the date these financial statements were authorised for issue.

Adjustments to the comparative year financial statements

There have been no adjustments to the comparative year financial statements for the year ended 30 June 2017.

Explanation of major variances

The major variance explanations are set out below and explain the significant differences between actual results for 2016/17 compared to the budget for 2016/17.

Overall revenue was greater than budgeted mainly due to vested asset income not being budgeted. Also not

budgeted was the gain on fair value change of derivative financial assets. Subsidy income was greater due to more NZTA funding because of adverse weather events and emergency works required during the year. Development and financial contributions were greater because financial contributions were not budgeted. Rates revenue was lower than budgeted, specifically in relation to water-by-meter charging. This variance relates to a difference in the level of assumed water-by-meter consumption and actual consumption.

Overall expenses were greater than budget. Asset write-offs occur when assets are disposed and were not budgeted. Less was spent on employees compared to budget due to vacancies during the year and that was offset by more spent on consultants to cover staff shortages and to meet increased demand for services particularly in the regulatory area.

At an operating level the surplus was \$6.7m above budget.

Total comprehensive income was \$96.3m and was \$56m above budget. Other comprehensive revenue was significantly increased due to revaluation of assets accounting for \$39m of the difference to budget. The land and buildings classes were revalued this year ahead of the planned revaluation in the following year so were not budgeted. Land values increased significantly during the two years since the last valuation was carried out in 2015 and reflects a more buoyant property market of recent times. Road assets revalued also showed an increase compared to budget due to a higher actual escalation of replacement costs than was budgeted. In addition other comprehensive revenue was increased

by a change to valuing Council's interest in the Waikato Regional Airport Limited to fair value which increased comprehensive revenue by \$10.15m.

The statement of financial position shows an increase in overall net assets of \$53m compared to budget. The biggest variance was for property, plant and equipment being \$41m above budget due to the revaluations as explained above. Total assets were \$39m above budget and total liabilities were \$4m below budget.

Borrowings were close to budget and whilst cash and cash equivalents are less than budget this is offset by an increase in term deposits where funds have been held as part of cash flow planning around repayment of some borrowings during the 2017/18 year.

Disclaimer

The specific disclosures included in this summary annual report have been extracted from the full annual report which was authorised for issue on 9 October 2017.

The summary cannot be expected to provide a complete understanding as provided by the full annual report of the financial and service performance, financial position and cash flows of Waikato District Council.

The summary has been examined for consistency with the full annual report and was audited by Audit New Zealand on behalf of the Auditor General. The full annual report and summary received an unmodified audit opinion on 9 October 2017.

The full annual report can be obtained from any of the Council's offices or can be accessed online at www.waikatodc.govt.nz

Open Meeting

To	Audit & Risk Committee
From	Tony Whittaker Chief Operating Officer
Date	10 September 2018
Prepared by	Alison Diaz Finance Manager
Chief Executive Approved	Y
Reference #	GOV1318 / 2074710
Report Title	2017/18 Annual Report Audit

I. EXECUTIVE SUMMARY

The key issues identified as potential areas of risk for the delivery of the 2017/18 Annual Report audit were presented to the committee in June. The onsite audit process will be completed on 14 September, with sign-off subject to final review. Verbal clearance is expected to be received at the Strategy & Finance Committee meeting on 26 September.

The identified risks were well managed and enabled staff and Audit New Zealand to complete the final audit within the overall timeframe. Council's valuation of roading assets was completed using March 2018 indices to ensure timeliness of final reports. This has resulted in a year-end difference, that while not material, is noted in our audit misstatement schedule as it remains unadjusted.

2. RECOMMENDATION

THAT the report from the Chief Operating Officer be received.

3. BACKGROUND

The audit arrangements letter outlined the key issues for the 2017/18 audit. The related audit requirements and mitigation measures to be employed to deliver the Annual Report were presented to the Audit & Risk Committee in June.

Audit New Zealand have indicated that they expect to issue an unmodified opinion once final reviews have taken place.

4. DISCUSSION AND ANALYSIS OF OPTIONS

4.1 AUDIT NEW ZEALAND

The Audit Arrangements letter identified the following areas of focus:

1. *Property, plant & equipment*

Assets will be valued in accordance with PBE IPSAS 17. All infrastructure assets are to be revalued this year. The scope of the valuation, the competence of the valuer, the completeness of data and reasonableness of assumptions will all be reviewed. The valuer will need to provide assurances that the valuation has been completed in accordance with valuation and accounting standards. Adjustments posted to the general ledger and disclosures will also be reviewed.

As noted all infrastructural assets were revalued. Land and Building (operational and restricted assets) were not revalued. This asset class was revalued in the 2016/17 year to assist with the starting position for the 2018-28 Long Term Plan. The fair value assessment undertaken to determine whether there were any material differences between the carrying amount and fair value determined that a revaluation of Land and Building assets was not required.

The roading asset valuation was based on March 2018 indices with movement in the final quarter resulting in a \$20 million differential. While not material overall, the audit threshold for noting misstatement was triggered. Due to the cost and timing impacts associated with updating the valuation, the decision was made to leave the error unadjusted. This will be noted in Council's letter of representation to acknowledge awareness of the issue.

2. *Development contributions*

Development and financial contributions form a significant part of revenue and funding for capital projects amounting to \$8.5 million in 2016/17. The Council's controls will be reviewed to check that contributions are being charged in accordance with the policy. The use and application of development contribution funds will also be reviewed.

Application of the development contributions policy is supported by a dedicated Development Contributions Coordinator role and specific software module within our Property & Rating system. Use of development contributions is linked directly to the funding of the individual projects.

The process to manage development contribution related assets vested to Council as part of a subdivision is working well and no issues were identified.

3. *Management of Fraud Risk*

To provide assurance on whether financial statements and performance information are free from material misstatement resulting from fraud will be obtained by: identifying risk factors and evaluating the potential for material misstatement, evaluating the effectiveness of internal controls, the performance of substantive procedures and overall alertness for potential fraud.

There are many risk mitigations in place, and both procurement and finance in particular are alert to areas of potential fraud and the relationship to material misstatement. From a fraud perspective, the internal controls process has improved over the financial year with electronic purchase ordering in place across the organisation. Furthermore, the removal of cash handling at Council office and library sites combined with the new electronic receipting module strengthens the fraud control environment.

4. *Management Override*

Professional standards require us to assess risks in all audits we perform including the risk of management override of control. Management are in a powerful position to perpetrate fraud due to its ability to override controls that appear to be operating effectively. Substantive audit procedures will be undertaken, including review of journal entries, accounting estimates and significant transactions that are outside normal course of business. Random sampling will be used to incorporate unpredictability. An assessment on relevant controls will be undertaken to ensure controls are designed to reduce the risk of override.

Based on internal audit work completed during the year including externally conducted internal audits, not all recommendations have been delivered upon. Due to the need to urgently cover key staff vacancies, two appointments were made on a temporary basis where a known conflict of interest existed. Both have management plans in place and were disclosed to Council's auditors during the interim audit process. The regular progress report for Audit & Risk Committee monitoring will continue to review headway against recommendations. Audit work is still in progress.

5. *Areas of interest for all local authorities*

Other areas that will be addressed relate to compliance with laws and regulations, effectiveness and efficiency in Council activities, whether waste is occurring or likely to occur, whether there are any signs of lack of probity and/or lack of financial prudence by Council members, management or employees.

One of the areas of focus regarding sector compliance has been adherence to the Holiday Pay Act 2003. Datacom, Council's payroll provider, is currently reviewing any compliance issues with findings expected prior to adoption of the annual report. Subject to timing of the Datacom report, staff may be asked to make an assessment of exposure for audit to review.

4.2 TIMING RISK

In addition to the Audit New Zealand areas of focus, the following items were identified as a possible timing risk for meeting the audit timeframes:

6. *Timing of Strada Corporation Limited audit*

It is our understanding that the same external agency (Deloitte's) will be preparing the annual accounts. Once these are completed Council will take ownership of the accounting requirements for the 2018/19 financial year onwards.

Strada's accounts were prepared in-house and were not required to be separately audited. This removed the risk to Council's audit timings.

7. *Continuity of staff*

There are a number of vacancies within the Service Delivery Team currently. With the loss of institutional knowledge comes a heightened risk that it may take longer to complete otherwise routine annual report tasks.

An incident management team approach was wrapped around the Service Delivery Team to provide additional support while the team is under-resourced. Issues have been managed well.

5. ATTACHMENTS

NIL

Open Meeting

To	Audit & Risk Committee
From	Margaret Devlin Chair Audit & Risk
Date	04 September 2018
Chief Executive Approved	Y
Reference #	GOV1318 / 2073195
Report Title	Audit & Risk Committee Key Achievements

I. EXECUTIVE SUMMARY

The objective of the Audit & Risk Committee (“the Committee”) is to provide independent assurance and assistance on Council’s risk, control and compliance framework, and its external accountability responsibilities.

This report provides a summary of the key achievements of the Committee in accordance with its terms of reference and reports on progress made against its programme of works.

2. RECOMMENDATION

THAT the report from the Chair Audit & Risk Committee be received.

3. DISCUSSION

The following provides a summary of the key achievements of the Committee in accordance with their terms of reference and the work programme established for the year. The Committee’s annual work programme addresses key risk items and planned topics in addition to standing items where updates are provided at each meeting.

Standing Items

- **Zero Harm Update:** Updates on performance against agreed targets and activity, with systemic issues identified which can be fed into the risk control framework. This is complemented with a series of planned Health & Safety site visits.
- **Update on Process Audit and Quality Improvement:** Progress on rolling review of bylaw and policies – schedule is agreed and monitored.
- **Post Implementation Reviews and/or Incident Debrief Reports:** Post project appraisals on key investments to ensure learnings are being taken. Reports received on Huntly East Mines, Council Generator Failure and Easier Consenting Project.

- **Update on Progress against Audit Issues:** Update on progress against Audit Management Report and Internal Audit actions. Good progress made during year reducing the outstanding actions from the original 153 to 11.
- **Risk:** Update on risk management actions, progress on mitigations and direction of travel of risk.
- **Procurement Update:** Update on procurement and contract management from the Procurement Manager. A new report prepared specifically by the Procurement Manager enables the Committee to test the Procurement Culture.

Work Programme

Risk Management

Council has a comprehensive Risk Management Framework and procedures for effective identification and management of Council's strategic risks in place. Council also has a Risk Management Policy which was reviewed during the year.

The Committee has overseen the review and update of the Councils Strategic Risk Register and the preparation and implementation of Risk Appetite Statements which support risk thinking in Council decision making processes. The Committee now look forward to management using the statements to guide decision making.

The Committee has commenced a programme of undertaking deep dives into key risks. The purpose of this is to provide the Committee confidence the risk is appropriately stated and the controls in place and effective in managing that risk. The risk around People & Culture was reviewed. A review of processes and practices regarding the risk of workplace harassment and bullying was undertaken. A deep dive of risks will be undertaken at each meeting going forward.

During 2016 a Business Continuity Framework was implemented in consultation with the Committee. This was followed by development of key business continuity processes. This year the Committee confirmed implementation of the disaster recovery system with testing undertaken.

Councils Fraud policy is in place to describe the actions the Council will take when any suspected fraud is reported or discovered. The Committee has oversight of the policy, which was reviewed for progression and adoption by the Policy & Regulatory Committee.

Councils Anti-Fraud and Corruption Framework was approved by the Committee and implemented in September 2017. The strategy outlines the Councils commitment to creating an anti-fraud culture and maintaining high ethical standards in its administration of public funds. A report on fraud and corruption risk management matters was provided to the Committee.

The Committee has received two reports on the assessment and implications of the Havelock North water inquiry to Council.

A number of the Committee members attended a Regional Risk and Assurance Forum focused on good practice issues related to Audit & Risk Committees. A number of recommendations arising from this forum have been implemented by the Committee.

Health & Safety

The Zero Harm Framework is in effect and current. An operational reporting schedule has been established, both for Governance and Management, and Health and Safety monitoring is active including a site visitation programme. The Ngaruawahia Dog Pound was visited during the year. Two such visits per annum are now planned. The Committee contributes to the ongoing evaluation of the framework and delivers recommendations on its development.

Control Framework

The Committee has responsibility for reviewing whether management has an effective internal control framework in place. The following summarises key achievements in this area:

- Monitoring progress of the annual Internal Audit Programme.
- Monitoring progress of the policies audit: an amalgamated register of internal and external policies has been created in a centralised location. The Committee provides advice in regard to risk associated with policy review and update.
- Oversight of audit recommendations associated with the development of a procurement strategy.
- Monitoring of progress of internal audit actions associated with Contract Management: a project to design a Contract Management Model has recently been completed. The Procurement Manager is currently investigating the viability of contract management training, which may be included in a future work programme.
- The Committee supported enhanced governance at the Raglan Kopua Holiday Park. This included review of the new governance charter and an independent internal audit of key camp systems and processes. A follow up audit has also been supported.

External Accountability

The Committee receives management reports and provides guidance, from a governance perspective, on risks impacting the preparation of the annual report as part of the year ended planning process. The Committee was comfortable that management are identifying and managing risk appropriately, as evidenced by a smooth 2017 Annual Report process. Feedback from Audit New Zealand (“Audit NZ”) confirmed an efficient and robust process. The 2017/18 Annual report is due to be adopted on 8 October 2018. The Committee has reviewed managements risk assessment for this year.

The Committee responsibilities associated with the year-end audit includes a review of the Councils non-financial performance.

Legislative compliance

The Committee relied on the year-end audit to determine appropriate compliance however the current year work programme had no specific focus on legal compliance. This may be considered this year.

Internal Audit

Two key internal audits, selected based on risk exposure, were undertaken. These audits focused on risk management and procurement and control. The recommendations have made good progress over the course of the year. Final delivery of outstanding items is expected during September 2018.

An independent report from PwC was received on Council's tax maturity. This was undertaken as part of Council's Tax Governance Framework which the Committee oversees.

The Committee sponsored Council's work with KPMG to develop the organisational Risk Appetite Statements. The statements have been adopted and are now operational.

Committee participation in the Risk and Assurance forum provided recommendations relating to Council's reporting framework. A number of insights from the forum have been adopted by the Committee in terms of the future work programme.

External Audit

The following summarises key achievements in this area:

- Audit NZ is invited to all Committee meetings. Audit NZ and Management have worked together to identify and implement improvements to the external audit review process. The Annual Report audit process continues to improve.
- Committee meetings incorporate a session with Audit NZ only (excluding management) to provide the opportunity for an open discussion with Audit NZ.

4. CONCLUSION

The Audit & Risk Committee considers that good progress has been made in a number of areas in the 2017/18 financial year. The Committee will continue to monitor progress and implement measures to enhance the control, compliance and risk framework within Council.

5. ATTACHMENTS

NIL

Open Meeting

To	Audit & Risk Committee
From	Tony Whittaker Chief Operating Officer
Date	10 September 2018
Chief Executive Approved	Y
Reference #	GOV1318 / 2074387
Report Title	Insurance Renewal Process 2018

1. EXECUTIVE SUMMARY

The annual insurance review is in progress. Council has provided all the asset schedules to AON to enable them to approach the market. As is usually the case, the information required for a conversation with the Audit & Risk Committee is not to hand. We will circulate the relevant information to members once available.

In the interim staff will provide a verbal up-to-date status report at the meeting.

2. RECOMMENDATION

THAT the report from the Chief Operating Officer be received.

3. ATTACHMENTS

NIL

Open Meeting

To	Audit & Risk Committee
From	Gavin Ion Chief Executive
Date	10 September 2018
Prepared by	Lynn Shirley Zero Harm Manager
Chief Executive Approved	Y
Reference/Doc Set #	GOV1318 / 1866302
Report Title	Waikato District Council Zero Harm Safety Management System

1. EXECUTIVE SUMMARY

The purpose of this report is to present an overview of the Waikato District Council Zero Harm Safety Management System (ZHSMS) to the Audit & Risk Committee and provide an update on current health and safety performance.

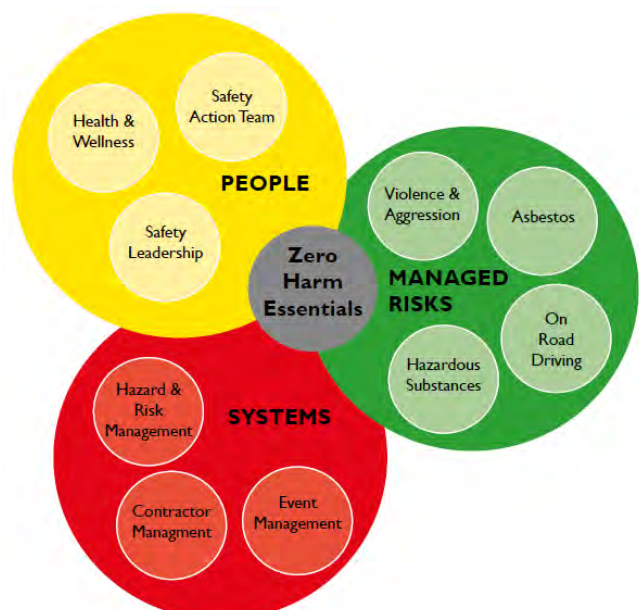
2. RECOMMENDATION

THAT the report from the Chief Executive be received.

3. REPORT

Primary Objective

To develop a sustainable zero harm culture that is supported by sound systems, policies, standards and procedures that enable best practice workplace health and safety performance. We 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, safety and wellbeing.



Disciplined Management Systems

Zero Harm “Work Safe, Home Safe” Strategic Plan

The Zero Harm Team has reviewed and developed a DRAFT “Work Safe, Home Safe” Strategic Plan for 2018-2019. The Plan has been approved by the Executive Leadership Team (ELT) and is currently being shared with the Senior Leadership Team (SLT) and Safety Action Team (SAT).

Zero Harm “Work Safe, Home Safe” Strategic Plan 2018/2019		Work Safe, Home Safe 2018/2019 Plan				
Goal	Activities	Lead	Q1	Q2	Q3	Q4
People	1. Develop and undertake a Safety Leadership Survey with all Staff Leaders 2. Further embed Zero Harm (ZHSMS) into SAU activities 3. Further strengthen Safety Engagement Development culture 4. Make Safe, Home Safe 2019 Campaign available and accessible to all workers and contractors 5. Review SAT Training Needs Analysis and implement required training for SAT Page	ZH1				
Disciplined Management Systems	1. Develop and Deploy Work Safe, Home Safe Compliance Checklist 2. Continue to review and further develop the Zero Harm Management System Framework 3. Continue to review current Physical Home Control (PCH) Management Plans 4. Undertake a review of existing Contractor Management Procedures and processes 5. Undertake a review of current Hazard Management Procedures and the use of Blame to manage repeat and corrective actions 6. Review Hazard Management and event investigation training requirements and implement required training for all levels of the organisation	ZH1				
Managed Risks	1. Review and develop Critical Risk Registers and Register for Hazardous Substances 2. Review and develop Critical Risk Register and Register for Aggression and Violence 3. Develop and implement Working Alone Standard and undertake risk assessment where required	ZH1				

Zero Harm Safety Management System (ZHSMS)

Work is continuing on reviewing and revising our existing health and safety management system documentation. As previously discussed the Council’s Zero Harm Safety Management System (ZHSMS) will establish the minimum standards for planning, implementing and managing health and safety to ensure our people work safe and go home safe every day.

Recently reviewed or newly developed standards or policies include:

- On Road Driving and Safe Use of Council Vehicles Policy
- Visitor Management Standard
- Workplace Violence Standard
- Working Alone Standard
- Worker Engagement, Participation and Representation Standard

Hazard and Risk Management

A number of hazard identification and risk assessment activities have been undertaken in the last three months. These have included facility visits to:

- Woodlands Estate
- Lake Hakanoa Huntly Motor Caravan Park
- City Care Ltd at Brownlee Avenue Depot
- Waikato District Alliance at Brownlee Avenue Depot
- Huntly MetroWaste Refuse and Recycling Facility

Hazards identified during the risk assessments have been documented, risk scored and controls identified for implementation where required. BWare Safety Manager is being used to record hazards and assign actions to implement controls. The status of actions (e.g. overdue actions) is being reported to and monitored by the Executive Leadership Team (ELT) weekly.

Where the visit was to a facility being managed by a contractor, written feedback was provided to the contractor following the visit, and where applicable actions have been assigned in BWare Safety Manager.

Work is also progressing to review our existing contractor health and safety management procedures and processes. The focus is currently on the health and safety information provided during the tendering phase and the how health and safety information provided by tenderers is evaluated.

Good feedback has been received from the ten owners or CEOs of small to medium sized businesses that participated in a free pilot health and safety leadership programme. The programme was facilitated by the Business Leaders Health & Safety Forum. We are now looking at how we can use the learnings from this pilot to further engage with and work alongside our contractors to achieve health and safety best practice.

Critical Risk Management

Asbestos

Work is progressing on the management of asbestos containing materials (ACM) in accordance with the Health and Safety at Work (Asbestos) Regulations 2016.

An Asbestos Management Survey has now been completed on the Huntly War Memorial Hall.

Changes to Council's asset management software SPM have been made, therefore enabling this electronic system to be used manage and store asbestos records.

A review of the respiratory protection provided to our Water Operations personnel has commenced. Fit testing and training has been provided to ensure that the respiratory wearers are receiving the correct level of protection.

On Road Driving – Light Vehicles

Work is continuing on implementing the outstanding controls in the On Road Driving – Light Vehicle Bow Tie. The amendments proposed to the Safe Use of Council Vehicle Policy have been accepted and the updated policy will now be published on Waisite.

Hazardous Substances

A draft Chlorine Emergency Response Procedure has been developed and is now being reviewed by key stakeholders for the Ngaruawahia Chlorine Dosing facility.

Workplace Aggression and Violence

Development of a Zero Harm Safety Management System Standard for Workplace Aggression and Violence is underway. A workshop was held last week to also develop the Bow Tie for this risk.

People and Organisational Safety Culture

Safety Action Team (SAT)

In order to ensure Council's compliance with the Health and Safety at Work Act (Worker Engagement, Participation and Representation) Regulations 2016 a standard has been developed detailing Council's worker engagement, participation and representation arrangements. Work is continuing on educating and upskilling the Safety Action Team. A training needs analysis has recently been undertaken and Incident Investigation training for Safety Action Team members is being planned for late October.

Safety Engagement Conversations

A key focus for the last six months has also been to develop and improve personal ownership of health and safety via safety engagement conversations. Tools and coaching has been provided to people leaders to support them when undertaking a safety engagement conversation.

A review of Safety Engagement Conversation data for 2017/2018 shows a 23% increase on the previous year.

As illustrated in Figure 1. The DuPont Bradley Safety Culture Curve helping **others conform** and **others keeper** are key elements of an “interdependent” safety culture. Safety engagement conversations are an important tool to support Council’s safety culture moving towards being “interdependent”. An “interdependent” culture is one where workers recognise they need each other and they watch out for each other so everyone is safe.

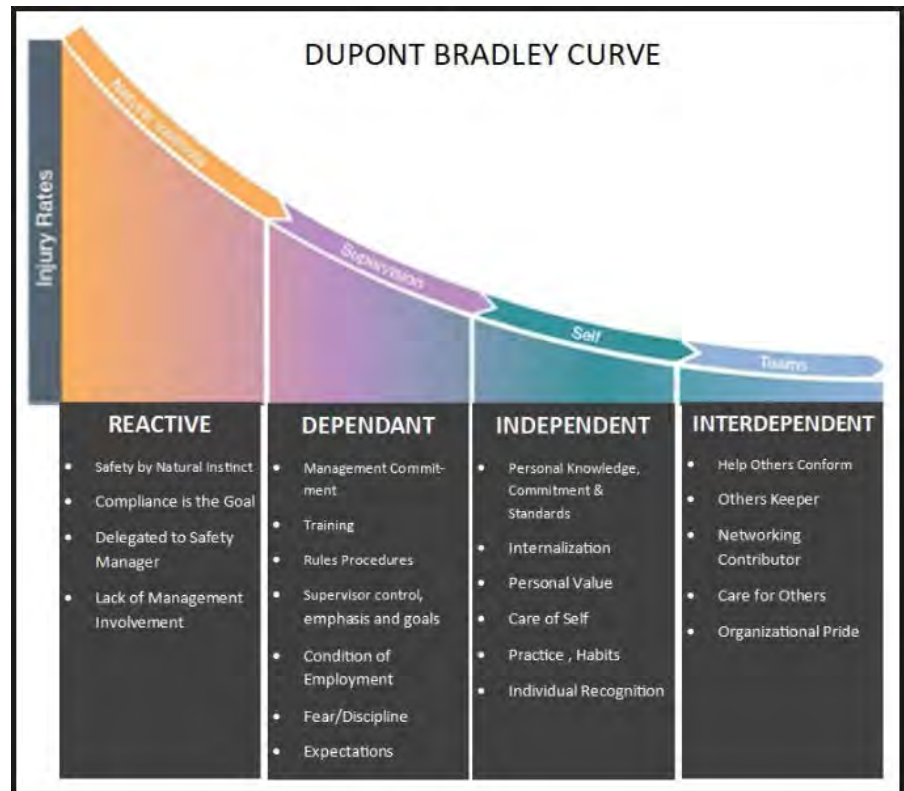


Figure 1. DuPont’s Safety Culture Model (The Bradley Curve)

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 and associated regulations.

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.

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

6. CONCLUSION

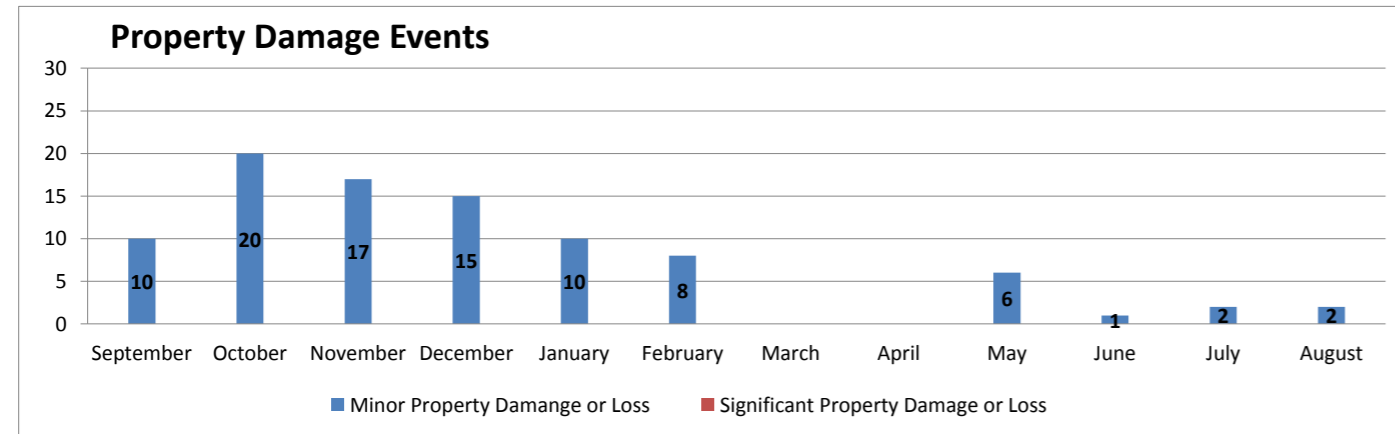
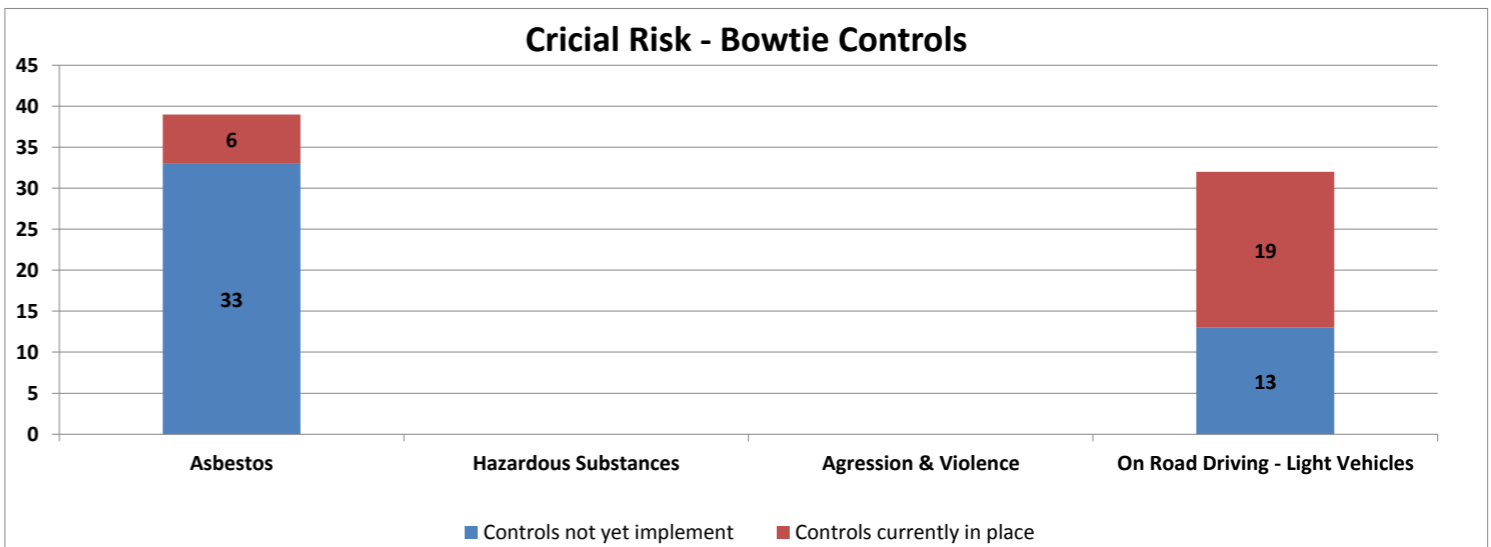
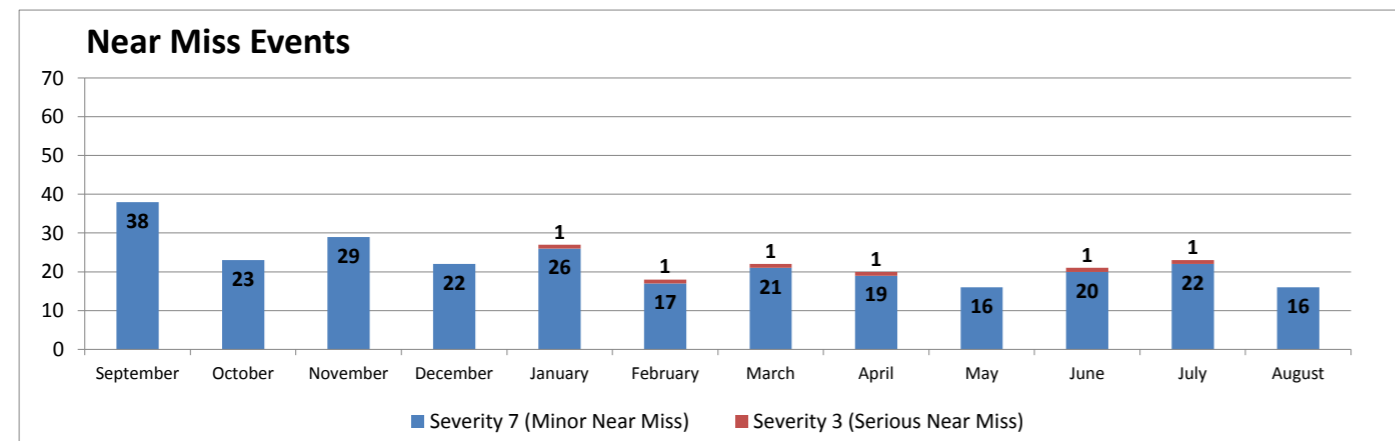
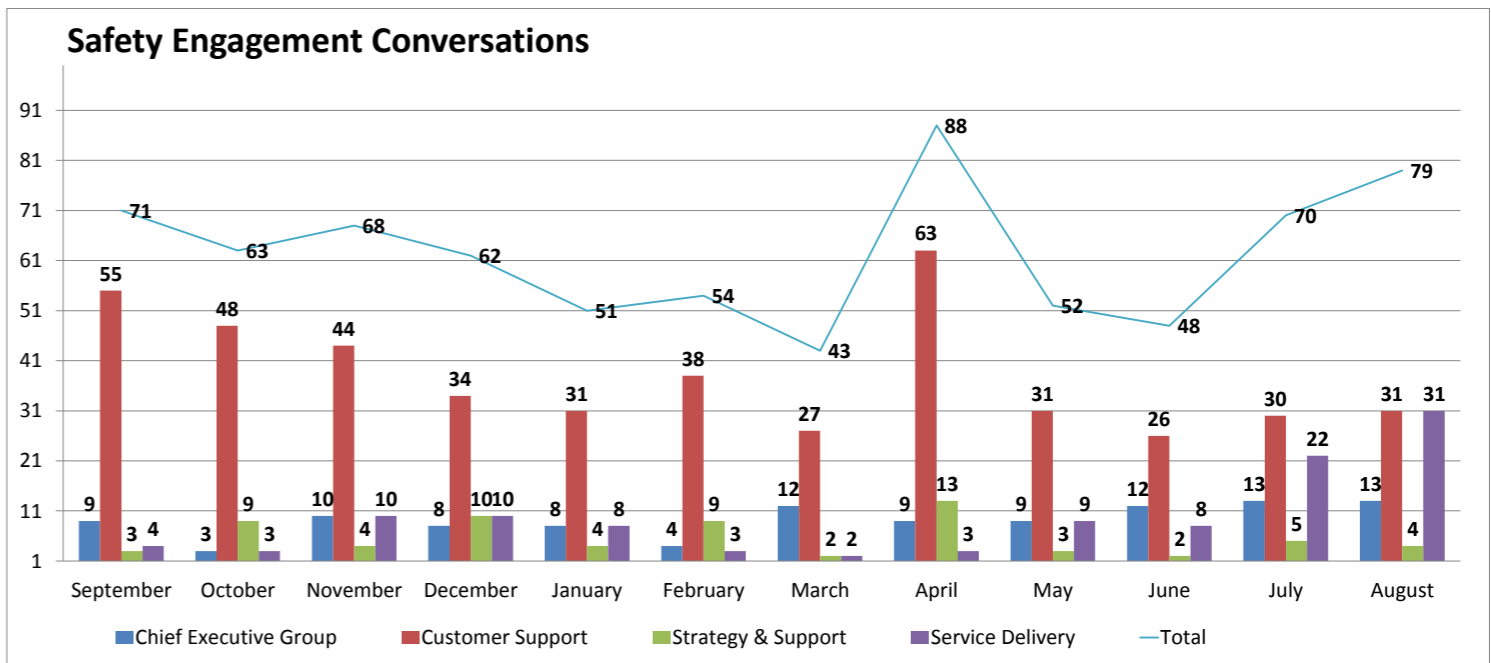
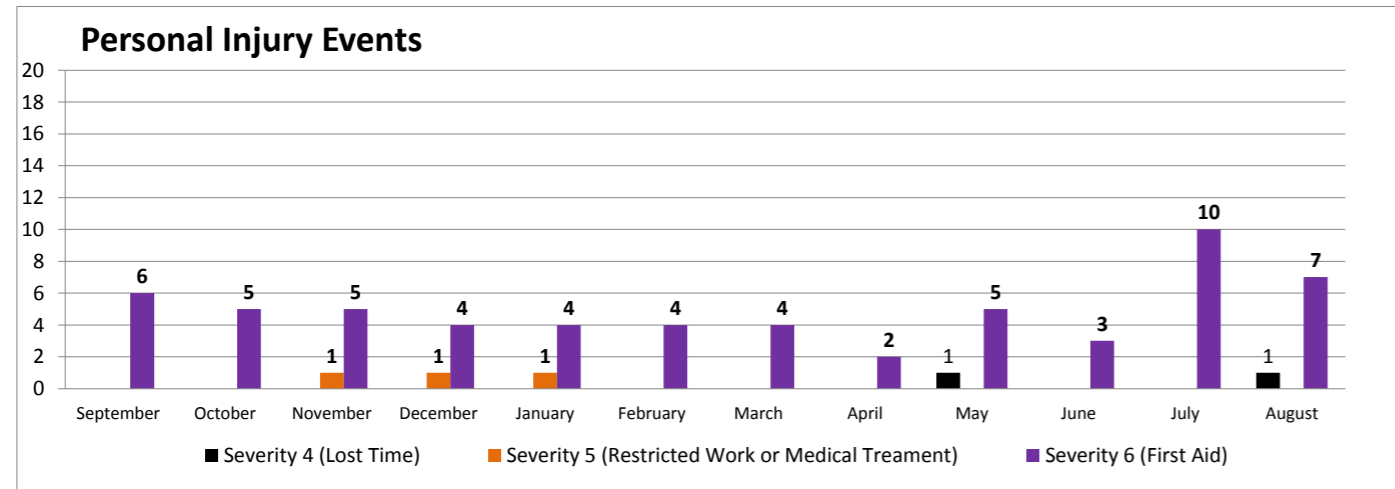
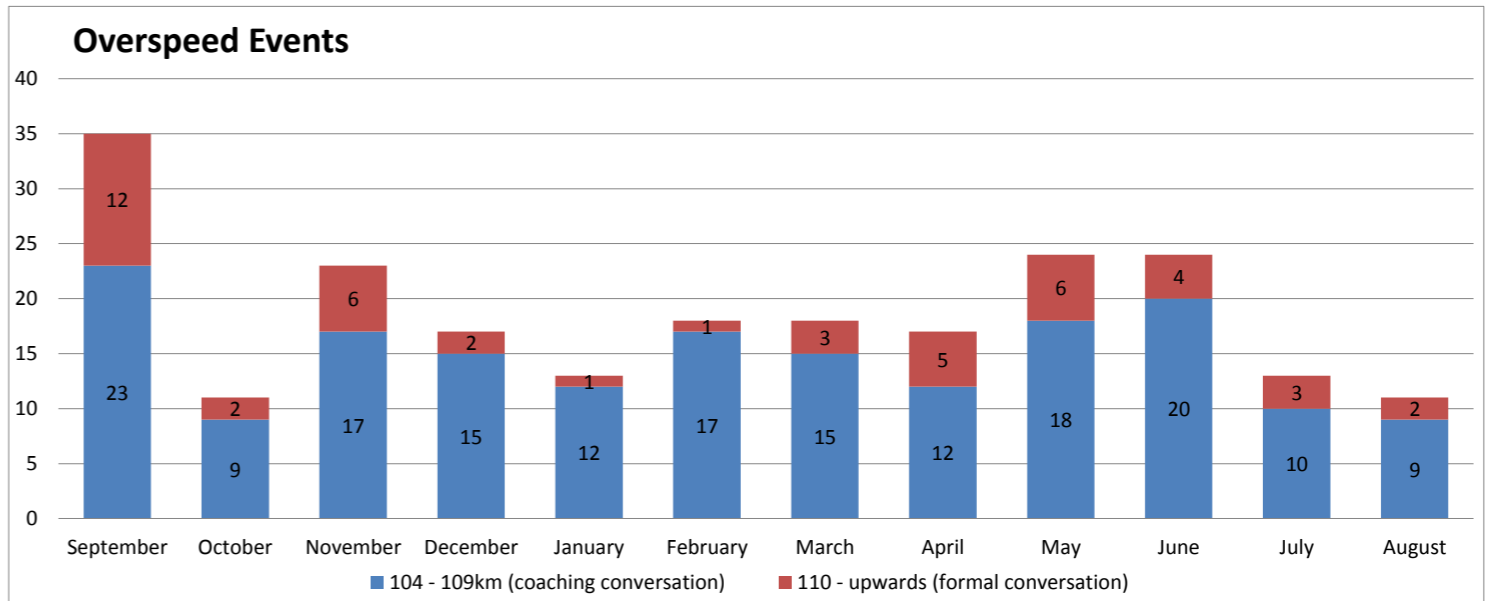
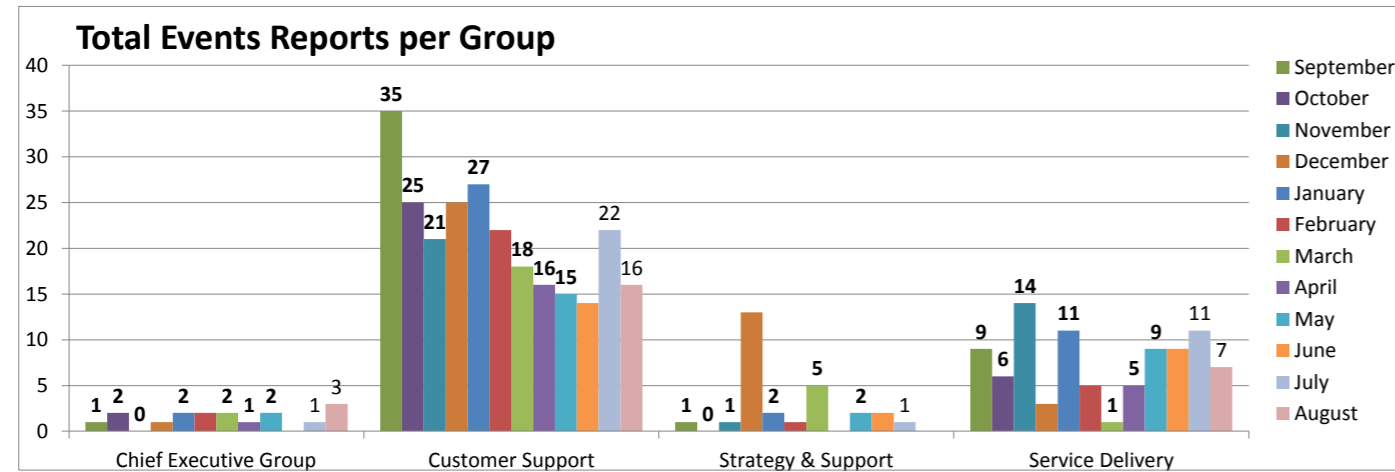
This report provides an update on progress with our Zero Harm systems and processes, and monthly statistics progress

7. ATTACHMENTS

Zero Harm Dashboard – (August 2018)
DRAFT Zero Harm “Work Safe, Home Safe” Strategic Plan for 2018-2019

Zero Harm Dashboard - August 2018

As at 28/08/2018



“Work safe, home safe”

Vision

To promote a culture of Zero Harm to ensure that people are safe at work and go home safe and healthy every day

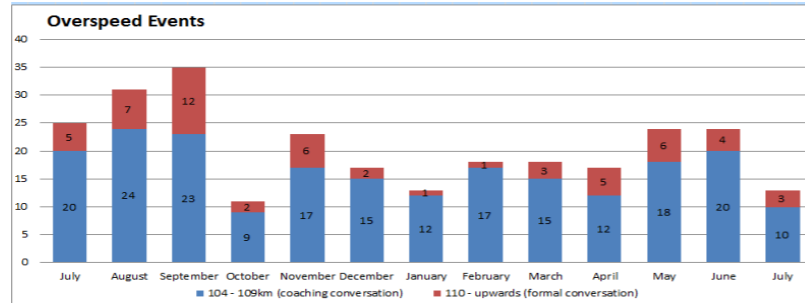
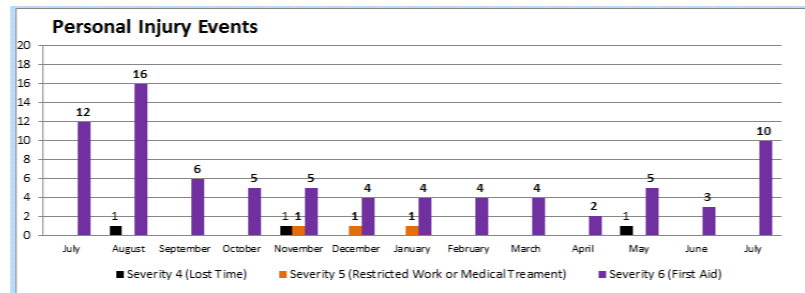
We want our "work safe, home safe" vision to extend beyond the workplace. We encourage the safe and healthy practices we undertake at work to be carried out in the home and community environment.



Performance, gaps and targets *Where are we?*

2017 / 2018 Performance

- 6 Total Recordable Injuries (TRIFR)
- 624 events reported in BWare Safety Manager
- 256 Over speed events (46% reduction on 2016/2017)
- 54 Over speed events at greater than 110km (27% reduction on 2016/2017)
- No WorkSafe NZ Notifiable Events
- The number of safety engagement conversations being held has increased (23% on 2016/2017)



Gaps

- We have had limited focus on Critical Risk Management
- Our H&S Management System is fragmented
- We have low levels of hazard reporting in BWare
- We are not always investigating and identifying corrective actions following events
- We are not undertaking analysis on our event data to identify trends and opportunities for improvement
- A number of people leaders have not received safety leadership training

Reflection on activities (2017/2018) *How did we perform?*

Theme	Rating	Key result/meaning?
People	Green	Work Safe, Home Safe 2018 campaign successfully completed in March 2018. Zero Harm Essentials were rebranded and brought to life using our people. Zero Harm Essentials Guide developed and rolled out at Work Safe Home Safe 2018. Zero Harm Essentials incorporated into Health and Safety communications and other related documentation. Regular Zero Harm Moments developed and distributed. Safety Skills developed to support our People Leaders to undertake safety engagement conversations. Safety Action Team (SAT) Representative position description developed. SAT charter reviewed. SAT training needs analysis developed and implemented.
Disciplined Management Systems	Green	New Event Management standard developed and implemented. BWare is actively being used to assign and track the completion of corrective actions. Zero Harm Compliance calendar yet to be developed. Pain and Discomfort Self Reporting Form developed. Promapp processes related to event management have been reviewed and published. Volunteer Health & Safety Plan developed for managing physical works
Managed Risks	Orange	Four critical risks selected for focus. On road Driving and Asbestos bowties developed. Hazardous Substances and Aggression/Violence still to be developed. Managing Threats Project (Fear Free) completed. Work yet to commence on review of current hazard management procedures and BWare hazard registers.

"Work Safe, Home Safe" 2018/2019 Plan

Goal	Activities	Lead	Q1	Q2	Q3	Q4
People Safety Engagement Conversation Target = 2 per Manager/Team Leader per month	1. Develop and undertake a Safety Leadership survey with all People Leaders	ZHT		Grey		
	2. Further embed Zero Harm Essentials into BAU activities.	ELT/ ZHT	Yellow	Grey	Grey	Grey
	3. Further strengthen Safety Engagement Conversation culture	ELT/ SLT	Yellow	Grey		
	4. Work Safe, Home Safe 2019 Campaign developed and deployed to all workers and councillors	ZHT			Grey	Grey
	5. Review SAT Training Needs Analysis and implement required training for SAT Reps	ZHT	Yellow	Grey	Grey	Grey
Disciplined Management Systems Number of corrective actions >7 days overdue	1. Develop and deploy "Work Safe, Home Safe" Compliance Calendar	ZHT		Grey		
	2. Continue to review and further develop the Zero Harm Management System Framework	ZHT	Yellow	Grey	Grey	Grey
	3. Continue to review current Physical Works Contractor H&S Management Plans	ZHT	Yellow	Grey	Grey	Grey
	4. Undertake a review of existing Contractor Management Procedures and processes	ZHT		Grey	Grey	
	5. Undertake a review of current Hazard Management Procedures and the use of BWare to manage hazard data and corrective actions	ZHT	Yellow	Grey		
	6. Review hazard management and event investigation training requirements and implement required training for all levels of the organisation					Grey
Managed Risks 80% of critical risk bow tie controls implemented	1. Review and develop Critical Risk Standard and Bowtie for Hazardous Substances	ZHT	Yellow	Grey		
	2. Review and develop Critical Risk Standard and Bowtie for Aggression and Violence	ZHT		Grey	Grey	
	3. Develop and implement Working Alone Standard and undertake risk assessments where required.	ZHT	Yellow	Grey	Grey	Grey

Open Meeting

To	Audit & Risk Committee
From	Tony Whittaker Chief Operating Officer
Date	30 August 2018
Prepared by	Madelina Baena-Escamilla Continuous Improvement Analyst
Chief Executive Approved	Y
Reference #	GOV1318 / 2070763
Report Title	Update on Process Audit and Quality Improvement

I. EXECUTIVE SUMMARY

This report outlines the 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

A new Audit Programme for September 2018 to January 2019 has been created. The main focus of this program is to audit during September all the Environmental Health processes that were created as part of the Quality Management System required by the Ministry of Primary Industries (“MPI”) to recognise the Waikato District Council Environmental Health Team as verifiers under the Food Act 2014.

Other processes to be audited are those key processes that if they are not carried out properly and effectively, will represent a high risk for Waikato District Council. This includes: management of delegations; recruitment of new staff; and development contributions, among others. See Process Audit Schedule (2018-2019).

2.2. Policy

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

Policies published in the last three months:

- Remote Access Policy
- Library Lending Policy
- Development Contributions Policy

- Corporate, Safety & Protective Clothing Policy (includes 'Long Long' i.e. long sleeve / long pants)
- Server Room Access Policy
- Social Media policy
- Discretionary Grants Policy 2018.

Other policies being created or reviewed are:

- Firearms policy
- Code of Conduct
- Disability Policy (new)
- Business Continuity Policy (new)
- Harassment and Bullying Policy
- Community Engagement

2.3. Process Improvement Forum

The Improvement Forum continues to meet on a monthly basis to drive the Council's quality management system and encourage process mapping and continuous improvement. In the past three months, group champions have delivered sessions within their own groups to support process experts to finalise unpublished processes. These sessions have been a success, resulting in more than 40 processes being published.

3. RECOMMENDATIONS

THAT the report from the Chief Operating Officer be received.

4. ATTACHMENTS

Process Audit Schedule (2018-2019)

Audit Schedule 2018-2019

Group/Team	Processes	Owners and experts	Auditors
Environmental Health <i>(To be carried out in September 2018)</i>	<ul style="list-style-type: none"> Regulation 110(2)(a-b) - Recognised Agency: Conflicts of interest Regulation 110(2)(c) - Recognised Agency: Confidential Information Regulation 110(2)(n) - Recognised Agency: Contractual Arrangements 	Tony Pipe Baker Siddique	Kay Warren
	<ul style="list-style-type: none"> Regulation 110(2)(d) - Recognised Agency: Staffing Regulation 110(2)(e) - Recognised Agency: Resourcing Register Template Food Control Plan (FCP) 	Tony Pipe Baker Siddique	Shelley Woollett
	<ul style="list-style-type: none"> Regulation 110(2)(f) - Recognised Agency: Reporting Regulation 110(2)(g-h) - Recognised Agency: Records Process Application to Register Health Premises 	Tony Pipe Baker Siddique Sudhir Kumar	Sharlene Jenkins
	<ul style="list-style-type: none"> Regulation 110(2)(i-j) - Recognised Agency: Non Compliance and Corrective Actions Regulation 110(2)(k) - Recognised Agency: Complaints Verify Template Food Control Plan (FCP) 	Tony Pipe Baker Siddique	Samantha Frederick
	<ul style="list-style-type: none"> Regulation 110(2)(l) - Recognised Agency: Internal Management Regulation 110(2)(m) - Recognised Agency: Review of Performance Recognised Agency: Continuous Improvement Recognised Agency: Internal Audit 	Tony Pipe Baker Siddique	Annetta Purdy
Corporate Planning - Delegations	<ul style="list-style-type: none"> Request Change to delegations Manage delegations register Issue a staff warrant card 	Sandra Kelly Kurt Abbot	Phyllis Hefang Tracey Oakes - New
Council Support	<ul style="list-style-type: none"> Manage Disclosure of Interests Register - Staff Identify, Declare and Manage Conflicts of Interest (Management and Staff) Manage Disclosures of Interests Register - Elected Members Identify, Declare and Manage One-off Conflicts of Interest (Elected Members) 	Rose Gray Gavin Ion	Alan Kuyper Reece Turner Mark Shaw

Group/Team	Processes	Owners and experts	Auditors
Human Resources	<ul style="list-style-type: none"> • Obtain approval for and plan recruitment • Review applications and shortlist interviewees • Carry out interviews 	Tharsha Adamstein Vanessa Jenkins	Lynette Wainwright Elijah Tamati
	<ul style="list-style-type: none"> • Carry out reference checks for potential candidates • Make offer of employment • Carry Out Police Vetting Check 	Tharsha Adamstein Vanessa Jenkins	Evonne Miller Helen Williams
Human Resources / Information Management	<ul style="list-style-type: none"> • Prepare for and Carry Out Staff Induction • Set Up New User Account 	Tharsha Adamstein Vanessa Jenkins Niall McGrath Gene Oudes	Pam Osborne Debbie Dalbeth
Monitoring	<ul style="list-style-type: none"> • Monitor Land Use Resource Consents • Carry out Site Inspection/Investigation • Take Enforcement Action for Non-Compliance with District Plan 	Margaret Glassey Craig Birkett	Jonathan Ward Christine Cunningham
Development Contribution	<ul style="list-style-type: none"> • Development Contributions Process • Update Development Contribution Catchments • Theme Management for Property and Rating 	Annette Brodie Jodi Bell-Wymer Anton Marais Karl Pavlovich Julian Hudson	Robert Ball Rosemary Towl Paul Harrison
Legal	Processes still to be defined with the legal team		Sandra Kelly Teresa Howe

Open Meeting

To	Audit & Risk Committee
From	Tony Whittaker Chief Operating Officer
Date	06 September 2018
Prepared by	Melissa Russo Acting Corporate Planning Team Leader
Chief Executive Approved	Y
Reference #	GOV1318 / 2072121
Report Title	Update on Progress against Audit issues – September 2018

I. EXECUTIVE SUMMARY

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

- Annual Report
- Cyber security systems
- Risk management
- Project management
- Procurement and contract management

Staff have undertaken a review of audit issues contained in the Audit Issues register. Additional focus has been made towards progressing the remaining outstanding issues, with some issues identified as 'ongoing'. Good progress has been made over the past quarter, completing 11 items from both the pending and work in progress categories. Progress is continuing to be made on the majority of the remaining issues.

Unresolved issues have been reduced to 9 of the original 153 actions.

The green highlighted items in the attachment have all been completed since the last report in June 2018.

2. RECOMMENDATION

THAT the report from the Chief Operating Officer be received.

3. SUMMARY OF PROGRESS

The tables below outline the areas and status of issues – either completed, in progress or pending since the last report in March 2018.

Areas of audit issues – September 2018

	Pending	Work in progress	Complete	Total
Audit New Zealand	0	2	27	29
Cyber security	2	2	29 + 1 ongoing	34
Internal audit	0	0	5	5
Procurement and contract management	0	2	13	15
Risk management	1	0	35 + 1 ongoing	37
Project management	0	0	33	33
Total	3	6	144	153

Areas of audit issues – June 2018

	Pending	Work in progress	Complete	Total
Audit New Zealand	0	2	27	29
Cyber security	3	2	28 + 1 ongoing	34
Internal audit	0	0	5	5
Procurement and contract management	0	2	13	15
Risk management	8	3	25 + 1 ongoing	37
Project management	0	0	33	33
Total	11	9	133	153

The ongoing issues identified are those including training and process improvement. Staff consider we will always be undertaking ongoing business improvement, hence the introduction of a new status.

Pending issues are those classified as ‘yet to be determined if the recommendation will be actioned’ as the issue may be addressed through other controls. The pending actions have not been the immediate priority, however are now getting some focus.

Of the ‘work in progress’ issues, many of these are scheduled to be completed soon and hence further progress will be made by the next Audit & Risk Committee meeting.

Information Management

Work continues on processes around the IT asset registers. The team also continue to improve and test the disaster recovery and back-up / recovery solutions. We completed another successful test of our Disaster Recovery replication process by standing up one of the replicated servers on the Tuakau Disaster Recovery hardware. Our tape back-up

system has been upgraded and simplified, and as part of that, we've successfully tested a restore of a virtual machine directly from tape into the ESX environment. This will reduce the time needed to recover systems if required.

The Chief Information Officer role has been made a permanent member of the Executive Leadership Team in order to align ICT governance with overall Council governance.

Procurement and Contract Management

The development of a Procurement Strategy is also dependent on: Council wide strategies; the outcome of the Our Plan: Gearing for Growth & Greatness proposal; and the Community Growth Group strategy and objectives. This will assist the development of the Procurement Strategy and Vision.

A contractor has been engaged to develop a Contract Management Framework. A draft has been presented to the Executive Leadership Team for consideration

4. CONCLUSION

There is a total of 153 issues that have been raised by various audits across the organisation, 144 of which are complete, an improvement of 11 in the quarter.

5. ATTACHMENTS

Combined Audit Recommendations

Audit Area	Domain	Recommendation/ Action Required	Date first raised	Proposed Action/Plan - May A&R Committee comment	Proposed Action/Plan - Sept A&R Committee comment	Who	By When	Status	Comments
AuditNZ	Systems Updates	Create IT asset register	Jul-16	This is work in progress. IM have confirmed a register of physical servers and their replacement cycle. The PC fleet records are being updated in the new Manage Engine instance. Processes for maintaining those are still under development. Mobile phone records can be accessed via the Spark portal. We do need to start work with other mobile devices.	Work in progress - on track for December completion.	IM	Dec-19	Work in progress	
AuditNZ	Contract management	Develop and implement a contract management system	Jul-16	This recommendation/action is considerably out of Procurement's control, but has been identified as a priority for the Procurement function. A recent meeting with Tech One has established that we should be able to implement the current contracts module. Waiting on timings and costs associated with this exercise.	The Tech One Contracts module has been presented in brief to WDC, and the next steps are to get the IM staff required to look at the system and determine time required for development and implementation.	Sarah	Dec-19	Work in progress	
Cyber Security	Bus Own and Direction for IT	Rec02: Business owners (from Rec01) formalise information security requirements for the assets owned	Dec-15			Mark	Pending outcome of above recommendation	Pending	
Cyber Security	Bus Own and Direction for IT	Rec03: Integrate ICT governance in to council governance processes	Dec-15		CIO role now in ELT.	Mark		Complete	
Cyber Security	Employee and contractor practices	Rec03: Undertake targeted training for employees who handle sensitive information and/or for instances of poor practices.	Dec-15	We have not progressed this due to other priorities and workload. It is currently not scheduled.	We have not progressed this due to other priorities and workload. It is currently not scheduled.	HR, IM & Comms	TBC	Pending	
Cyber Security	IM practices	Rec06: Review and improve asset management, monitoring and capacity planning (including for environment support systems)	Dec-15	This is work in progress. IM have confirmed a register of physical servers and their replacement cycle. The PC fleet records are being updated in the new Manage Engine instance. Processes for maintaining those are still under development. Mobile phone records can be accessed via the Spark portal. We do need to start work with other mobile devices.	Work in progress - on track for December completion.	IM	Dec-19	Work in Progress	See IT Asset Register 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	Dec-15	Aspects of this are underway, for example, we now have a regular server patching program in place. The full range of the items in the recommendation have not been completed.	Very little progress in the last quarter.	IM	TBC	Work in Progress	
KPMG review of Procurement and Contract Management	Contract management	Implement a supplier performance measurement framework and strengthen supplier performance monitoring. 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.	Dec-16	Engaged with consultant to assist getting a Contract Management framework in place asap uniform across WDC. Expect to see this implemented in the first quarter of 2018/19.	Engaged consultant to assist getting a Contract Management framework in place asap - uniform across WDC. Not completed to date, but is in draft and being reviewed by ELT members involved. Supplier performance and contract reviews will also be able to be generated and recorded through the Tech One Contracts module.	Raj Java	Jun-18	Work in progress	Engaged consultant to assist getting a Contract Management framework in place asap - uniform across WDC. Expect to see this implemented in the first quarter of 2018/19.

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.	Dec-16	Procurement Strategy has been identified as Medium term initiative that will be addressed once immediate procurement risk priorities are addressed. A regional procurement resource has been employed by WLASS to work on a common policy and framework across the group of Councils.	This is also dependent on the WDC wide strategies, the outcome of the G4GG and the Community Growth Group strategy and objectives. This will assist the development of the Procurement Strategy and Vision.	Raj Java	Jun-18	Work in progress	A regional procurement resource is also employed by WLASS to work on a common policy and framework across the group of Councils, still waiting on timing of implementation of this framework.
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.	Sep-17	Awaiting return of risk manager to apply focus to change programme (18 June)	New reporting format monthly to ELT. Presented 16/8. With risk coordinator request for monthly audience with ELT to discuss report. This is combined with a monthly communication from ELT to staff re key risk discussions & a reminder to review operational and project risk registers. A new format for reporting to ARC is also being presented at September ARC. This reporting will be informed by the monthly ELT meeting and include details of organisation risk mitigation/engagement activity. Two new reports have also been implemented; 'Risk Discussions' and 'Risk Deep Dive' as part of quarterly reporting.	A&R		Complete	Is a key focus of Our Plan (internal strategic priority)
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.	Sep-17	Awaiting return of risk manager to apply focus to change programme (18 June)	New reporting format monthly to ELT. Presented 16/8. With risk coordinator request for monthly audience with ELT to discuss report. This is combined with a monthly communication from ELT to staff re key risk discussions & a reminder to review operational and project risk registers. A new format for reporting to ARC is also being presented at September ARC. This reporting will be informed by the monthly ELT meeting and include details of organisation risk mitigation/engagement activity. Two new reports have also been implemented; 'Risk Discussions' and 'Risk Deep Dive' as part of quarterly reporting.	A&R, ELT and Risk Coordinator		Complete	To be implemented upon risk managers
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 mind-set that risk management is primarily led by senior management.	Sep-17	Awaiting return of risk manager to apply focus to change programme (18 June)	Recommendation put forward to ELT on 16/8 at ELT meeting by risk coordinator that ELT implement mandatory risk conversations to agenda for all 1 on 1 and/or team meetings with business unit managers and that these conversations are cascaded from BUM to TL's and then staff via 1 on 1 monthly meetings or team meetings.	ELT		Complete	Risk is now a key topic of ELT - further enhancements to come with 100 day implementation including risk based approach to all decision making.
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.	Sep-17		This is likely covered by the deep dive report that has been implemented. TO be raised at ELT 16/8. Confirmed during meeting with Tony Whittaker & Margaret Devlin 20/08.	ELT		Complete	To be implemented upon risk managers return.

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.	Sep-17	Awaiting return of risk manager to apply focus to change programme (18 June)	A new format for reporting to ARC is also being presented at September ARC. This reporting will be informed by the monthly ELT meeting and include details of organisation risk mitigation/engagement activity. The 'Deep Dive' report will also address and test controls with ARC oversight.	A&R, ELT and Risk Coordinator		Complete	To be implemented upon risk managers
Risk Management	Risk Strategy & Appetite	Communicate the RAS to the wider organisation, or at least mid tier management levels.	42979	Awaiting return of risk manager to apply focus to change programme (18 June)	Request sent to TW & KA on 26/6 requesting that this be included in the roll out of 100 day plan when the 'Risk' element is introduced to the organisation. Confirmed on 01/08 by KA that this will be included. RAS has been added to all relevant risk processes and referenced in risk documents	A&R, ELT and Risk Coordinator		Complete	
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.	Sep-17	Awaiting return of risk manager to apply focus to change programme (18 June)	New reporting format monthly to ELT. Presented 16/8. With risk coordinator request for monthly audience with ELT to discuss report. This is combined with a monthly communication from ELT to staff re key risk discussions & a reminder to review operational and project risk registers. Supporting document that outlines responsibilities, tasks and reporting requirements, including application of RAS, to trigger escalations, has been created and published in Promapp risk process.	A&R, ELT and Risk Coordinator		Complete	To be implemented upon risk managers
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.	Sep-17	On track - to be completed post Risk Appetite statements being confirmed.	This work will be updated with internal objectives associated with 100 day plan. Bi-annual Business Unit risk register reviews have been initiated (commencing 14/8). This process will review for currency against business objectives, for duplication against hazard management and to moderate level of granularity in existing operational registers.	ELT & Risk Coordinator		Complete	Strategic planning framework due for completion 1 June 2018
Risk Management	Risk Culture	Risk management awareness sessions and trainings should be considered to enhance risk management capability in the organisation.	Sep-17	With completion of Risk Appetite statements a full roll out will be planned upon risk managers return.	Ad-hoc train sessions available. PM training available. Drop in training sessions and induction package to be implemented from September 2018.	Risk Coordinator	Jan-18	Complete	Currently, knowledge gaps being identified through meetings with Business Unit Managers and Team Leaders as operational registers are being reviewed. All initial Risk Tool Training has been completed. 100 day project has identified several other issues to be addressed through this process to ensure better outcomes.
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.	Sep-17	On track - to be completed post Risk Appetite statements being confirmed.	Incident Management processes and Risk Management processes have now been updated and linked. This effectively 'closes the loop' and allows for CI during the risk treatment and contingency evaluation.	Risk Coordinator	Aug-18	Complete	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 Strategy & Appetite	Ensure alignment between the documented risk appetite levels and relevant Council policies.	Sep-17	On track - to be completed post Risk Appetite statements being confirmed.	This work has not yet been commenced. Will require a significant review programme. Limited resource to complete work however has been added to the annual work programme 2018/19.	Risk Coordinator	Jul-18	Pending	

Open Meeting

To	Audit & Risk Committee
From	Tony Whittaker Chief Operating Officer
Date	10 September 2018
Chief Executive Approved	Y
Reference #	GOV1318 / 2074322
Report Title	Audit & Risk Committee Annual Self Review

1. EXECUTIVE SUMMARY

The purpose of this report is to for the Chair to provide feedback from the Annual Self Review questionnaire recently circulated for completion by all Audit & Risk Committee members.

2. RECOMMENDATION

THAT the report from the Chief Operating Officer be received.

3. ATTACHMENTS

NIL

Open Meeting

To	Audit & Risk Committee
From	Tony Whittaker Chief Operating Officer
Date	06 September 2018
Prepared by	Sharlene Jenkins Personal Assistant
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 Audit & Risk Committee's information.

2. RECOMMENDATION

THAT the report from the Chief Operating Officer be received.

3. ATTACHMENTS

Updated Future Work Plan

	17 September 2018	12 December 2018	March 2019 TBC	June 2019 TBC	Standing items for all meetings
Strategic Risk Deep Dive	Zero Harm				<ul style="list-style-type: none"> ▪ Zero Harm Update H&S update on H&S performance against agreed targets, systemic issues identified which can be fed into the risk control framework. To include monthly statistics. ▪ Update on Process Audit and Quality Improvement Rolling review of bylaw & policies – schedule to be agreed ▪ Post Implementation Reviews and/or Incident Debrief Reports Post project appraisals on key investments ▪ Update on Progress against Audit Issues Update on progress against Audit management report ▪ Organisation Risk Direction Update on risk management actions, progress on mitigations and direction of travel of risk ▪ Procurement Update Update on procurement and contract management ▪ Risk Conversations Opportunity for Committee to dialogue with key staff to obtain assurance that appropriate controls and culture are in place
Risk		Waikato District Council Health & Safety Framework Review H&S Management framework Risk Appetite Review	Review of Council Controlled Organisations Statements of Intent	Annual Report Risk Assessment Annual Report Programme Compliance Risk Management framework Review	
Internal Audit	Spend Analysis Update			Procurement and Contract Management Framework Review	
Insurance	Insurance Renewal Process Update Insurance review	Insurance Policy / Premium Confirmation			
Annual Report	Annual Report	Final Management Report Audit Management Report	Annual Report Project Planning Annual Report Programme		
Other	Audit & Risk Committee Key Achievements Review of Audit & Risk Committee performance against Terms of Reference Zero Harm Site Visit Metro Waste Huntly 93 McVie Road, Huntly 12.30pm–1.30pm				

Strategic Risks

- | | | | |
|---|--|--|--|
| <ul style="list-style-type: none"> ▪ Council Partnerships ▪ Zero Harm ▪ Asset Management | <ul style="list-style-type: none"> ▪ Waters CCO Proposal ▪ Stakeholder Engagement ▪ Economic and Social Development | <ul style="list-style-type: none"> ▪ People and Culture ▪ Regional / National Strategic Planning ▪ Projects and Initiatives | <ul style="list-style-type: none"> ▪ Compliance Management ▪ Business Resilience ▪ Cyber Security |
|---|--|--|--|

Open Meeting

To	Audit & Risk Committee
From	Gavin Ion Chief Executive
Date	3 September 2018
Prepared by	Rose Gray Council Support Manager
Chief Executive Approved	Y
Reference #	GOV1301
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 12 June 2018.

REPORTS

a. Contract Spend Review

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)(ii)(i)

Section 48(1)(3)(d)

b. Procurement Manager Report(b)(ii)(i)

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)

Section 48(1)(3)(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. Register of Members' Interest Elected Members & Senior Staff

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)(i)(h)(i)(j)

Section 48(1)(3)(a)(d)

e. 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)