

Agenda for a meeting of the Audit & Risk Committee of the Waikato District Council to be held in Committee Rooms 1 & 2, District Office, 15 Galileo Street, Ngaruawahia on **WEDNESDAY 18 SEPTEMBER 2019** commencing at **1.00pm**.

*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 will be in attendance.*

**3. DISCLOSURES OF INTEREST**

**4. CONFIRMATION OF MINUTES**

Meeting held on Thursday 27 June 2019

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GJ Ion  
**CHIEF EXECUTIVE**

### **Open Meeting**

<b>To</b>	Audit & Risk Committee
<b>From</b>	Gavin Ion Chief Executive
<b>Date</b>	7 August 2019
<b>Prepared by</b>	Lynette Wainwright Committee Secretary
<b>Chief Executive Approved</b>	Y
<b>Reference #</b>	GOV1318
<b>Report Title</b>	Confirmation of Minutes

## **1. EXECUTIVE SUMMARY**

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To confirm the minutes of the Audit & Risk Committee held on Thursday 27 June 2019.

## **2. RECOMMENDATION**

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**THAT the minutes of the Audit & Risk Committee held on Thursday 27 June 2019 be confirmed as a true and correct record of that meeting.**

## **3. ATTACHMENTS**

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A&R Minutes – 27 June 2019

**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 **THURSDAY 27 JUNE 2019** commencing at **9.00am**.

**Present:**

Cr JM Gibb (Chairperson)  
His Worship the Mayor Mr AM Sanson *[from 9:02am]*  
Cr AD Bech  
Cr BL Main  
Cr JD Sedgwick

**Attending:**

Mr GJ Ion (Chief Executive)  
Mr TG Whittaker (Chief Operating Officer)  
Mrs S O’Gorman (General Manager Customer Delivery)  
Mr R MacCulloch (Acting General Manager Service Delivery)  
Ms A Diaz (Chief Financial Officer)  
Mr K Abbot (Projects and Innovation Manager)  
Mr J Quinn (Communications, Engagement and Marketing Manager)  
Mr G Mason (Innovation Team Leader)  
Mrs K Jenkins (Risk Advisor)  
Mr C Bailey (Rates Team Leader)  
Mrs L Shirley (Zero Harm Manager)  
Ms S Quinn (Procurement Manager)  
Ms M Russo (Corporate Planning Team Leader)  
Mr B Stringer (Democracy Manager)

Mr L Pieterse (Director Audit New Zealand)

In Ms Devlin’s absence, Councillor Gibb, as the Committee’s Deputy Chairperson, was the Chairperson for the meeting.

**APOLOGIES AND LEAVE OF ABSENCE**

**Resolved: (Crs Main/Sedgwick)**

**THAT** an apology be received from **Ms M Devlin;**

**AND THAT** an apology for lateness be received from **His Worship the Mayor.**

**CARRIED on the voices**

**A&R1906/01**

## **CONFIRMATION OF STATUS OF AGENDA ITEMS**

**Resolved: (Crs Main/Sedgwick)**

**THAT** the agenda for a meeting of the **Audit & Risk Committee** held on **Thursday 27 June 2019** be confirmed and all items therein be considered in open meeting with the exception of those items detailed at agenda item 6 which shall be discussed with the public excluded;

**AND THAT** all reports be received.

**CARRIED on the voices**

**A&R1906/02**

## **DISCLOSURES OF INTEREST**

There were no disclosures of interest.

His Worship the Mayor joined the meeting (9:02am) after the above item.

## **CONFIRMATION OF MINUTES**

**Resolved: (Cr Bech/His Worship the Mayor)**

**THAT** the minutes of a meeting of the **Audit & Risk Committee** held on **Wednesday 13 March 2019** be confirmed as a true and correct record of that meeting.

**CARRIED on the voices**

**A&R1906/03**

## **REPORTS**

Strategic Risk Register June 2019  
Agenda Item 5.1.1

The report was received [A&R1906/02 refers]. In speaking to the report, the Risk Advisor, supported by the Projects Innovation Manager, highlighted, and responded to questions on, the following points:

- The Business Resilience project was on hold until 2020.
- A further Critical Incident workshop was proposed in the near future.
- The recent issues with Council email access and availability would be considered as part of the digital roadmap project to limit the risk of future failure.
- Business improvement projects were considered for approval by the Portfolio Governance Group. Projects with a strategic impact would be considered under the Risk portfolio.

**ACTION:** Staff to include a risk heat map in future reports to the Committee.

### Risk Framework June 2019

#### Agenda Item 5.1.2

The report was received [A&R1906/02 refers]. In speaking to the report, the Risk Advisor highlighted the following point:

- A good response had been received on the internal risk survey. Feedback would be provided to staff shortly and recommendations presented to the Committee at its September 2019 meeting.

### Emerging Risks June 2019

#### Agenda Item 5.1.3

The report was received [A&R1906/02 refers]. In speaking to the report, the Risk Advisor, supported by the Chief Operating Officer, highlighted, and responded to questions on the following points:

- Earthquake prone buildings – sufficient public engagement had been undertaken. Council staff would continue to monitor; nothing further was required from a risk perspective. The Building team had information on the number of buildings in each category.  
A meeting with the Civil Defence team was planned to discuss their requirements.
- Climate change – a number of actions were underway with cross-organisational representation to co-ordinate an informed response for elected members to consider.

### Risk Conversations – Rates Team

#### Agenda Item 5.1.4

The report was received [A&R1906/02 refers]. In speaking to the report, the Rates Team Leader summarised the risks noted in the attachments to the report, and the actions staff were taking to mitigate those risks. In responding to questions, the following points were discussed:

- Internal Promapp processes were reviewed and updated by staff to ensure these were correct. Internal audit tests were undertaken and external workshops attended to benchmark against other councils. Mr Pieterse confirmed Audit NZ also reviewed Council's processes, particularly in relation to legal advice received on reviewing rates.
- Outstanding amounts owed in relation to water meter accounts and steps taken to recover debts.

Stakeholder Engagement Strategic Risk Deep Dive  
Agenda Item 5.1.5

The report was received [A&R1906/02 refers]. In speaking to the report, the Communications, Marketing & Engagement Manager highlighted, and responded to questions, on the following points:

- Risk of poor elected member performance - there was a positive working relationship between staff and elected members. Systems and relationships were in place to deal with challenges as they arose.
- Consideration of the risks arising from poor stakeholder engagement in representation and democratic processes of the Council, initiatives that could be undertaken and who has responsibility for such risk. It was noted it was for elected members to consider succession planning for the representatives on the Council's governance bodies.

**ACTION:** Staff to consider including stakeholder engagement in representation/democratic as a risk in the Risk Registers.

*The meeting adjourned from 10:30am to 10:40am at the conclusion of the Item 5.1.5.*

Internal Audit Proposals  
Agenda Item 5.2.1

The report was received [A&R1906/02 refers]. In speaking to the report, the Chief Financial Officer provided an overview of the report and timing of the upcoming reviews.

**Resolved: (Crs Sedgwick/Main)**

**THAT the Audit & Risk Committee agrees to the following programme of internal audit:**

- **2019 Health & Safety Governance review;**
- **2020 Resource Consenting Revenue Process review; and**
- **2020 Rates Processes review.**

**CARRIED on the voices**

**A&R1906/04**

Interim Audit Report from Audit New Zealand  
Agenda Item 5.2.2

The report was received [A&R1906/02 refers]. In speaking to the report, Mr Pieterse from Audit New Zealand, highlighted the following points:

- Statement of service performance (Annual Report) – an issue had been highlighted which, if not rectified, would result in a qualified opinion from Audit NZ. Council staff were addressing this.

- Audit NZ continued to have positive, robust discussions with Council staff.

The Chief Operating Officer and Chief Financial Officer responded to questions on the following points:

- Ms Devlin, the Committee Chairperson, had noted her expectation that the Council would continue to resolve outstanding internal audit issues.
- The digital roadmap project was underway to address the IT issues and challenges referred to in the report.
- Audit reports enabled Finance staff to keep track of staff who self-approved purchase orders. A review of the access to, and authority levels for, purchase orders would be investigated in 2020 in light of the number of new staff who had recently joined.
- Business continuity and IT disaster recovery planning – the IT disaster recovery site was successfully working. Business continuity was an outstanding issue.

#### Waikato District Council Zero Harm Safety Management System

##### Agenda Item 5.3.1

The report was received [A&R1906/02 refers]. In speaking to the report, the Zero Harm Manager highlighted, and responded to questions on, the following point:

- People leaders were required to complete at least two safety engagement conversations with their team members each month; the purpose being to discuss health, safety and wellbeing issues. Zero Harm were reviewing the level of detail when reporting on these conversations. A snapshot was reported to the Executive Leadership Team weekly, which reflected the importance of these conversations.

#### Annual Report Risk Assessment

##### Agenda Item 5.3.2

The report was received [A&R1906/02 refers]. In speaking to the report, the Chief Financial Officer highlighted, and responded to questions on, the following points:

- Property, plant & equipment - changes were expected in the three waters infrastructure asset valuations, given the work undertaken for the Watercare Services contract negotiations. The valuation amount would be shared with the Council's auditors, once known. Mr Pieterse noted Audit NZ was not expecting this to be a significant issue for the purpose of the Annual Report.
- Land valuation was undertaken separately, and there was no requirement to undertake a revaluation of Council-owned land for the purpose of the Annual Report.
- Update on the staffing of the Finance team – it was expected there would be less need to rely on casual contractors.

### Procurement and Contract Management Framework Review Agenda Item 5.3.3

The report was received [A&R1906/02 refers]. In speaking to the report, the Chief Financial Officer highlighted the following points:

- The new contract relationship management team were in place to work with the Procurement Manager.
- A preliminary gap analysis had been undertaken to assist in collating a roadmap for the roles and responsibilities of relevant staff.

### Procurement Manager Report Agenda Item 5.3.4

The report was received [A&R1906/02 refers]. In speaking to the report, the Procurement Manager, supported by the Acting General Manager Service Delivery, highlighted, and responded to questions on, the following points:

- New procurement rules from central government which would come into effect on 1 October 2019; while they are not mandatory, it was expected that the Council would align with these rules. Guidance documentation and e-learning tools from MBIE would be circulated to relevant staff.
- A range of resources were available to assist procurement staff, including sector guidance from the Officer of the Auditor-General and shared learnings from Waikato local authority procurement officers.
- The Council's Procurement Policy would be reviewed to provide broader outcomes and deliver more effective use of Council funds. It was important to ascertain how 'best practice' could be practically implemented to reflect the Council's business and objectives.

### Update on Process Audit and Quality Improvement Agenda Item 5.3.5

The report was received [A&R1906/02 refers]. The Innovation and Risk Team Leader, supported by the Corporate Planning Team Leader and Projects and Innovations Manager, highlighted the following points:

- Review of continuous improvement processes had commenced.
- Council had a register of approximately 200 internal and external policies; best practice was that policies were reviewed every three years. Revocation of redundant policies was considered as part of the review process.
- Audit Schedule (pages 248-249 of the Agenda) – captured the audits recently undertaken. Audits with completed actions would eventually be removed from the schedule.

Project Closure Report; GIS & Project Management Integration (Phase I)  
Agenda Item 5.3.6

The report was received [A&R1906/02 refers]. In speaking to the report, the Risk Advisor highlighted, and responded to questions on, the following points:

- The reasons why the project was closed.
- Engagement of the GIS team across the organisation.
- Succession planning to ensure the organisation retained staff to undertake required activities.

Update on Progress against Audit Issues – June 2019  
Agenda Item 5.3.2

The report was received [A&R1906/02 refers]. In speaking to the report, the Corporate Planning Team Leader confirmed three issues had been completed in the last quarter. The five remaining issues were expected to be completed by the end of 2019.

Office of the Auditor-General Draft Annual Plan 2019/20  
Agenda Item 5.3.8

The report was received [A&R1906/02 refers]. The Chief Financial Officer provided a brief overview. Mr Pieterse highlighted the following points:

- Procurement remained a key issue for the OAG; Waikato District Council was in a good position relative to other councils.
- A database was being built to host 'what good looks like' on a national basis; Mr Pieterse had submitted the operation of the Audit & Risk Committee as an example of good practice.

Updated Future Work Plan and Action List  
Agenda Item 5.3.9

The report was received [A&R1906/02 refers] and there was no discussion on this item.

**EXCLUSION OF THE PUBLIC**

Agenda Item 6

**Resolved: (His Worship the Mayor/Cr Bech)**

**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 Wednesday 13 March 2019**

**REPORTS**

- a. Register of Members' Interests – Elected Members, Staff and External Members**

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)(i)

- b. 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)(i)



### **Meeting**

<b>To</b>	Audit & Risk Committee
<b>From</b>	Tony Whittaker Chief Operating Officer
<b>Date</b>	30 August 2019
<b>Prepared by</b>	Katja Jenkins Risk Advisor
<b>Chief Executive Approved</b>	Y
<b>Reference #</b>	GOV1318
<b>Report Title</b>	Strategic Risk Register September 2019

## **I. EXECUTIVE SUMMARY**

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This report details:

- Strategic risks update; last quarter;
- Recommendation for key strategic risk deep dive activity for next quarter;
- Strategic risk activities.

## **2. RECOMMENDATION**

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**THAT the report from the Chief Operating Officer be received.**

## **3. DISCUSSION**

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### Strategic Risk Register Review

On 29 August 2019, as part of the annual risk programme, a biannual review of the strategic risk register was performed. The review ensures that:

- The strategic risks remain current; supporting the organisational vision, goals and associated objectives;
- The risks are accurately assessed with consideration to the current risk climate;
- Risks that have not under gone the Deep Dive process have appropriate mitigations in place or that mitigations are planned.

Post review, to be finalised during September, gap analysis will be performed to understand any misalignment between organisational risk appetite and tolerance. The analysis will inform the work programme and associated actions will be communicated to the Audit & Risk Committee at the December meeting.

## Strategic Risk Update

**R00231 – Waters Services Delivery Model:** *Council experiences significant disruption to business operations during contract modelling, transition and implementation, caused by the loss of personnel and or a lack of governance.*

As part of the strategic risk register review it was agreed the risk is no longer relevant with consideration to acceptance of the contract and the impending implementation of the new arrangement. The risk has been removed from the strategic register. Work will be done to ensure that risks associated with the transition period are identified and managed appropriately at the operational level.

**R00128 – Cyber Security:** *Council is exposed to significant business disruption caused by unauthorized access to privileged information and or reduced data integrity resulting from cyber-attack or employee behaviour.*

In response to the questions raised at the June Audit & Risk Committee meeting:

### *Update on operational email issue during June*

The cause was found to be associated with a 'snapshot'; a record taken of the database. Snapshots forms part of Councils back up and recovery process to preserve data when system changes are applied. The error occurred as a result of a snapshot facilitating work to improve the existing firewalls. The error resulted in degraded performance.

A lack of knowledge associated with the error meant investigation was required; revealing the exchange database had become 'unindexed' which lead to performance issues. Once this was established as the cause an in-house fix was implemented however the learning process resulted in the fix taking longer than anticipated.

In terms of the potential for recurrence; continuation of use of the existing exchange database could require another snapshot to be taken. There is a possibility that the snapshot process could result in a similar error occurring however learnings from the recent incident will reduce the timeframes for implementing the fix. Fortunately, a planned technology upgrade from the existing environment to Office 365, due in the last quarter of the financial year 2019/20, renders the need for snapshot redundant and eliminates this risk.

### *Increased risk of Local Government Agencies being targeted by ransomware*

The risk of ransomware attack has increased. Additional treatments to help mitigate this risk include a firewall upgrade (July 2019) and new antivirus software (2018). A future communication plan aimed to increase cyber security awareness with staff is planned to align with the rollout of the new internal website (last quarter FY19/20).

These changes have been considered during the strategic risk review.

### *Update on Disaster Recovery Plan*

An Information Management Disaster Recovery Plan is documented and the associated process is available in Promapp.

The Information Management calendar includes a quarterly test of the Disaster Recovery Plan. Testing demonstrates operational servers are replicated nightly to recovery servers based in Tuakau. Each test checks a different recovery server to ensure they are all functional. Checks of the backup and recovery processes are also included in the plan.

*Access to Councils digital systems (staff movement and attrition process)*

The Information Management calendar tracks implemented controls to ensure they are activated and effective. Staff movement and attrition updates are one of the scheduled monthly controls. Loss of key staff earlier in the year had an impact on the regularity of this process however a recent review of the calendar has been undertaken and key controls re-instated to agreed timeframes.

**R00187 – Stakeholder Engagement:** *Council fails to deliver appropriate community outcomes and or wastes resources due to unsuitable stakeholder identification and interaction practices.*

In response to concerns with the coverage of the ‘Stakeholder Engagement’ risk raised during the June Audit & Risk Committee meeting, and discussion during the recent strategic risk register review, evaluation of the risk scope and definition has been scheduled (Friday, 13 September 2019). Scoping will include the following considerations:

- Risk definition (requirement for a broader lens);
- Relationship to associated operational risks;
- Elections (community board representation and the skills and experience of elected members);
- Political ownership of treatments;
- Public view of representation;
- Treatment coverage.

This meeting will be followed by an internal workshop (01 October 2019) to examine the risk, treatments and assessment to ensure they are appropriate with consideration to the agreed scope.

**R00192 – Compliance Management:** *Council is exposed to significant financial loss or business disruption caused by non-compliance with legislative, regulatory or policy requirements.*

During the strategic risk review workshop there was discussion on the whether the risk has appropriate coverage with consideration to recent events. It was concluded the risk remains appropriate for strategic purposes and that existing assessments remain accurate, however treatment gaps, particularly in quality assurance were acknowledged. Appropriate mitigation plans will be identified to address the gap.

Key Risk – Next Quarter Deep Dive

It is recommended the next deep dive is focused on the ‘Business Resilience’ risk. This risk currently sits outside Councils risk appetite. Understanding gained through the deep dive process will help inform a planned project, aimed at implementing a Business Continuity Framework, due to commence January 2020.

### Strategic Risk Activities

During July and August the first of the Solid Waste Service Review workshops were held. The workshops, facilitated by Morrison Low, include both internal and external stakeholders with an aim to review and feedback on options for refuse, recycling and organics collections and the associated waste facilities. Outcomes will inform the associated business case.

On 16 and 17 September 2019, the Risk Advisor will meet with Wellington City Council and Wellington Regional Emergency Management Office (“WREMO”) to discuss best practice business continuity planning. Councils Community Resilience Coordinator, who will also be in Wellington during this period attending WREMO training, will join these meetings.

## **4. CONCLUSION**

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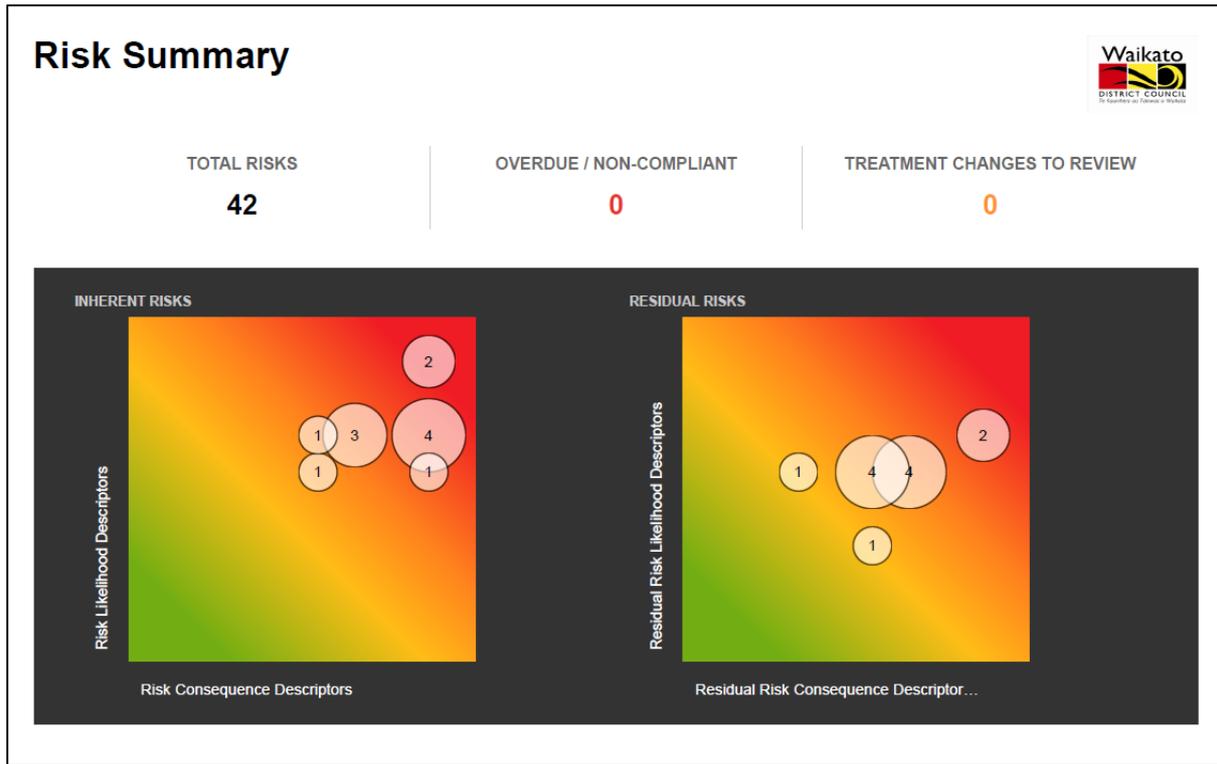
Review and update of the Strategic Risk Register and subsequent gap analysis will determine progress towards managing risks to within Councils risk appetite.

## **5. ATTACHMENTS**

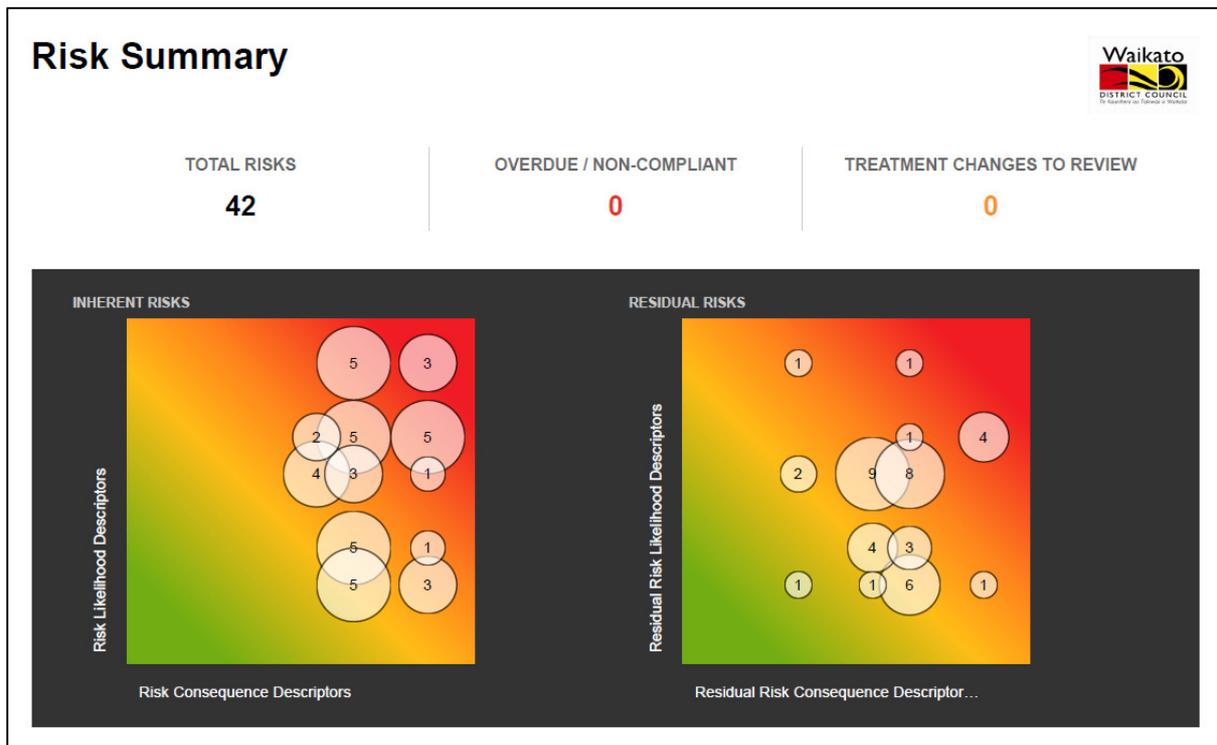
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- Appendix 1: Heat Map Strategic Risks
- Appendix 2: Strategic Risk Register Review Outcomes
- Appendix 3: Strategic Risk Register – Post Review – August 2019

Strategic Risks



All Risks (Organisational - Promapp)



Key	Title	Description	Inherent Likelihood	Inherent Consequence	Inherent Score	Inherent Rating	Residual Likelihood	Residual Consequence	Residual Score	Residual Rating	Update
R00184	Zero Harm; <sup>2</sup> 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, and processes or sustain an H&S aware culture	Almost Certain (5)	Catastrophic (5)	25	Extreme	Likely (4)	Catastrophic (5)	20	Extreme	No Change
R00191	Projects & Initiatives; <sup>2</sup> Council fails to produce required project benefits due to poor delivery of projects and programmes caused by a lack of procedure or capability.	Inconsistent knowledge, practices and or efficiency results in Council failing to deliver or perform against expected programme or project outcomes.	Almost Certain (5)	Catastrophic (5)	25	Extreme	Likely (4)	Catastrophic (5)	20	Extreme	No Change
R00053	Business Resilience; <sup>2</sup> Business function is significantly interrupted due to a lack of business continuity planning and organisational resilience.	Council operations are impacted through failure to and create prioritize action plans for implementation in the event of a business impact incident.	Possibly (3)	Catastrophic (5)	15	High	Possibly (3)	Major (4)	12	High	No Change
R00128	Cyber Security; <sup>2</sup> Council is exposed to significant business disruption caused by unauthorized access to privileged information and or reduced data integrity resulting from cyber-attack or employee behaviour.	Council systems are compromised by cyber-crime or a lack of compliance with process resulting in significant financial and or business impact.	Possibly (3)	Catastrophic (5)	15	High	Possibly (3)	Major (4)	12	High	Inherent risk increase No change to residual risk
			Likely (4)	Catastrophic (5)	20	Extreme	Possibly (3)	Major (4)	12	High	
R00230	Growth; <sup>2</sup> Council experiences significant business and community disruption caused by district growth.	This may include but is not limited to; decay in LOS, unmanageable funding allocations, speed of growth exceeding or not meeting growth forecasts, etc.	Likely (4)	Catastrophic (5)	20	Extreme	Possibly (3)	Major (4)	12	High	No Change
R00185	Asset Management; <sup>2</sup> Council fails to provide sustained delivery of core services as the result of critical assets failing or becoming unfit for purpose.	Assets failures (including Waters and Roading) caused by poor planning, maintenance and or management impact core services.	Likely (4)	Major (4)	16	High	Possibly (3)	Moderate (3)	9	Moderate	Inherent risk increase Residual risk increase
			Likely (4)	Catastrophic (5)	20	Extreme	Possibly (3)	Major (4)	12	High	
R00190	People & Culture; <sup>2</sup> Business outcomes are significantly impacted due to an inability to attract and or retain suitable personnel.	Council are unable to recruit, promote or keep staff in core service positions due to a lack of appropriately trained people, industry competition or perceived or actual Council culture.	Almost Certain (5)	Major (4)	20	Extreme	Possibly (3)	Moderate (3)	9	Moderate	Inherent risk decrease No change to residual risk
			Likely (4)	Major (4)	16	High	Possibly (3)	Moderate (3)	9	Moderate	
R00192	Compliance Management; <sup>2</sup> Council is exposed to significant financial loss or business disruption caused by non-compliance with legislative, regulatory or policy requirements.	Council are impacted as a result of being uniformed and or failing to comply with legal requirements.	Likely (4)	Catastrophic (5)	20	Extreme	Possibly (3)	Moderate (3)	9	Moderate	No Change
R00187	Stakeholder Engagement; <sup>2</sup> Council fails to deliver appropriate community outcomes and or wastes resources due to unsuitable stakeholder identification and interaction practices.	People become/remain disengaged as a result of Council failing to communicate/consult appropriately.	Likely (4)	Major (4)	16	High	Possibly (3)	Moderate (3)	9	Moderate	No Change
R00188	Economic & Social Development; <sup>2</sup> Waikato district suffers inhibited economic and social development and or missed funding opportunity as a result of poor planning, investment strategy, and or relationships.	Council fails to promote and or identify opportunity for economic and social growth or fails to engage appropriately to encourage growth and development.	Likely (4)	Catastrophic (5)	20	Extreme	Possibly (3)	Moderate (3)	9	Moderate	Inherent risk decrease No change to residual risk
			Likely (4)	Major (4)	12	High	Possibly (3)	Moderate (3)	9	Moderate	
R00189	Regional & National Strategic Planning & Legislative Reform; <sup>2</sup> Council experiences significant disruption to business function caused by structural and legislative changes by central government and or national / regional strategic planning exercises.	Amendments to local or national legislation, government practices or other authorities require significant change to business operations.	Likely (4)	Moderate (3)	12	High	Possibly (3)	Minor (2)	6	Moderate	No Change
R00183	Council Partnerships; <sup>2</sup> Council experiences diminished public confidence and or operations are significantly impacted due to actions, representations or conduct of partnership enterprises or associations.	Councils reputation/operations are impacted as a result of actions, representations or conduct demonstrated by Partners and/or associates.	Possibly (3)	Moderate (3)	9	Moderate	Unlikely (2)	Moderate (3)	6	Moderate	TBA
TBA - September Deep Dive											
R00231	Water Services Delivery Model; <sup>2</sup> Council experiences significant disruption to business operations during contract modelling, transition and implementation, caused by the loss of personnel and or a lack of governance.	Loss of staff results in a loss of organisational knowledge and or inability to provide core services, or the waters contract process is unsuitable/inappropriate due to poor governance.	Almost Certain (5)	Catastrophic (5)	25	Extreme	Likely (4)	Moderate (3)	12	High	The risk has been removed from the register.
			This risk has become redundant								

# Risk Register

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

RESIDUAL  
**20.0**  
EXTREME

INHERENT  
**25.0**

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, and processes or sustain an H&S aware culture

OWNER Gavin Ion

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

RISK LIKELIHOOD Almost Certain (5)  
DESCRIPTORS

RISK CONSEQUENCE Catastrophic (5)  
DESCRIPTORS

RESIDUAL RISK LIKELIHOOD Likely (4)  
DESCRIPTORS

RESIDUAL RISK CONSEQUENCE Catastrophic (5)  
DESCRIPTORS

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.

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.

SIGNOFF(S): Lynn Shirley

DUE DATE: 01 Dec 2019

FREQUENCY: 1st day of every 6 months

SIGNOFF(S): Kylie Anderson  
Lynn Shirley

DUE DATE: 01 Dec 2019

FREQUENCY: 1st day of every 6 months

SIGNOFF(S): Lynn Shirley

DUE DATE: 01 Feb 2020

FREQUENCY: The first Day of every 12 months

## 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.

## 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):

Gavin Ion

DUE DATE:

26 Dec 2019

FREQUENCY:

The last Thursday of every 6 months

SIGNOFF(S):

Lynn Shirley  
Kylie Anderson

DUE DATE:

31 Jul 2020

FREQUENCY:

The last Day of every 12 months

SIGNOFF(S):

Lynn Shirley

DUE DATE:

03 Aug 2020

FREQUENCY:

The first Weekday of every 12 months

RESIDUAL  
**20.0**  
EXTREME

INHERENT  
**25.0**

R00191

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

**Projects & Initiatives;  
Council fails to produce required project benefits due to poor delivery of projects and programmes caused by a lack of procedure or capability.**

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

OWNER Kurt Abbot

CREATED 5/09/2016 12:23:20 AM

RISK LIKELIHOOD Almost Certain (5)  
DESCRIPTORS

RISK CONSEQUENCE Catastrophic (5)  
DESCRIPTORS

RESIDUAL RISK LIKELIHOOD Likely (4)  
DESCRIPTORS

RESIDUAL RISK CONSEQUENCE Catastrophic (5)  
DESCRIPTORS

21

TREATMENT MC00430

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

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

TREATMENT MC00431

In 2010 Council introduced a business specific Project Management Framework based on best practice project management methodology. 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):

Ian Cathcart  
Sue O'Gorman

DUE DATE:

01 Feb 2020

FREQUENCY:

1st day of every 12 months

SIGNOFF(S):

Kurt Abbot

DUE DATE:

01 Feb 2020

FREQUENCY:

1st day of every 6 months

SIGNOFF(S):

Kurt Abbot

DUE DATE:

01 Feb 2020

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 2020  
 FREQUENCY: 1st day of every 12 months

RESIDUAL  
**12.0**  
 HIGH

INHERENT  
**15.0**

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.**

Council operations are impacted through failure to and create prioritize action plans for implementation in the event of a business impact incident.

OWNER Kurt Abbot

CREATED

RISK LIKELIHOOD DESCRIPTORS Possibly (3)

RISK CONSEQUENCE DESCRIPTORS Catastrophic (5)

RESIDUAL RISK LIKELIHOOD DESCRIPTORS Possibly (3)

RESIDUAL RISK CONSEQUENCE DESCRIPTORS Major (4)

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  
 - 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.  
 A complete refresh and relaunch is being planned first half of 2019. Business continuity has now also been assigned as a key portfolio under the Risk Advisor role.

SIGNOFF(S): Kurt Abbot  
 DUE DATE: 01 Dec 2019  
 FREQUENCY: 1st day of every 12 months

## 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.

## TREATMENT MC00601

## Risk Management Framework

Councils Risk Management Framework includes policy, processes, Risk Advisor support, risk tools and documents and user guides. The Framework details organisational expectations in the risk space, best practice risk management practices and provides relevant templates and support to facilitate risk assessment across all levels of the business.

This treatment impacts the likelihood of the risk by ensuring that Council employees are equipped to effectively identify and manage risk and the consequence by assisting Council employees to plan appropriately and implement appropriate contingency practices.

SIGNOFF(S):

Kelly Newell

DUE DATE:

01 Feb 2020

FREQUENCY:

1st day of every 6 months

SIGNOFF(S):

Katja Jenkins

DUE DATE:

01 Jun 2020

FREQUENCY:

1st day of every 12 months

RESIDUAL  
12.0  
HIGH

INHERENT  
20.0

R00128

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

**Cyber Security;  
Council is exposed to significant business disruption  
caused by unauthorized access to privileged  
information and or reduced data integrity resulting  
from cyber-attack or employee behaviour.**

Council systems are compromised by cyber-crime or a lack of compliance with process resulting in significant financial and or business impact.

OWNER Gene Oudes

CREATED

RISK LIKELIHOOD  
DESCRIPTORS Likely (4)

RISK CONSEQUENCE  
DESCRIPTORS Catastrophic (5)

RESIDUAL RISK LIKELIHOOD  
DESCRIPTORS Possibly (3)

RESIDUAL RISK  
CONSEQUENCE  
DESCRIPTORS Major (4)

24

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 have in place a BCP including a disaster recovery plan to align the technical IT recovery procedures to the overall enterprise BCP. It includes;

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

This treatment 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 2019

FREQUENCY:

The first Day of every 12 months

SIGNOFF(S):

Gene Oudes

DUE DATE:

01 Feb 2020

FREQUENCY:

1st day of every 12 months

SIGNOFF(S):

Gene Oudes

DUE DATE:

01 Feb 2020

FREQUENCY:

1st day of every 12 months

SIGNOFF(S):

Gene Oudes

DUE DATE:

01 Feb 2020

FREQUENCY:

1st day of every 12 months

RESIDUAL  
12.0  
HIGH

INHERENT  
20.0

R00185

BUSINESS CONTINUITY, STRATEGIC (A&R COMMITTEE)

**Asset Management;  
Council fails to provide sustained delivery of core services as the result of critical assets failing or becoming unfit for purpose.**

Assets failures (including Waters and Roding) caused by poor planning, maintenance and or management impact core services.

OWNER Ian Cathcart

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

RISK LIKELIHOOD  
DESCRIPTORS Likely (4)

RISK CONSEQUENCE  
DESCRIPTORS Catastrophic (5)

RESIDUAL RISK LIKELIHOOD  
DESCRIPTORS Possibly (3)

RESIDUAL RISK  
CONSEQUENCE  
DESCRIPTORS Major (4)

25

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.

TREATMENT MC00464

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

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

SIGNOFF(S):

Roger MacCulloch  
Ian Cathcart  
Sue O'Gorman

DUE DATE:

01 Sep 2019

FREQUENCY:

The first Day of every 12 months

SIGNOFF(S):

Ross Bayer  
Karl Pavlovich

DUE DATE:

01 Apr 2020

FREQUENCY:

The first Day of every 12 months

SIGNOFF(S):

Roger MacCulloch  
Ian Cathcart  
Sue O'Gorman

DUE DATE:

01 Feb 2020

FREQUENCY:

1st day of every 12 months

## 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):

Karl Pavlovich  
Ross Bayer  
Megan May

DUE DATE:

01 Apr 2020

FREQUENCY:

The first Day of every 12 months

SIGNOFF(S):

Karl Pavlovich  
Ross Bayer  
Megan May

DUE DATE:

01 Apr 2020

FREQUENCY:

The first Day of every 12 months

## TREATMENT MC00500

District Development (Growth) 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 Council has an integrated strategic framework for regulation and growth related decision making. This assists with better economies of scale and enables provision of affordable infrastructure. The strategy is subject to periodic review.

SIGNOFF(S):

Jim Ebenhoh  
William Gauntlett

DUE DATE:

01 Feb 2020

FREQUENCY:

The first Day of every 12 months

RESIDUAL  
12.0  
HIGH

INHERENT  
20.0

R00230

BUSINESS CONTINUITY, STRATEGIC (A&R COMMITTEE)

**Growth;  
Council experiences significant business and  
community disruption caused by district growth.**

This may include but is not limited to; decay in LOS, unmanageable funding allocations, speed of growth exceeding or not meeting growth forecasts, etc.

OWNER Clive Morgan

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

RISK LIKELIHOOD  
DESCRIPTORS Likely (4)

RISK CONSEQUENCE  
DESCRIPTORS Catastrophic (5)

RESIDUAL RISK LIKELIHOOD  
DESCRIPTORS Possibly (3)

RESIDUAL RISK  
CONSEQUENCE  
DESCRIPTORS Major (4)

27

TREATMENT MC00590

Hamilton to Auckland Corridor Programme and Future Proof Partnership  
This project examines growth pressures and opportunities across district boundaries.

This treatment impacts the likelihood of the risk through an enduring partnership approach, coordination of growth challenges and opportunities with the intention of giving effect to governments Urban Growth Agenda. It also impacts the consequence of the risk by ensuring transparency allowing for mitigation strategies to be implemented should developments arise.

TREATMENT MC00592

District wide & Local Area Blueprints  
These documents capture communities visions and will help to inform future work programmes (including funding allocation).

This activity impacts the likelihood of the risk by ensuring that our growth management approach reflects community aspirations and provides a platform of understanding for Council to facilitate planning. Furthermore it provides an idea of the disruption that Council is trying to avoid. It also informs the growth strategy in coordination with other sub-regional initiatives e.g. corridor plan.

TREATMENT MC00593

District Plan Review  
Incremental reviews are performed e.g. plan changes. Council is in the process of a comprehensive review (since 2014).

This treatment impacts the likelihood of the risk by setting the regulatory framework for sustainable use of natural resources and growth management to ensure it reflects strategic direction of Council and partners.

SIGNOFF(S):

Vishal Ramduny

DUE DATE:

31 Aug 2019

FREQUENCY:

The last Day of every 6 months

SIGNOFF(S):

Jim Ebenhoh  
William Gauntlett

DUE DATE:

31 Aug 2019

FREQUENCY:

The last Day of every 6 months

SIGNOFF(S):

Jim Ebenhoh  
William Gauntlett

DUE DATE:

31 Aug 2019

FREQUENCY:

The last Day of every 6 months

## TREATMENT MC00595

**Integrated Land Use & Infrastructure Planning**  
This treatment is not stand alone, it informs all strategic, policy and infrastructure planning undertaken by Council.

This approach includes;

- Recognition of the need within Council for a more integrate, focused and agile approach e.g. the creation of the Community Growth Group
- Development and maintenance of relationships with partners/agencies/service providers to enable a more unified planning approach as well as increasingly collaborative work with our neighboring councils (Hamilton and Auckland) to manage cross-boundary effects of growth.
- Addressing climate change mitigation by factoring such considerations into our network infrastructure planning, protecting highly versatile soils for food production, and identification of hazards
- Ensuring that this integrated planning approach flows through into funding decisions in the next Long Term Plan.

This treatment impacts the likelihood and consequences of the risk.

## TREATMENT MC00596

**Community Growth Group**

This group was created as part of the restructure in response to identified growth impact. The intent of the group is to ensure an integrated approach to land use, infrastructure planning and economic and social development across Council.

Within the Community Growth Group a Growth Analytics function has been created to monitor growth and population changes to better prepare us to respond to growth pressures.

This treatment impacts the likelihood of the risk by providing a dedicated team focusing on growth, growth management and community development.

## TREATMENT MC00597

**Implementation of National Policy Statement on Urban Development Capacity.**

This action impacts the likelihood of the risk by ensuring that Council monitors the adequacy of residential and business land to meet forecast demand.

SIGNOFF(S):

Clive Morgan

DUE DATE:

29 Feb 2020

FREQUENCY:

The last Day of every 12 months

SIGNOFF(S):

Clive Morgan

DUE DATE:

01 Feb 2020

FREQUENCY:

The first Day of every 12 months

SIGNOFF(S):

Vishal Ramduny  
Jim Ebenhoh

DUE DATE:

31 Aug 2019

FREQUENCY:

The last Day of every 6 months

RESIDUAL  
**9.0**  
MODERATE

INHERENT  
**16.0**

R00190

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

**People & Culture;**  
**Business outcomes are significantly impacted due to an inability to attract and or retain suitable personnel.**

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

OWNER Vanessa Jenkins

CREATED 5/09/2016 12:22:54 AM

RISK LIKELIHOOD  
DESCRIPTORS Likely (4)

RISK CONSEQUENCE  
DESCRIPTORS Major (4)

RESIDUAL RISK LIKELIHOOD  
DESCRIPTORS Possibly (3)

RESIDUAL RISK  
CONSEQUENCE  
DESCRIPTORS Moderate (3)

29

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 Leadership Team.

A Change Manager has been appointed to oversee and lead the process. Implementation is underway of new staff structure and reporting lines.

This treatment impacts the likelihood of the risk by providing a strategic approach to changing the organisational culture.

TREATMENT MC00600

Council has used new recruitment strategies with new media channels and new messaging which have increased the quality and quantity of applicants.

SIGNOFF(S): Vanessa Jenkins

DUE DATE: 01 Mar 2020

FREQUENCY: The first Day of every 6 months

SIGNOFF(S): Roger MacCulloch  
Ian Cathcart  
Sue O'Gorman  
Tony Whittaker

DUE DATE: 01 Oct 2019

FREQUENCY: The first Day of every 6 months

SIGNOFF(S): Gavin Ion

DUE DATE: 01 Nov 2019

FREQUENCY: The first Day of every 3 months

SIGNOFF(S): Jacob Quinn

DUE DATE:

FREQUENCY: Once

RESIDUAL  
**9.0**  
MODERATE

INHERENT  
**16.0**

R00187

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

**Stakeholder Engagement;  
Council fails to deliver appropriate community  
outcomes and or wastes resources due to unsuitable  
stakeholder identification and interaction practices.**

People become/remain disengaged as a result of Council failing to communicate/consult appropriately.

OWNER Jacob Quinn

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

RISK LIKELIHOOD  
DESCRIPTORS Likely (4)

RISK CONSEQUENCE  
DESCRIPTORS Major (4)

RESIDUAL RISK LIKELIHOOD  
DESCRIPTORS Possibly (3)

RESIDUAL RISK  
CONSEQUENCE  
DESCRIPTORS Moderate (3)

30

TREATMENT MC00121

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

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

TREATMENT MC00164

Engagement Strategy:

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

The treatment impacts the likelihood of the risk by providing Council employees a practical guide to how we engage.

TREATMENT MC00165

Significance & Engagement Policy

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

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

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

SIGNOFF(S):

Jim Ebenhoh  
William Gauntlett

DUE DATE:

01 Feb 2020

FREQUENCY:

1st day of every 12 months

SIGNOFF(S):

Jim Ebenhoh  
William Gauntlett

DUE DATE:

01 Feb 2020

FREQUENCY:

1st day of every 12 months

SIGNOFF(S):

Jim Ebenhoh  
William Gauntlett

DUE DATE:

01 Feb 2020

FREQUENCY:

1st day of every 12 months

## 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 (a 2016 strategy) in place which guides the way we do things. A specific engagement strategy is under development as a key Our Plan project in 2019, as well as a refresh of Councils Communications Framework/Strategy.

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

## TREATMENT MC00459

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

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

## TREATMENT MC00460

Community Development roles and Operational Field Staff.

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

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

SIGNOFF(S):

Jim Ebenhoh  
William Gauntlett

DUE DATE:

01 Feb 2020

FREQUENCY:

1st day of every 6 months

SIGNOFF(S):

Jacob Quinn

DUE DATE:

01 Nov 2019

FREQUENCY:

1st day of every 3 months

SIGNOFF(S):

Gavin Ion

DUE DATE:

01 Feb 2020

FREQUENCY:

1st day of every 6 months

SIGNOFF(S):

Tony Whittaker

DUE DATE:

01 Apr 2020

FREQUENCY:

The first Day of every 12 months

TREATMENT MC00461

**Engagement Virtual Team**

It is anticipated that the establishment of an Engagement Virtual Team will be one of the actions of the 2019 Engagement Strategy. This team will pull together key people from across the business so they can collectively ensure the Strategy is implemented.

This treatment will impact the likelihood of the risk by providing a dedicated team whose function is to ensure cross organisational strategic alignment.

TREATMENT MC00462

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

SIGNOFF(S):

Jacob Quinn

DUE DATE:

01 Jan 2020

FREQUENCY:

1st day of every 6 months

SIGNOFF(S):

Brian Cathro

DUE DATE:

01 Apr 2020

FREQUENCY:

1st day of every 12 months

RESIDUAL  
**9.0**  
MODERATE

INHERENT  
**16.0**

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 poor planning, investment strategy, and or relationships.**

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

OWNER Clive Morgan

CREATED 4/09/2016 11:32:26 PM

RISK LIKELIHOOD Likely (4)  
DESCRIPTORS

RISK CONSEQUENCE Major (4)  
DESCRIPTORS

RESIDUAL RISK LIKELIHOOD Possibly (3)  
DESCRIPTORS

RESIDUAL RISK CONSEQUENCE Moderate (3)  
DESCRIPTORS

TREATMENT MC00163

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

The strategy covers the following asset types:  
- Water Treatment and supply  
- Wastewater Treatment and Disposal  
- Stormwater Drainage  
- Roads and Footpaths.

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

SIGNOFF(S):

Ross Bayer  
Karl Pavlovich

DUE DATE:

01 Apr 2020

FREQUENCY:

The first Day of every 12 months

## 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 however community development initiatives are active and drafting a social development strategy has been scheduled for late 2019 - early 2020.

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 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-Frankin Social Wellbeing Policy).

## 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):

Clive Morgan

DUE DATE:

01 Feb 2020

FREQUENCY:

The first Day of every 6 months

SIGNOFF(S):

Julie Dolan

DUE DATE:

01 Feb 2020

FREQUENCY:

The first Day of every 6 months

SIGNOFF(S):

Vishal Ramduny

DUE DATE:

01 Feb 2020

FREQUENCY:

The first Day of every 12 months

TREATMENT MC00500

**District Development (Growth) 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 Council has an integrated strategic framework for regulation and growth related decision making. This assists with better economies of scale and enables provision of affordable infrastructure. The strategy is subject to periodic review.

**SIGNOFF(S):** Jim Ebenhoh  
 William Gauntlett  
**DUE DATE:** 01 Feb 2020  
**FREQUENCY:** The first Day of every 12 months

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

RESIDUAL  
**9.0**  
 MODERATE

INHERENT  
**20.0**

R00192

**Compliance Management;**  
**Council is exposed to significant financial loss or business disruption caused by 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** Alison Diaz  
**CREATED** 5/09/2016 12:23:40 AM

**RISK LIKELIHOOD DESCRIPTORS** Likely (4)  
**RISK CONSEQUENCE DESCRIPTORS** Catastrophic (5)  
**RESIDUAL RISK LIKELIHOOD DESCRIPTORS** Possibly (3)  
**RESIDUAL RISK CONSEQUENCE DESCRIPTORS** Moderate (3)

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.

**SIGNOFF(S):** Sue O’Gorman  
 Roger MacCulloch  
 Ian Cathcart  
 Tony Whittaker  
**DUE DATE:** 01 Apr 2020  
**FREQUENCY:** The first Day of every 12 months

**SIGNOFF(S):** Alison Diaz  
**DUE DATE:** 01 Feb 2020  
**FREQUENCY:** The first Day of every 12 months

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). Furthermore, Council is actively managing compliance with corporate procurement practices through data analytics. A report is prepared and presented to the Audit and Risk Committee every six months.

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.

SIGNOFF(S):

Gavin Ion

DUE DATE:

01 Feb 2020

FREQUENCY:

The first Day of every 12 months

SIGNOFF(S):

Tony Whittaker  
Sue O'Gorman  
Roger MacCulloch  
Ian Cathcart

DUE DATE:

01 Apr 2020

FREQUENCY:

The first Day of every 12 months

SIGNOFF(S):

Kurt Abbot

DUE DATE:

01 Feb 2020

FREQUENCY:

The first Day of every 12 months

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.

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.

SIGNOFF(S):

Madelina Baena-Escamilla

DUE DATE:

01 Feb 2020

FREQUENCY:

The first Day of every 12 months

SIGNOFF(S):

Vanessa Jenkins

DUE DATE:

30 Apr 2020

FREQUENCY:

The last Day of every 12 months

RESIDUAL  
**6.0**  
MODERATE

INHERENT  
**9.0**

R00183

REPUTATION/ IMAGE, STRATEGIC (A&R COMMITTEE)

**Council Partnerships;  
Council experiences diminished public confidence and or operations are significantly impacted due to actions, representations or conduct of partnership enterprises or associations.**

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

OWNER Sue O'Gorman

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

RISK LIKELIHOOD Possibly (3)  
DESCRIPTORS

RISK CONSEQUENCE Moderate (3)  
DESCRIPTORS

RESIDUAL RISK LIKELIHOOD Unlikely (2)  
DESCRIPTORS

RESIDUAL RISK Moderate (3)  
CONSEQUENCE  
DESCRIPTORS

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.

SIGNOFF(S):

Karl Pavlovich  
Megan May  
Ross Bayer

DUE DATE:

01 Feb 2020

FREQUENCY:

The first Day of every 6 months

## 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).

The signed agreement can be found in ECM: Doc ID 856313

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

## TREATMENT MC00499

## TO DO

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

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

## 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.

SIGNOFF(S):

Gavin Ion

DUE DATE:

01 Apr 2020

FREQUENCY:

The first Day of every 12 months

SIGNOFF(S):

Sue O’Gorman  
Tony Whittaker  
Roger MacCulloch  
Ian Cathcart

DUE DATE:

01 Oct 2019

FREQUENCY:

The first Day of every 3 months

SIGNOFF(S):

Tony Whittaker

DUE DATE:

30 Apr 2020

FREQUENCY:

The last Day of every 12 months

## 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  
DUE DATE: 03 Aug 2020  
FREQUENCY: The first Weekday of every 12 months

RESIDUAL  
6.0  
MODERATE

INHERENT  
12.0

R00189

## POLITICAL, STRATEGIC (A&amp;R COMMITTEE)

**Regional & National Strategic Planning & Legislative Reform;  
Council experiences significant disruption to business function caused by structural and legislative changes by central government and or national / regional strategic planning exercises.**

Amendments to local or national legislation, government practices or other authorities require significant change to business operations.

OWNER Clive Morgan  
CREATED 5/09/2016 12:21:58 AM

RISK LIKELIHOOD DESCRIPTORS Likely (4)

RISK CONSEQUENCE DESCRIPTORS Moderate (3)

RESIDUAL RISK LIKELIHOOD DESCRIPTORS Possibly (3)

RESIDUAL RISK CONSEQUENCE DESCRIPTORS Minor (2)

## 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 by 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.

SIGNOFF(S): Gavin Ion  
DUE DATE: 01 Nov 2019  
FREQUENCY: 1st day of every 3 months

SIGNOFF(S): Jim Ebenhoh  
William Gauntlett  
DUE DATE: 01 Oct 2019  
FREQUENCY: 1st day of every 3 months

SIGNOFF(S): Christine Pidduck  
DUE DATE: 01 Nov 2019  
FREQUENCY: 1st day of every 3 months

## 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.

Regular meetings are held with Central Government ministers and with a key manager in the Department of Internal Affairs.

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

## TREATMENT MC00500

## District Development (Growth) 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 Council has an integrated strategic framework for regulation and growth related decision making. This assists with better economies of scale and enables provision of affordable infrastructure. The strategy is subject to periodic review.

## TREATMENT MC00598

Alignment of Council's "People and Capability" function to current and potential future needs of the organisation in terms of participating in, and responding to, national and regional strategic planning and legislative reforms.

This treatment impacts the likelihood of the risk by ensuring adequate numbers of staff, with diverse, flexible skills, including negotiation and persuasion, and the ability to provide value in a variety of planning and governance frameworks.

SIGNOFF(S):

Gavin Ion

DUE DATE:

01 Nov 2019

FREQUENCY:

1st day of every 3 months

SIGNOFF(S):

Jim Ebenhoh  
William Gauntlett

DUE DATE:

01 Feb 2020

FREQUENCY:

The first Day of every 12 months

SIGNOFF(S):

Jim Ebenhoh  
Vanessa Jenkins

DUE DATE:

06 Apr 2020

FREQUENCY:

The first Monday of every 12 months

### **Open Meeting**

<b>To</b>	Audit & Risk Committee
<b>From</b>	Tony Whittaker Chief Operating Officer
<b>Date</b>	04 September 2019
<b>Prepared by</b>	Katja Jenkins Risk Advisor
<b>Chief Executive Approved</b>	Y
<b>Reference #</b>	GOV1318
<b>Report Title</b>	Risk Framework September 2019

## **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**

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**THAT the report from the Chief Operating Officer be received.**

## **3. DISCUSSION**

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### Risk Management Framework

There have been no significant changes to the risk management framework during the last quarter. The following table provides a progress update on actions associated with framework development:

<b>ACTION</b>	<b>DUE</b>	<b>STATUS</b>
Simplification of language in risk processes, documentation and tools	August 2019	Complete (June 2019)
Stocktake (reduction) of risk documents	August 2019	Complete (June 2019)
Collaboration between Risk and Internal Audit	September 2019	Implemented July 2019

<b>ACTION</b>	<b>DUE</b>	<b>STATUS</b>
Implementation of a source register (for risks and framework development)	December 2019	In progress
Review and update of the risk maturity roadmap	December 2019	In progress
Integrated Business Continuity Framework	January 2020	Planning
Standardised risk induction package	February 2020	Component of Implementing Risk Culture Project
Story telling; why risk management matters	February 2020	Component of Implementing Risk Culture Project
Stakeholder – external audit (standard recipient of documentation)	TBA	

### Organisational Engagement

During May and June 2019 positive feedback was received in relation to the risk survey and the survey outcomes fed back to the organisation. Raising awareness of risk management practices at Council was a key benefit of the survey.

During the last quarter a demonstrated increase in ad-hoc requests for assistance with risk is noted. Requests appear to be reactive and work is still required to improve proactivity.

The Promapp risk tool continues to show higher levels of engagement, predominantly driven by Executive Leadership. This direction needs to continue to help embed practices as business as usual activity.

### Risk Activities

On 27 August 2019 Risk Management and Business Continuity professionals from across Waikato met to discuss their risk journeys and examine the potential for implementing a staff Regional Risk Forum. It was agreed that a Forum would facilitate information sharing and best practice. A regular Forum schedule has been confirmed commencing February 2020.

The Implementing Risk Culture project has moved into the third stage of data collection. Insight sessions are being held with individuals at various levels across the organisation. The sessions are aimed at gaining an in-depth understanding of how staff currently relate to and manage the risks they face in their business along with what they want to learn more about and their learning preferences. Insights from the sessions will be used to inform an approach to continually progress Councils risk maturity. The report is due at the end of September 2019.

<b>ACTIVITY</b>	<b>DUE</b>
MCDEM Risk Assessment Guidance Workshop	12 August 2019
Solid Waste Risk Assessment and Mitigation Workshop	15 August 2019 23 August 2019
Solid Waste Services Review Workshop (2)	21 August 2019
Promapp Risk Process Demonstration (for Waikato Regional Council)	22 August 2019
Risk Management Network Event (Waipa District Council Offices, Te Awamutu)	27 August 2019
Strategic Risk Register Review Workshop (Executive Leadership Team)	29 August 2019
Project Risk Training (Standard Training Package and Schedule Development)	14 September 2019
Implementing Risk Culture Project – Insights Sessions	August & September
Wellington City Council and Wellington Regional Emergency Management Office – Business Continuity Meetings	16-17 September 2019

#### **4. CONCLUSION**

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Progress is being made on progressing approved outcomes.

#### **5. ATTACHMENTS**

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NIL

### **Open Meeting**

<b>To</b>	Audit & Risk Committee
<b>From</b>	Tony Whittaker Chief Operating Officer
<b>Date</b>	02 September 2019
<b>Prepared by</b>	Katja Jenkins Risk Advisor
<b>Chief Executive Approved</b>	Y
<b>Reference #</b>	GOV1318
<b>Report Title</b>	Emerging Risks September 2019

## **1. EXECUTIVE SUMMARY**

---

This report details emerging risks Management have identified as having potential impact to strategy.

## **2. RECOMMENDATION**

---

**THAT the report from the Chief Operating Officer be received.**

## **3. DISCUSSION**

---

The following activities are identified as having potential business impact in the risk context.

### **1. Solid Waste**

Impact: **Growth:** *Council experiences significant business and community disruption caused by district growth.*

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

Recent workshops undertaken to develop the operational risk register for the Solid Waste Team examined a risk associated with the collapse of the international recycling market. Potential impact lies in future contract negotiations as the economic sustainability for contractors to continue to accept household recyclable plastics decreases.

Although this risk is not particular to Waikato District Council and a broader solution is required, it will have implications and is therefore being discussed through the Solid Waste Review process. A number of options for future viability will be explored including (but not

limited to), product stewardship, economic opportunities associated with recycling and waste, and community education programmes.

## 2. Information Management

Impact: **Compliance Management:** *Council is exposed to significant financial loss or business disruption caused by non-compliance with legislative, regulatory or policy requirements.*

Impact: **Cyber Security:** *Council is exposed to significant business disruption caused by unauthorized access to privileged information and or reduced data integrity resulting from cyber-attack or employee behaviour.*

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

Information arising from a recent incident, ensuing discussion and risk conversations has exposed potential risk associated with information management practices at Council. The concerns centre the how information is captured and stored, process documentation and organisational compliance with existing information management processes.

A planned incident response will develop further understanding of the risk and its impact. Outcomes are expected to inform a project aimed at examining the end to end process and implementing improvements.

## 3. Port Waikato Erosion

Impact: **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.*

Impact: **Stakeholder Engagement:** *Council fails to deliver appropriate community outcomes and or wastes resources due to unsuitable stakeholder identification and interaction practices.*

On the weekend of 30 August 2019, weather events combined with tidal patterns resulted in significant erosion occurring to a portion of the beach at Port Waikato. A known risk at this location, Council has been working with the community for a number of years to develop and implement an adaption plan. The most recent damage has rendered a community asset, the community hall and a portion of its car park, unsafe. A number of private buildings have also been impacted.

Council's priority is public safety in and around the car park and hall and it is considered critical that the community understands this obligation and adheres to safety outcomes. Interim signage and safety barriers have been erected whilst site assessment is undertaken in preparation for planned action. Ongoing community and stakeholder engagement is also underway.

Engagement with the wider community to address potential concerns associated with private property will become a focus once plans to manage hazards associated with the hall and car park have been finalised.

#### 4. Climate Change

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

Impact: **Asset Management:** *Council fails to provide sustained delivery of core services as the result of critical assets failing or becoming unfit for purpose.*

Impact: **Compliance Management:** *Council is exposed to significant financial loss or business disruption caused by non-compliance with legislative, regulatory or policy requirements.*

Impact: **Economic & Social Development:** *Waikato district suffers inhibited economic and social development and or missed funding opportunity as a result of poor planning, investment strategy, and or relationships.*

In response to growing public demand for government to be more proactive in their response to climate change, Waikato District Council started to discuss this risk during 2018. The Executive Leadership Team engaged with response discussions in May 2019 after other Councils in New Zealand declared climate emergency.

The current risk impact is in the reputational portfolio, however impending legislative change will potentially add pressure to growth strategies, and increase risk associated with 'Compliance Management' and 'Economic and Social Development'. Longer term implications impact 'Asset Management' and 'Business Resilience'. Although climate change is featured in our Long Term Plan (through the infrastructure strategy), in our Activity Management Plans, and has had significant consideration during our District Plan Review, evaluation is required to test our existing position to ensure we meet community expectations and our legal obligations.

In June 2019 an internal group of subject matter experts was approved to commence the review and prepare an approach proposal for Council. Significant work is associated with the task to ensure a coordinated response and an appropriate programme integrated with Councils vision. Currently there is no resource allocated to complete the work; group meetings and associated outputs are managed around availability. The first task is a stocktake of existing activities which will be used to commence a discussion and agree a way forward with Council.

#### 4. CONCLUSION

---

Emerging risks are being discussed. Work continues to ensure risk are appropriately documented and communicated.

#### 5. ATTACHMENTS

---

NIL

### **Open Meeting**

<b>To</b>	Audit & Risk Committee
<b>From</b>	Sue O’Gorman General Manager Customer Support
<b>Date</b>	28 August 2019
<b>Prepared by</b>	Elizabeth Saunders Customer Delivery (Ngaruawahia) Team Leader
<b>Chief Executive Approved</b>	Y
<b>Reference #</b>	GOV1318
<b>Report Title</b>	Risk Conversations – Customer Delivery Team

## **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. 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 Customer Delivery (Ngaruawahia) Team Leader will attend the September Audit & Risk Committee meeting for this purpose.

Attached are the Operational Risk Register and Hazard and Risks Management (“HARM”) register for the Customer Delivery Team. The register includes operational risks and controls affecting this area of the business.

## **2. RECOMMENDATION**

---

**THAT the report from the General Manager Customer Support be received.**

## **3. ATTACHMENTS**

---

- Customer Delivery Team Risk Register (Operational)
- Customer Delivery Team HARM Register



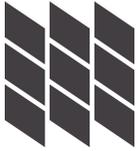
# Risk Register

Team / Project Name: **Customer Delivery Team**

Completed By: **Elizabeth Saunders**

Date: **30/08/2019**

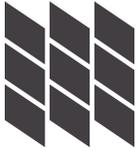
Risk Ref #	Risk Statement	Inherent Risk			Risk Treatment	Residual Risk score			Contingency action(s)	Risk Owner	Monitoring/ Reporting	Monitoring timeframe
		Likelihood	Consequence	Factor		Likelihood	Consequence	Factor				
	Risk statement; "bad outcome, cause"				What can we do about each significant risk to either eliminate it or reduce it?				If the risk becomes reality...what action(s) will we implement?	Who will take responsibility for this risk? (One person!)	Who will monitor and report on this risk?	What is the frequency for monitoring
RCD-001	Staff are unable to get to other sites to provide cover due to a lack of available pool cars	5	3	High	Staff are allocated mileage budget for use of own vehicle; In emergency situations another private vehicle may be provided	1	3	Low	As per treatment - staff use own vehicles with mileage budget	Site Team Leader	Site Team Leader	Weekly & Monthly
RCD-002	Closure of sites; due to a lack of staff to fill rosters	5	2	Moderate	Some sites have casual staff available to fill rostering gaps Contractually staff are required to work at other sites when required Overtime is offered if deemed necessary	3	2	Moderate	Communication with communities via all media channels	Site Team Leader	Site Team Leader	Weekly & Monthly
RCD-003	Closure of sites; due to power outage or CCTV being down	5	2	Moderate	Standard Process for a standard CCTV outage is close office and call IT immediately Close site off for a power outage and reopen once rectified	5	2	Moderate	Communication with communities via all media channels	Site Team Leader	Site Team Leader	Ad-Hoc
RCD-004	Security of premises; staff and visitors is compromised during after hours meetings/hearings and services and front doors exits not being managed appropriately	4	3	High	Front Counter staff & Democracy Team supervise the door; Inter-team communication associated with after hours events and security arrangements.	2	2	Low		Democracy Manager	Democracy Manager	Monthly & Ad-hoc
RCD-005	Reputation of council is compromised due to personal social media use by staff	5	3	High	Social Media Policy Training for All Staff; Clear expectations set out to all staff during induction	2	2	Low	Performance management procedures; Communications, marketing and Engagement team to be advised in the event of a breach	Customer Delivery Team Leaders	Site Team Leader	Weekly & Monthly
RCD-006	Customer satisfaction decreases because services are inconsistent across sites	5	3	High	Knowledge Tree (internal information) are maintained with current and up to date information for all processes; Regular Team Leader catch ups between sites for consistency	2	2	Low	Site Team Leaders will undertake training for all staff to minimise inconsistency of service	Customer Delivery Team Leaders	Site Team Leader	Weekly & Monthly
RCD-007	Customer payments cannot be received/receipted due to technology or software failure	5	3	High	Standard procedure of calling IT immediately and advertising to our customers	5	2	Moderate	Communication with communities via all media channels	Information Management Team	Site Team Leader	Weekly & Monthly
RCD-008	Customer library referencing/copying/printing services cannot be provided due to technology or software failure	5	3	High	Standard procedure of calling IT immediately and advertising to our customers	5	2	Moderate	Communication with communities via all media channels	Information Management Team	Site Team Leader	Weekly & Monthly
RCD-009	Customer Delivery is exposed to significant backlash from customers due to other business areas not responding appropriately or following through with customer request complaint or requirements	5	3	High	Service request allocation system and processes implemented; Follow up with teams to ensure service is provided and customers are up to date; Provide customers with correct legal timeframes to ensure they understand	3	3	Moderate	Incident Management Teams to be established to have all key staff around the table to minimise risk of occurring All Front Line staff are trained in dealing with conflict and finding appropriate customer solutions; The Working Alone Policy also ensures staff are supported when dealing with conflict at all times	All People Leaders	Site Team Leader	Weekly & Monthly
RCD-010	Incorrect information/service is delivered when Customer Delivery is not informed correctly or in a timely manner regarding the status and/or updated details of a specific situation (i.e. - process changes/restructures/incident management plans)	5	3	High	Customer Delivery is a key stakeholder in all processes that affects customers; All teams are required to liaise with Customer Delivery for any key messages or changes that customers need to be aware of; All Teams are required to follow Promapp processes for significant incidents; Promapp Processes will be reviewed to align with our customer service	3	2	Moderate	Incident Management Teams to be established to have all key staff around the table to minimise risk of occurring All Front Line staff are trained in dealing with conflict and finding appropriate customer solutions; The Working Alone Policy also ensures staff are supported when dealing with conflict at all times	All People Leaders	Site Team Leader	Weekly & Monthly
RCD-011	Customer Delivery services are impacted due to the loss of key staff	4	3	High	Team Leaders are responsible for maintaining staff moral and engagement levels. There are a number of initiatives to support this including rewards and recognition programmes and performance feedback. Staff are provided with relevant training and skills to complete roll competently and confidently.	3	2	Moderate	Robust Induction processes in place for implementation to get all staff up to speed; All customer delivery team leaders assist sites with movement of key staff to support customer services in the event of shortages	Site Team Leader	Site Team Leader	Weekly & Monthly
RCD-012	Customer Delivery staff are impacted by changes (internal/external) to payment options (i.e. - cheques/cash)	5	3	High	Payment options are advertised; Relationship with NZ Post to accept cash payments for council customers; Encourage customers to choose easier payment options i.e. - online Communications plans developed in advance when payment changes are initiated.	2	2	Low	Additional communications via all media channels All Front Line staff are trained in dealing with conflict and finding appropriate customer solutions; The Working Alone Policy also ensures staff are supported when dealing with conflict at all times	Finance Team	Site Team Leader	Weekly & Monthly
RCD-013	Customer Delivery services are unable to be delivered due to significant incidents (business continuity i.e. - Natural Disasters)	3	3	Moderate	Councils operates Civil Defence procedures; All staff are made aware of Emergency Operating Centre directions and expect to follow as necessary	3	3	Moderate	Communication with communities via all media channels	Civil Defence	Site Team Leader	Weekly & Monthly
RCD-014	Incorrect information/service is delivered when Customer Delivery is not informed correctly or in a timely manner due to inconsistency in information and data storage.	5	4	Extreme	Customer Delivery is a key stakeholder in all processes that affects customers; All teams are required to liaise with Customer Delivery for any key messages or changes that customers need to be aware of; All Teams are required to follow Promapp processes for significant incidents	4	4	High	Promapp Processes will be reviewed to align with our customer service; Incident Management Teams to be established to have all key staff around the table to minimise risk of occurring	All People Leaders	Site Team Leader	Weekly & Monthly



# Hazard and Risk Management (HARM) Register



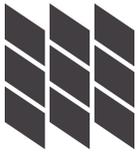
Hazard / Risk	IRA	Control methods	RRA	Status	Review Date
<b>Risk / Hazard: Accessing items stored at height</b>					
	<b>12</b>	<p><b>M: Isolate</b> - LIBRARIES - Use correct equipment to gain safe access to items stored at height. For example step ladder or standing stool. Ensure items are within arms reach.</p> <p><b>M: Administrative</b> - LIBRARIES - Ask for assistance if required to safely access items.</p>	<b>6</b>	Currently Managed	05-09-2019
<b>Risk / Hazard: Electrical equipment including portable electrical equipment, extension cords, multi-boards and RCDs</b>					
Working with Energy	<b>20</b>	<p><b>M: Isolate</b> - All electrical equipment is tested and tagged in accordance with AS/NZS 3760</p> <p><b>M: Isolate</b> - All portable electrical equipment should be visually checked prior to use by the user to ensure it is tested and tagged and in good condition. Any unsafe equipment must not be used.</p> <p><b>M: Administrative</b> - Any electrical equipment that is not tested and tagged should be removed from service and reported to the</p>	<b>4</b>	Currently Managed	05-09-2019



# Hazard and Risk Management (HARM) Register



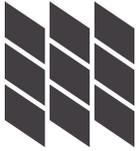
Hazard / Risk	IRA	Control methods	RRA	Status	Review Date
<b>Risk / Hazard: Electrical equipment including portable electrical equipment, extension cords, multi-boards and RCDs</b>					
		Facilities Team. <b>M: Administrative</b> - A risk assessment shall be undertaken prior to any changes being made or new equipment being brought into the workplace to identify any potential electrical equipment testing and tagging requirements.			
<b>Risk / Hazard: Hot liquids / Steam</b>					
	3	<b>E: Eliminate</b> - Take caution when using the boiling water taps or dispensers <b>E: Eliminate</b> - Be aware and cautious of steam escaping from the dishwasher. Stand back and allow too cool first. <b>M: Administrative</b> - Advisory signange	3	Currently Managed	05-09-2019
<b>Risk / Hazard: Items that can fall from height, for example library books stored on shelving.</b>					
	12	<b>M: Isolate</b> - LIBRARIES - Ensure books are correctly stacked and stable on shelves and trolleys	6	Currently Managed	05-09-2019
<b>Risk / Hazard: Manual Handling - There are a number of tasks that require workers to handle, lift and move loads. Examples of loads include animals, overfilled boxes, library books, office equipment including meeting room furniture and computers</b>					



# Hazard and Risk Management (HARM) Register



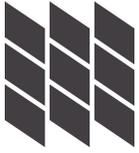
Hazard / Risk	IRA	Control methods	RRA	Status	Review Date
<p><b>Risk / Hazard: Manual Handling - There are a number of tasks that require workers to handle, lift and move loads. Examples of loads include animals, overfilled boxes, library books, office equipment including meeting room furniture and computers</b></p>					
	<p><b>15</b></p>	<p><b>E: Eliminate</b> - Where possible mechanical manual handling aids (plant and/or equipment) should be used to eliminate the need to manually handle a load.</p> <p><b>M: Administrative</b> - Where required ProMapp processes should detail controls for manual handling hazards associated with completing a task.</p> <p><b>M: Administrative</b> - A risk assessment shall be undertaken prior to any changes being made or new equipment being brought into the workplace to identify any potential manual handling hazards.</p> <p><b>M: Administrative</b> - Pre-employment health monitoring is undertaken where there is a high likelihood that a worker may be exposed to manual handling. Job Hazard Cards have been documented detailing the pre-employment</p>	<p><b>6</b></p>	<p>Currently Managed</p>	<p>29-08-2019</p>



# Hazard and Risk Management (HARM) Register



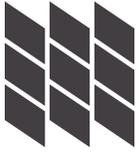
Hazard / Risk	IRA	Control methods	RRA	Status	Review Date
<b>Risk / Hazard: Manual Handling - There are a number of tasks that require workers to handle, lift and move loads. Examples of loads include animals, overfilled boxes, library books, office equipment including meeting room furniture and computers</b>					
		<p>health monitoring requirements for each role.</p> <p><b>M: Administrative</b> - The Risk Assessment of a manual handling task shall be completed by a competent person in accordance with the Approved Code of Practice for Manual Handling.</p> <p><b>Minimise</b> - LIBRARIES - Where installed at Libraries ensure that Book Returns Boxes are cleared regularly to avoid overflow and reduce load.</p> <p><b>Minimise</b> - LIBRARIES - When shelving books ensure correct lifting and handling techniques are applied and take frequent breaks.</p> <p><b>Minimise</b> - LIBRARIES - When transporting books around the libraries consider where practicable the use of manual handling aids e.g. trolleys. If carrying books manually avoid heavy loads.</p>			



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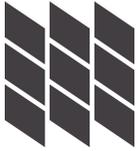


Hazard / Risk	IRA	Control methods	RRA	Status	Review Date
<b>Risk / Hazard: Manual Handling - There are a number of tasks that require workers to handle, lift and move loads. Examples of loads include animals, overfilled boxes, library books, office equipment including meeting room furniture and computers</b>					
		<p><b>Minimise</b> - Where required and possible "Team Lifts" or a "Two Person" lift should be utilised to reduce the risk of injury.</p> <p><b>Minimise</b> - Training shall be provided to all workers who may be required to undertake manual handling. To ensure they are aware of the hazard and the controls to prevent injury.</p>			
<b>Risk / Hazard: Noise &gt; 85 dBA</b>					
		<p><b>M: Administrative</b> - A risk assessment shall be undertaken prior to any changes being made or new equipment being brought into the workplace to identify any potential noise hazards.</p> <p><b>M: Administrative</b> - Training shall be provided to all workers who are working where there is a high likelihood of noise. To ensure they are aware of the hazard and the controls to</p>		Currently Managed	



# Hazard and Risk Management (HARM) Register

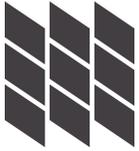
Hazard / Risk	IRA	Control methods	RRA	Status	Review Date
<b>Risk / Hazard: Noise &gt; 85 dBA</b>					
		<p>prevent noise induced hearing loss</p> <p><b>M: Administrative</b> - Annual health monitoring is undertaken for all workers that are or maybe exposed to a noise hazard.</p> <p><b>M: Administrative</b> - Pre-employment health monitoring is undertaken where there is a high likelihood that a worker may be exposed to noise. Job Hazards Cards have been documented detailing the pre-employment health monitoring requirements for each role.</p> <p><b>M: Administrative</b> - Noise surveys undertaken in areas to identify potential noise hazards. Survey completed by competent person in accordance with the Approved Code of Practice for the Management of Noise in the Workplace</p> <p><b>M: PPE Controls</b> - A procedure is in place detailing the selection, training, maintenance</p>			



# Hazard and Risk Management (HARM) Register

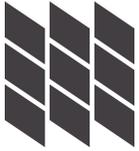


Hazard / Risk	IRA	Control methods	RRA	Status	Review Date
<b>Risk / Hazard: Noise &gt; 85 dBA</b>					
		and replacement of hearing protection. <b>M: PPE Controls</b> - Where required Promapp processes detail the Personal Protective Equipment (PPE) that is required to be worn when undertaking a task.			
<b>Risk / Hazard: Office equipment; Scissors, Guillotine, Box Openers and other Cutting Devices Tea Room and Break Out areas; Kitchen Knives and Utensils</b>					
	<b>6</b>	<b>M: Substitute</b> - Use safety cutter knives (self retracting blades) in place of stanley or craft knives <b>Minimise</b> - Take caution when handling kitchen knives and utensils <b>Minimise</b> - Handle scissors, and guillotine correctly and with care	<b>3</b>	Currently Managed	05-09-2019
<b>Risk / Hazard: On Road Driving - Light Vehicles</b>					
On Road Driving - Light Vehicles	<b>20</b>	- <b>M: Engineer</b> - The organisation shall ensure that where items are required to be transported in light vehicles that a means of restraining items or	<b>10</b>	Assessing	05-09-2019



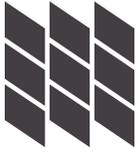
# Hazard and Risk Management (HARM) Register

Hazard / Risk	IRA	Control methods	RRA	Status	Review Date
<b>Risk / Hazard: On Road Driving - Light Vehicles</b>					
		<p>physically separating them from vehicle occupants is in place.</p> <p><b>M: Administrative</b> - A process is in place for a weekly documented vehicle check to ensure that the vehicle is in good working order and fit for purpose.</p> <p><b>M: Administrative</b> - Vision testing is available for all workers who are required to drive as a core function of their role</p> <p><b>M: Administrative</b> - The organisation shall ensure that it has in place a process for the establishment of a preventative maintenance regime for all Council owned or leased light vehicles based on the manufacturers or suppliers recommendations.</p> <p><b>M: Administrative</b> - A process is in place for a visual pre start check to be undertaken by the driver to ensure it is in good working order and</p>			



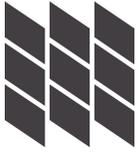
# Hazard and Risk Management (HARM) Register

Hazard / Risk	IRA	Control methods	RRA	Status	Review Date
<b>Risk / Hazard: On Road Driving - Light Vehicles</b>					
		<p>fit for purpose.</p> <p><b>M: Administrative</b> - The organisation shall ensure that it has in place a preventative maintenance regime for all light vehicles to ensure they are legally compliant to operate on road, fit for purpose and in good working condition.</p> <p><b>M: Administrative</b> - Personal health monitoring e.g. blood pressure and cholesterol checks are available for all workers.</p> <p><b>M: Administrative</b> - The organisation shall ensure that it meets the requirements of the Waikato District Council Safe Use Of Council Vehicles Policy in relation to mobile communication devices.</p> <p><b>M: Administrative</b> - The organisation shall ensure a process is in place to regularly check assigned emergency equipment for each Council owned or leased vehicle.</p>			



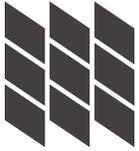
# Hazard and Risk Management (HARM) Register

Hazard / Risk	IRA	Control methods	RRA	Status	Review Date
<b>Risk / Hazard: On Road Driving - Light Vehicles</b>					
		<p><b>M: Administrative</b> - The organisation shall ensure a process is in place to identify roles/individual personnel who may require extra training to operate a light vehicle over and above NZ Legislation. Extra training may include but not be limited to defensive driver training</p> <p><b>M: Administrative</b> - The organisation shall ensure it has in place a process that all workers as identified in the training needs analysis received the required training associated with operating a light vehicle.</p> <p><b>M: Administrative</b> - The organisation shall ensure that Council owned, leased or rented vehicles are operated in accordance with the manufacturers recommendations, and/or with the instructions of the leasing or renting organisation (including limitations to carrying</p>			



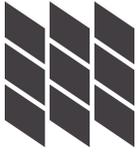
# Hazard and Risk Management (HARM) Register

Hazard / Risk	IRA	Control methods	RRA	Status	Review Date
<b>Risk / Hazard: On Road Driving - Light Vehicles</b>					
		<p>capacity</p> <p><b>M: Administrative</b> - The organisation shall ensure that all Council owned, leased or rented light vehicles are roadworthy and fitted with seatbelts. The preferred choice of vehicles must be those that achieve a minimum ANCAP rating of 4 or greater.</p> <p><b>M: Administrative</b> - The organisation shall ensure that it has in place a process to determine if travelling on road should be conducted during an abnormal situation or conditions. Such situations or conditions could include but not be limited to, weather conditions, natural</p> <p><b>M: Administrative</b> - The organisation shall ensure that vehicle events involving any Council owned, leased or rented vehicle or private vehicle, while being used on Council business shall be reported to the local</p>			



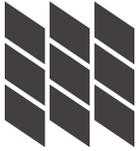
# Hazard and Risk Management (HARM) Register

Hazard / Risk	IRA	Control methods	RRA	Status	Review Date
<b>Risk / Hazard: On Road Driving - Light Vehicles</b>					
		<p>authorities in accordance with the requirements of the insurance</p> <p><b>M: Administrative</b> - All events which have or may have resulted in harm to our workers, contractors and members of the public must be managed in such a manner that complies with the Council's Event Management Standard and also meet the business expectations around duty of care</p> <p><b>M: Administrative</b> - The organisation shall ensure that a suitably charged fire extinguisher is located in all Council owned or leased light vehicles and there is a process for ensuring the fire extinguisher is maintained.</p> <p><b>M: Administrative</b> - The organisation shall ensure that a process is in place to assess and monitor overtime to ensure light vehicle operators' fitness to safely carry out their</p>			



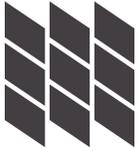
# Hazard and Risk Management (HARM) Register

Hazard / Risk	IRA	Control methods	RRA	Status	Review Date
<b>Risk / Hazard: On Road Driving - Light Vehicles</b>					
		<p>assigned duties.</p> <p><b>M: Administrative</b> - The organisation shall have in place a policy and/or procedures detailing any legal and best practice requirements regarding the safe operation of an on road light vehicle.</p> <p><b>M: Administrative</b> - The organisation shall ensure it has in place an effective induction process specific to On Road Light Vehicles to ensure all workers are aware of the requirements of the WDC Safe use of Council Vehicles Policy and also risks and controls associated with</p> <p><b>M: Administrative</b> - The organisation shall ensure a process is in place to ensure that all workers and contractors hold and maintain the correct licences as required by NZ Legislation to operate a Council owned, leased or rented light vehicle.</p> <p><b>M: Administrative</b> -</p>			



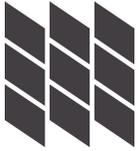
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Hazard / Risk	IRA	Control methods	RRA	Status	Review Date
<b>Risk / Hazard: On Road Driving - Light Vehicles</b>					
		<p>The organisation shall ensure a process is in place to check the validation period and status of all licence holders operating a Council owned, leased or rented light vehicle.</p> <p><b>M: Administrative</b> - The organisation shall ensure that all Council owned or leased vehicles are fitted with a means of monitoring between the vehicle and its base of operations, for example GPS.</p> <p><b>M: Administrative</b> - The organisation shall ensure that all Council owned or leased light vehicles are fitted with an emergency distress function to raise the alarm in the event of a vehicle accident (e.g. rollover)</p> <p><b>M: Administrative</b> - All events which have or may have resulted in harm to our workers, contractors and members of the public must be reported and investigated as per the</p>			



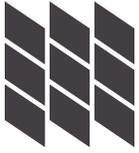
# Hazard and Risk Management (HARM) Register

Hazard / Risk	IRA	Control methods	RRA	Status	Review Date
<b>Risk / Hazard: On Road Driving - Light Vehicles</b>					
		<p>Council's Event Management Standard.</p> <p><b>M: Administrative</b> - The organisation shall ensure that a suitably stocked first aid kit to address any minor injuries that could occur are located in all Council owned or leased light vehicles and there is a process for ensuring the contents of the kits are maintained.</p> <p><b>M: Administrative</b> - The organisation has in place a process by which the organisation manages the wider impact of business continuity events, incidents or crises until it is under control and contained.</p> <p><b>M: Administrative</b> - The organisation shall ensure Emergency Response procedures are in place detailing the response and action required to manage all likely potential events related to this risk. The emergency response procedures should</p>			



# Hazard and Risk Management (HARM) Register

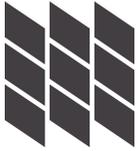
Hazard / Risk	IRA	Control methods	RRA	Status	Review Date
<b>Risk / Hazard: On Road Driving - Light Vehicles</b>					
		<p>provide a structure that identifies w</p> <p><b>M: Administrative</b> - The organisation shall ensure that a process is in place to annually test and review emergency response procedures for all likely potential events and to identify any areas for improvement.</p> <p><b>M: Administrative</b> - The organisation shall ensure that a process is in place to educate workers on fatigue and how to manage fatigue.</p> <p><b>M: Administrative</b> - The organisation shall ensure that where required physical maps and/or GPS units are available to prevent staff getting lost.</p> <p><b>M: PPE Controls</b> - The organisation shall ensure that sufficient, fit for purpose personal protective eyewear is available for drivers e.g. polarised safety sunglasses for high risk drivers and safety sunglasses are available for adhoc vehicle users.</p>			



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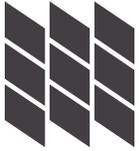
Hazard / Risk	IRA	Control methods	RRA	Status	Review Date
<b>Risk / Hazard: On Road Driving - Light Vehicles</b>					
		<b>M: PPE Controls</b> - The organisation shall ensure that where a vehicle is being used as a tool of trade, the vehicle shall be fitted with a first aid kit, fire extinguisher, high visibility vest and safety triangle			
<b>Risk / Hazard: Slip and/or fall in Office Environment</b>					
	<b>12</b>	<b>E: Eliminate</b> - Cleaning up any spills immediately <b>M: Isolate</b> - Non slip mats are used in kitchen and breakout areas <b>M: Isolate</b> - Signage is installed indicating any wet areas, for example during cleaning activities <b>Minimise</b> - When moving around areas especially areas covered in lino or tiles use an appropriate speed for the conditions	<b>6</b>	Currently Managed	
<b>Risk / Hazard: Stress - Harmful physical and emotional responses that can result when there is a conflict between job demands on the employee and the amount of control an employee has over meeting these demands.</b>					
Stress	<b>15</b>	<b>M: Isolate</b> - Managed on case by case basis <b>M: Isolate</b> - Communication	<b>6</b>	Assessing	05-09-2019



# Hazard and Risk Management (HARM) Register



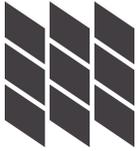
Hazard / Risk	IRA	Control methods	RRA	Status	Review Date
<b>Risk / Hazard: Stress - Harmful physical and emotional responses that can result when there is a conflict between job demands on the employee and the amount of control an employee has over meeting these demands.</b>					
		<b>M: Administrative</b> - Post Traumatic Critical Incident Response Standard and ProMapp process in place. <b>M: Administrative</b> - Vitae Services available for staff and their immediate family to access.			
<b>Risk / Hazard: Trip and/or fall in Office or Library Environment</b>					
	12	<b>E: Eliminate</b> - Ensure items are not placed on the floor in pedestrian traffic areas throughout the office. <b>M: Isolate</b> - Ensure all cords and cables are secured safely <b>M: Isolate</b> - LIBRARIES - Advise customers around the wifi stations and couches to make area safe by lifting or removing any device cables. <b>M: Administrative</b> - Ensure chairs are pushed in when leaving a workstation. <b>M: Administrative</b> - Regular visual	6	Currently Managed	05-09-2019



# Hazard and Risk Management (HARM) Register



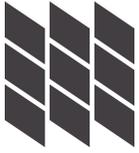
Hazard / Risk	IRA	Control methods	RRA	Status	Review Date
<b>Risk / Hazard: Trip and/or fall in Office or Library Environment</b>					
	9	inspections of the workplace to identify and manage any potential trip hazards. <b>Minimise</b> - When moving around ensure you remain focused on watching where you are going			
<b>Risk / Hazard: Use of adhesives and solvents for book processing in Libraries. Use of other cleaning products e.g. Methylated sprits, De-Solv-It for cleaning tasks in Libraries and Offices.</b>					
Hazardous Substances	9	<b>M: Administrative</b> - Refer to Safety Data Sheet (SDS) if required. <b>M: Administrative</b> - Only use in accordance with manufacturers instructions. <b>M: PPE Controls</b> - Ensure correct PPE (rubber gloves, eye protection) is worn and use in ventilated area.	4	Currently Managed	05-09-2019
<b>Risk / Hazard: Using Visual Display Units (VDUs) in Office Environment</b>					
	15	<b>M: Administrative</b> - Pre-employment health monitoring is undertaken where there is high Visual Display Unit use. Job Hazard Cards have been documented detailing the pre-	6	Currently Managed	05-09-2019



# Hazard and Risk Management (HARM) Register



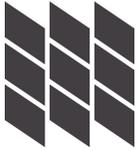
Hazard / Risk	IRA	Control methods	RRA	Status	Review Date
<b>Risk / Hazard: Using Visual Display Units (VDUs) in Office Environment</b>					
		<p>employment health monitoring requirements for each role.</p> <p><b>M: Administrative</b> - A risk assessment shall be undertaken prior to any changes being made or new equipment being brought into the workplace to identify any potential ergonomic hazards.</p> <p><b>M: Administrative</b> - Training shall be provided to all workers who are required to use a Visual Display Unit. To ensure they are aware of the hazard and the controls to prevent injury for example taking regular breaks, practicing micro pauses and stretches.</p> <p><b>M: Administrative</b> - All workers are informed of the requirement to report pain or discomfort to their People Leader and complete a Worker Discomfort or Pain Self-Report Form</p> <p><b>Minimise</b> - Where required specific ergonomic equipment</p>			



# Hazard and Risk Management (HARM) Register



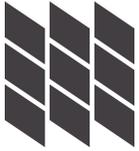
Hazard / Risk	IRA	Control methods	RRA	Status	Review Date
<b>Risk / Hazard: Using Visual Display Units (VDUs) in Office Environment</b>					
		shall be purchased and provided to workers for example copy holders, foot stools etc <b>Minimise</b> - A Work Station Assessment is undertaken by a competent person (Occupational Health Nurse) for all new workers to ensure the correct Visual Display Unit setup.			
<b>Risk / Hazard: Workplace violence and aggression is defined as violent acts, including physical assaults and threat of assaults, directed toward persons at work or on duty. Workplace violence ranges from offensive or threatening language to homicide.</b>					
Workplace Violence and Aggression	<b>20</b>	<b>M: Engineer</b> - Factors with the potential to impact the risk of violence are considered during the design phase of all new facilities. These shall include but are not limited to separating workers from the public, controlling access and providing a safe retreat. <b>M: Administrative</b> - Organisation to verify that is has in place documented procedures for the management and security of desirable	<b>15</b>	Assessing	05-09-2019



# Hazard and Risk Management (HARM) Register

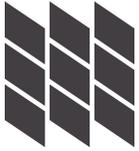


Hazard / Risk	IRA	Control methods	RRA	Status	Review Date
<b>Risk / Hazard: Workplace violence and aggression is defined as violent acts, including physical assaults and threat of assaults, directed toward persons at work or on duty. Workplace violence ranges from offensive or threatening language to homicide.</b>					
		assets <b>M: Administrative</b> - A process is in place to manage all workplace violence documentation including but not limited to: risk assessments, training records etc. to ensure they are retained and available for workers <b>M: Administrative</b> - Documented procedures are in place for recording and alerting workers of potential "high risk" customers or properties <b>M: Administrative</b> - A register or alert system is in place to identify premises or property where customers have been identified as "high risk" <b>M: Administrative</b> - A register or alert system is in place to record the details of persons who's access to Council services has been restricted for example those who have been issued a Trespass Notice <b>M: Administrative</b> - Documented procedures			



# Hazard and Risk Management (HARM) Register

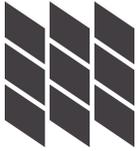
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		<p>are in place to access and review alerts before undertaking work with high risk clients or in high crime areas/situations</p> <p><b>M: Administrative</b> - A process in place for conducting risk assessments for contracted work and the process includes consideration of workplace violence as a potential risk</p> <p><b>M: Administrative</b> - A process is in place for monitoring and managing contracted work</p> <p><b>M: Administrative</b> - Where relevant the risk of workplace violence is formally communicated to the contractor and controls for managing the risk are discussed and agreed by the organisation and the contractor before contracted work is commenced</p> <p><b>M: Administrative</b> - A contractor management</p>			



# Hazard and Risk Management (HARM) Register



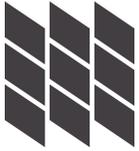
Hazard / Risk	IRA	Control methods	RRA	Status	Review Date
<b>Risk / Hazard: Workplace violence and aggression is defined as violent acts, including physical assaults and threat of assaults, directed toward persons at work or on duty. Workplace violence ranges from offensive or threatening language to homicide.</b>					
		<p>process in place that covers all contracted works</p> <p><b>M: Administrative</b> - An Event Reporting Procedure is in place and it is also compliant with legislative requirements.</p> <p><b>M: Administrative</b> - A process is in place to manage the outcomes of any harm to workers, contractors or visitors in such a manner that complies with the WDC Event Management Standard and also meet the businesses expectations around duty of care.</p> <p><b>M: Administrative</b> - Documented procedures are place to initiate and provide early psychological and welfare support for any worker involved in a serious or traumatic event</p> <p><b>M: Administrative</b> - Rehabilitation processes are in place for workers who are affected by workplace violence and</p>			



# Hazard and Risk Management (HARM) Register



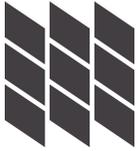
Hazard / Risk	IRA	Control methods	RRA	Status	Review Date
<b>Risk / Hazard: Workplace violence and aggression is defined as violent acts, including physical assaults and threat of assaults, directed toward persons at work or on duty. Workplace violence ranges from offensive or threatening language to homicide.</b>					
		<p>are unable to continue in their present role</p> <p><b>M: Administrative</b> - A process is in place to provide training and refreshers for identified first aiders; to notify workers, contractors and visitors who the identified first aiders are; and to ensure suitably stocked and maintained first aid kits to address any minor injuri</p> <p><b>M: Administrative</b> - A process is in place to annually test and review Emergency Response Plans for all likely potential events.</p> <p><b>M: Administrative</b> - A process is in place to review emergency events to ascertain how the emergency response plan operated, was it effective, did the plan operate as intended and what if any amendments are required</p> <p><b>M: Administrative</b> - The minimum training for roles is identified in the Emergency Response</p>			



# Hazard and Risk Management (HARM) Register



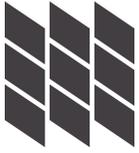
Hazard / Risk	IRA	Control methods	RRA	Status	Review Date
<b>Risk / Hazard: Workplace violence and aggression is defined as violent acts, including physical assaults and threat of assaults, directed toward persons at work or on duty. Workplace violence ranges from offensive or threatening language to homicide.</b>					
		<p>Plan, when this should be completed (e.g. changes to responsibilities, procedures, legal requirements and technology take place), re-training requirements.</p> <p><b>M: Administrative</b> - The Emergency Response Plan details authority levels, responsibilities and reporting relationships for control and liaison between all parties involved during an emergency.</p> <p><b>M: Administrative</b> - A policy statement or similar is in place detailing management's commitment to zero-tolerance of workplace bullying and harassment</p> <p><b>M: Administrative</b> - There is a documented Code of Conduct and a process is in place to ensure all workers are aware of its content</p> <p><b>M: Administrative</b> - A process is in place to regularly check assigned</p>			



# Hazard and Risk Management (HARM) Register



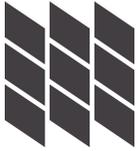
Hazard / Risk	IRA	Control methods	RRA	Status	Review Date
<b>Risk / Hazard: Workplace violence and aggression is defined as violent acts, including physical assaults and threat of assaults, directed toward persons at work or on duty. Workplace violence ranges from offensive or threatening language to homicide.</b>					
		<p>security equipment</p> <p><b>M: Administrative</b> - Organisation to verify that it has in place a register of all security equipment (for example panic and duress alarms)</p> <p><b>M: Administrative</b> - A worker induction process is in place to ensure all workers are aware of the risk of workplace violence and the controls to manage this risk.</p> <p><b>M: Administrative</b> - A process is in place to ensure a documented risk assessment is completed as per the Change Control Procedure to ensure the risk of workplace violence is considered before any new additions or modifications to the workplace, equipment, processes, service</p> <p><b>M: Administrative</b> - A documented Change Control Procedure is in place to clearly articulate and inform all parties of any new additions or modifications to the</p>			



# Hazard and Risk Management (HARM) Register



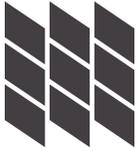
Hazard / Risk	IRA	Control methods	RRA	Status	Review Date
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		<p>workplace, equipment or changes to existing procedures.</p> <p><b>M: Administrative</b> - Documented procedures are in place for tasks that may expose workers to the risk of workplace violence and detail the actions to be taken to protect workers and others from violence</p> <p><b>M: Administrative</b> - A process is in place to ensure that all workers as identified in the training needs analysis received the required training to manage the risk of workplace violence</p> <p><b>M: Administrative</b> - A process is in place to identify roles/individual personnel who may or are at risk of workplace violence</p> <p><b>M: Administrative</b> - For high risk roles a daily check process is in place to ensure there are sufficient competent workers available to complete planned work</p>			



# Hazard and Risk Management (HARM) Register



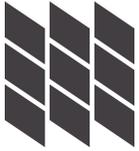
Hazard / Risk	IRA	Control methods	RRA	Status	Review Date
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		<p>safely</p> <p><b>M: Administrative</b> - Planning processes are in place to allow for adjustments in staffing levels to manage situations or periods of additional risk</p> <p><b>M: Administrative</b> - Trigger points for stopping work activity due to inadequate staffing levels or other extraordinary factors are established and communicated to all workers</p> <p><b>M: Administrative</b> - There is a process whereby managers/leaders interact with workers daily as a means to assessing exposure to workplace violence and how individuals are coping</p> <p><b>M: Administrative</b> - Effective processes are in place to inform workers and others of managements commitment to zero-tolerance of workplace</p>			



# Hazard and Risk Management (HARM) Register

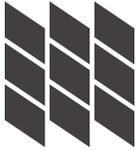


Hazard / Risk	IRA	Control methods	RRA	Status	Review Date
<p><b>Risk / Hazard: Workplace violence and aggression is defined as violent acts, including physical assaults and threat of assaults, directed toward persons at work or on duty. Workplace violence ranges from offensive or threatening language to homicide.</b></p>					
		<p>violence  <b>M: Administrative</b> - A policy statement or similar is in place detailing management's commitment to zero-tolerance of workplace violence  <b>M: Administrative</b> - A process is in place to identify the customer experience skills and competencies required for each roles/individual personnel to deliver on the customer experience  <b>M: Administrative</b> - Processes are in place to enable Manager/Leaders to have an understanding of what impacts exist with an individual's personal circumstances that may impede work performance and support accordingly  <b>M: Administrative</b> - An Employee Assistance Program is in place and available to all workers  <b>M: Administrative</b> - The Emergency Response Plan has a</p>			



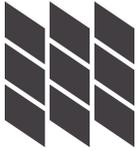
# Hazard and Risk Management (HARM) Register

Hazard / Risk	IRA	Control methods	RRA	Status	Review Date
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		<p>structure that identifies workers / managers, individually or teams, who are responsible for co-ordinating the response plan and who are responsible for specific duties during an emergency.</p> <p><b>M: Administrative</b> - A designated individual is responsible for the implementation and maintenance of the Emergency Response Plans</p> <p><b>M: Administrative</b> - Emergency Response Plans are in place detailing the response and actions required to manage all likely potential events.</p> <p><b>M: Administrative</b> - A process is in place to ensure that all workers as identified in the training needs analysis received the required customer experience training</p> <p><b>M: Administrative</b> - Documented organisational risk</p>			



# Hazard and Risk Management (HARM) Register

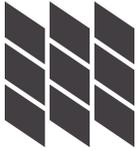
Hazard / Risk	IRA	Control methods	RRA	Status	Review Date
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		<p>assessments are completed as required by the ZHSMS 3.2 Workplace Violence Management Standard for facilities and workgroups.</p> <p><b>M: Administrative</b> - A process is in place to capture and implement any corrective actions arising from the workplace violence risk assessment</p> <p><b>M: Administrative</b> - A process is in place to undertake a risk assessment when workers are required to work with high risk clients or in high crime areas/situations</p> <p><b>M: Administrative</b> - Personnel facilitating risk assessments are suitably trained and competent and the risk assessments included a physical observation and worker consultation.</p> <p><b>M: Administrative</b> - Documented procedures are in place for the opening and closing of</p>			



# Hazard and Risk Management (HARM) Register



Hazard / Risk	IRA	Control methods	RRA	Status	Review Date
<p><b>Risk / Hazard: Workplace violence and aggression is defined as violent acts, including physical assaults and threat of assaults, directed toward persons at work or on duty. Workplace violence ranges from offensive or threatening language to homicide.</b></p>					
		<p>facilities including the provision of security services where required</p> <p><b>M: Administrative</b> - Documented procedures are in place for all emergency alarm systems (for example panic or duress alarms) detailing how to use them</p> <p><b>M: Administrative</b> - Processes are in place to monitor lone workers who are working in the community or away from the workplace.</p> <p><b>M: Administrative</b> - Documented procedures are in place for managing the risk of working alone</p> <p><b>M: Administrative</b> - A risk assessment is completed when workers are required to work alone and considers the hazard of workplace violence where applicable.</p> <p><b>M: Administrative</b> - Pre-employment procedures are in place that outline the</p>			



# Hazard and Risk Management (HARM) Register

Hazard / Risk	IRA	Control methods	RRA	Status	Review Date
<b>Risk / Hazard: Workplace violence and aggression is defined as violent acts, including physical assaults and threat of assaults, directed toward persons at work or on duty. Workplace violence ranges from offensive or threatening language to homicide.</b>					
		minimum suitability standards that must be met by candidates <b>M: Administrative</b> - A screening process is in place as part of recruitment to check individual job candidates for their role suitability for example Police Checks <b>M: PPE Controls</b> - Sufficient, fit for purpose personal protective equipment is available for workers as identified in the risk assessment process			

<b>To</b>	Audit & Risk Committee
<b>From</b>	Clive Morgan General Manager Community Growth
<b>Date</b>	18 September 2019
<b>Prepared by</b>	Nick Johnston Funding and Partnership Manager
<b>Chief Executive Approved</b>	Y
<b>Reference #</b>	GOV1318/2344991
<b>Report Title</b>	Funding Partnerships - Deep Dive Report

## I. EXECUTIVE SUMMARY

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The Deep Dive report aims to provide an opportunity for Governance to gain a true understanding of how Management view risk and to assess Management's control actions and mitigation procedures. This report relates to the following strategic risk:

**Council Partnerships:** *Council experiences diminished public confidence and or operations are significantly impacted due to actions, representations or conduct of partner enterprises or associations.*

This report focuses on risks associated with funding partnerships. Risks associated with contracted services and other partnership arrangements will be covered in a subsequent report.

Reputational risks associated with proceeds from gaming machine societies and trusts have been identified as an issue for further discussion, due to the harm and public health issues associated with Class 4 gaming machines.

While there are risks that the council needs to be cognisant of when seeking funding partnership opportunities, the risks are outweighed by the opportunities to support the development of community partnership projects, facilities, and services in Waikato District.

## 2. RECOMMENDATION

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**THAT** the report from the **General Manager Community Growth** be received.

**AND THAT** the **Audit and Risk Committee** provide a recommendation to the **Policy and Regulatory Committee** on whether the **Council** should develop a policy about **Council applications to trusts and societies distributing Class 4 Gaming Machine proceeds.**

### **3. SECTOR BACKGROUND**

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#### **3.1 GIVING AND PHILANTHROPY IN NEW ZEALAND**

Giving and philanthropy feature prominently in New Zealand society. In 2018, New Zealand was ranked third on the Charities Aid Foundation World Giving Index, with Indonesia and Australia ranked first and second, and followed by United States of America and Ireland ranked fourth and fifth. While New Zealand ranked fifth for the percentage of people who donated money and fifth for the percentage of people volunteering time, New Zealand was ranked at 21<sup>st</sup> for helping strangers. Giving and philanthropy in New Zealand mirrors many of the trends seen in other developed countries, where donating money is more common, while directly helping strangers is ranked lower in comparison to many developing countries.

New Zealanders give approximately \$1.5b in personal donations to charities per year. Trusts, foundations, and gambling proceeds, account for \$1.2b of donations, while businesses give \$77m per year. It is important to note that this only includes financial donations, and does not include voluntarily work, another significant form of giving in New Zealand. The estimate total number of voluntary hours in 2014 is 70.4 million (the most recent data), which equated to \$968m based on the minimum wage, or \$1.9b based on average hourly earnings.

All figures are based on Philanthropy New Zealand (PNZ)'s Giving New Zealand 2014 report (except where a different source is noted) as this is the most recent comprehensive data available with a sector-wide lens across all forms of philanthropy and giving.

#### **3.2 PERSONAL GIVING**

90% of personal giving in New Zealand is in the form of donations, approximately \$1.5b per year. Recipient causes include religious activities (\$447.9m), culture and recreation (\$265.4m), health and medical (\$232.2m), education (\$136m), international aid (\$119.4m), social services and community development (\$116.2m), environment (\$51.4m) and business and professional associations (\$4.5m).

Personal giving in the form of individual bequests totals \$157m per year, and represents a form of giving which is continuing to increase in New Zealand. Community foundations, such as Momentum Waikato, play an important conduit role in connecting donors with causes.

#### **3.3 TRUSTS AND FOUNDATIONS**

The second largest form of giving in New Zealand is giving by trusts and foundations. Voluntary trusts include family and individual trusts (\$263.8m), while statutory trusts and foundations have an explicit legal imperative to give, including community trusts (\$105.4m), energy trusts (\$265.3 million), licensing trusts (\$3m), gaming machine operators and trusts (\$300.7m), and the Lottery Grants Board (\$289m – DIA report 2018/19).

Trust Waikato and Foundation North are the two community trusts that operate in Waikato District. Trust Waikato covers the majority of Waikato District, with an exception the Awaroa ki Tuakau Ward and the north of the Whangamarino Ward, which is covered by Foundation North. Foundation North, formerly the ASB Community Trust, is the largest of the statutory community trusts in New Zealand, covering Auckland, Northland and the

Waikato District towns of Tuakau, Pokeno, Mercer, Aka Aka, Mangatawhiri, Mangatangi and Miranda.

WEL Energy Trust, Counties Power Consumer Trust, and Waipa Networks Trust are the energy trusts that operate in Waikato District. WEL Energy Trust covers the majority of Waikato District, while Counties Power Consumer Trust covers Awaroa ki Tuakau Ward and the northern communities in the Whangamarino Ward and Onewhero-Te Akau Ward, and Waipa Networks Trust covers part of Tamahere Ward.

Donations from energy trusts mainly come in the form of discounts or dividends to the customers of the energy trust area, and some of the trusts (such as WEL Energy Trust) give grants to community organisations within their area.

### **3.4 GAMING MACHINE SOCIETIES AND LOTTERY GRANTS BOARD**

Gaming machine societies are licensed by the Department of Internal Affairs to operate pokie machines in clubs or commercial venues such as pubs and bars. Gambling on gaming machines is referred to as Class 4 gambling and does not include casinos. A proportion of the money gamblers lose on pokie machines in pubs and bars are distributed to community groups by the gaming machine societies.

Gaming machine societies operating in Waikato District include The Lion Foundation, Grassroots Trust, New Zealand Community Trust, Pub Charity, The Trusts Community Foundation, Youthtown, and The Southern Trust.

Approximately one quarter of the total proceeds raised through gaming machines are spent on fixed costs such as government duties, levies and licensing fees. Another portion of proceeds are used by societies to meet operating costs they incur in running their operations. The remaining net proceeds must be allocated for community purposes.

Under the Gambling Act 2003, all profits from Lotto are used to benefit New Zealand communities. The New Zealand Lotteries Commission runs the Lottery, and the New Zealand Lottery Grants Board distributes its profits. The Department of Internal Affairs administers the funding on behalf of the Board. Nearly half of all lottery profits fund Sport New Zealand, Creative New Zealand and the New Zealand Film Commission. The remaining profits are distributed through a range of grants, including the Community Organisations Grants Scheme (COGS), Lottery Community, Lottery Community Facilities, Lottery Environment and Heritage.

### **3.5 BUSINESS AND CORPORATE GIVING**

Businesses gave an estimated \$77.2m in 2014 at the time of the last Giving New Zealand survey. While the amount of cash giving by businesses is relatively modest in New Zealand, there is evidence that businesses give more substantially in others way. Data from grant recipients in the 2014 survey found that for every \$1 that businesses give in cash, they give \$1.43 in sponsorship and \$3.27 in-kind in the form of donated goods and services.

Please note that this does not include donations made through trusts or foundations, which some business and business owners use as a vehicle for their giving.

## 4. RISK BACKGROUND

### 4.1 STRATEGIC RISK REGISTER

The risk is currently described in the Council's Strategic Risk Register as follows:

**Council Partnerships:** *Council experiences diminished public confidence and or operations are significantly impacted due to actions, representations or conduct of partner enterprises or associations.*

This report focuses on risks associated with partnership funding. Risks associated with contracted services and other partnership arrangements will be covered in a subsequent report.

## 5. DISCUSSION AND ANALYSIS

### 5.1 INTERNAL/EXTERNAL THREATS AND IMPACT

The following information describes identified risks and their impact within scope of the council funding partnerships risk.

RISK PORTFOLIO	RISK DESCRIPTION	THREAT IMPACT
Political	Trustees of community trusts in New Zealand are appointed by the Minister of Finance. Due to the nature of political appointments, the new trustees often have associations or shared values with the government of the day at the time of appointment.	Strategic frameworks of community trusts are unlikely to be radically different from the community outcomes that the council would be seeking. Any major changes to the purpose, operations, or trustee appointment process would require an amendment of the Community Trusts Act 1999.  Likelihood: Possible (3) Consequence: Insignificant (1) <b>Risk Level: Low (3)</b>
	Northern communities within Waikato District represent less than 1% (approximately) of the total population within the Foundation North boundaries. There are risks that Waikato projects may not be seen as a priority to an organisation that is predominantly based in Auckland and Northland.	Current threat is relatively unknown and research would need to be undertaken to determine whether communities within Waikato District are disadvantaged by being such a small percentage of the total population within the Foundation North boundaries. Many of the community groups operating in the north of Waikato District have strong associations with the former Franklin District area, and therefore have strong links with communities within the Auckland Council area.  Likelihood: Unlikely (2) Consequence: Minor (2) <b>Risk Level: Low (4)</b>
	Community trusts operating in Waikato District may have a different funding and investment approach, meaning that	Foundation North does not allow territorial authorities to apply for funding towards community projects, whereas Trust Waikato

RISK PORTFOLIO	RISK DESCRIPTION	THREAT IMPACT
	<p>funding opportunities for community projects within the district may not be equitable.</p>	<p>does. However, this is a low threat towards unequitable funding opportunities in the district, as community groups operating in the northern communities of Waikato District can still apply for funding.</p> <p>Likelihood: Unlikely (2) Consequence: Minor (2) <b>Risk Level: Low (4)</b></p>
	<p>Energy trusts operating in Waikato District may have a different funding and investment approach, meaning that funding opportunities for community projects within the district may not be equitable.</p>	<p>Energy trusts vary considerably in New Zealand. Some are charitable trusts where the income of the trust, principally in the form of dividends from its shareholding in an electricity lines company, is used for charitable purposes. Others distribute directly to consumers through an annual rebate, or a model covering both distribution methods.</p> <p>WEL Energy Trust is a major community funder in Waikato District and any changes to their funding and investment strategy could impact on the ability for Waikato District Council and for community groups to raise funds towards community projects. Research would need to be undertaken to determine whether there are equitable funding opportunities within the Tamahere Ward (Waipa Networks Trust area) and the northern communities (Counties Power Consumer Trust area).</p> <p>Likelihood: Likely (4) Consequence: Minor (2) <b>Risk Level: Moderate (8)</b></p>
<p>Political / Reputation &amp; Image</p>	<p>External funding proceeds from funder investment portfolios may not be seen as ethical sources by all community members.</p>	<p>Trust Waikato has a statement of responsible investment, encouraging its fund managers to consider environmental, social, and governance matters in investment decisions. Key considerations for Trust Waikato include human rights and wellbeing, labour standards, sustainability and the environment, corruption, appropriate governance structures and processes. In the 2018/19 annual report, WEL Energy Trust Chairperson Mark Ingle states the Trust's commitment to serving all stakeholders (customers, community and the environment) and being ethical in all actions.</p> <p>Likelihood: Rare (1) Consequence: Minor (2)</p>

RISK PORTFOLIO	RISK DESCRIPTION	THREAT IMPACT
	Business investment or sponsorship in community partnership projects may not be seen as ethical sources of funding by all community members.	<p><b>Risk Level: Low (2)</b></p> <p>Waikato District has committed to partnering with organisations that have shared values. All possible reputational risks are to be considered before every sponsorship or funding arrangement.</p> <p>Likelihood: Unlikely (2) Consequence: Moderate (3) <b>Risk Level: Moderate (6)</b></p>
	There may be reputational risks associated with the council applying for funding from gaming machine societies, due to the public health issues associated with pokie machines.	<p>The potential risks and fundraising implications of Class 4 Gaming Machine proceeds are expanded in more detail in the considerations section of this report.</p> <p>Likelihood: Possible (3) Consequence: Moderate (3) <b>Risk Level: Moderate (9)</b></p>
	Harm and public health issues associated with Class 4 Gaming Machines may not be seen to be consistent with Waikato District Council's vision for liveable, thriving and connected communities.	
Financial	Global economic downturn could affect ability to fundraise towards community partnership projects from individuals and businesses.	<p>While the level of support from individual and businesses are likely to be decrease during any economic downturn, this is unlikely to significantly disrupt the council's ability to raise external funding towards community partnership projects.</p> <p>Likelihood: Possible (3) Consequence: Minor (2) <b>Risk Level: Moderate (6)</b></p>
	Global economic downturn could affect investment returns that community trusts and foundations distribute.	<p>While lower returns would affect funding that can be distributed, all major community funders that operate in Waikato District have reserves and contingency planning for investment fluctuations.</p> <p>Likelihood: Possible (3) Consequence: Minor (2) <b>Risk Level: Moderate (6)</b></p>

RISK PORTFOLIO	RISK DESCRIPTION	THREAT IMPACT
Business Continuity / People	Uncertainties with external funding components of project budgets could cause project delivery delays.	<p>This is a challenge for any projects involving an external funding component. Frequent updates to community stakeholders are required to inform about indicative fundraising timeframes and contingency planning if funders decline support towards a project.</p> <p>Likelihood: Possible (3) Consequence: Minor (2) <b>Risk Level: Moderate (6)</b></p>
	Council may be unable to respond to all funding opportunities with external parties due to other work programme commitments or resourcing.	<p>This risk is more about missed opportunities that could provide savings to the council, or enhanced levels of service through third party funding, rather than direct risk to council projects or operations. This continues to be a risk for projects that may be seen as high priority for a specific local community, but may not be deemed high priority in a district-wide work programme.</p> <p>Likelihood: Possible (3) Consequence: Minor (2) <b>Risk Level: Moderate (6)</b></p>

## 6. RISK ASSESSMENT

### Inherent Risk Score

With consideration to identified internal and external impacts and associated risks Management has assessed the inherent risk as follows;

Likelihood; **Possible (3)**

- Strong probability of occurrence in the foreseeable future / History of frequent occurrence

Consequence; **Moderate (3)**

- Significant but short term political attention with major impact to timing or deliverables associated with LTP objectives within one given year.
- High profile adverse national media attention (less than one week) or sustained (in excess of 2 weeks) cumulative adverse local media attention or loss of confidence from significant portion of community sector.

The inherent risk factor is therefore considered to be **Moderate (9)**.

### Residual Risk assessment

This residual risk assessment considers all identified risks areas, risk treatments and treatment impacts affecting the strategic risk. While inherent risks have been identified, appropriate treatments specific to funding partnerships have not yet been formally documented. With appropriate measures in place, the residual risk is anticipated to be **Low (4)**. One treatment for one of the higher ranking risks is explored in detail below.

## **7. DEEP DIVE – CLASS 4 GAMING MACHINE PROCEEDS**

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### **7.1 ASSOCIATED RISKS**

Reputational risks associated with proceeds from Class 4 Gaming Machines have been identified as an issue for further discussion. Gaming machine societies and trusts are significant community funders, with the Philanthropy New Zealand's Giving New Zealand 2014 report stating that \$300.7m was distributed from gaming machine societies and trusts in 2014, compared with family or individual trusts (\$263.8m), energy trusts (\$265.3m), the Lottery Grants Board (\$230.9m), and community trusts (\$105.4m). These figures will be updated later this year in their upcoming 2019 report.

Problem gambling is defined under the Gambling Act 2003 as a public health issue in New Zealand. The recent Ministry of Health National Gambling Study (NGS) found that 2.5% of New Zealand adults are experiencing significant gambling-related harm, or are at immediate risk of harm. About 20% of New Zealand adults who play gaming machines regularly are likely to be problem gamblers, under the Government definition.

The Ministry of Health states that harm from problem gambling can include poor parenting, family violence, job loss, crime committed to finance gambling, and suicide. The behaviour of each severe problem gambler is likely to affect between 7 and 17 other people, and up to 500,000 people across New Zealand at any given time. The National Gambling Study found that approximately 430,000 adults experienced material hardship due to the gambling addiction of a family member or a partner/spouse.

Ministry of Health and the Health Promotion Agency data shows that gambling-related issues produce significantly more ongoing harm than some other key health conditions, such as osteoarthritis, diabetes, and drug use disorders.

THE NGS also identified that 57% of problem gamblers report having been out of work for more than one month (compared with 20% of adults on average), and 32% of problem gamblers report receiving income from a benefit (compared with 12% of adults on average).

The NGS and the New Zealand Health Survey found that Maaori and Pacific Peoples were significantly more likely to experience gambling harm, with close to 50% of problem gamblers in New Zealand being Maaori or Pacific Islanders. This equates to 6.2% of Maaori and 8% of Pacific Islanders in New Zealand being problem gamblers or moderate-risk gamblers, compared with 3% Asian New Zealanders and 1.8% Paakehaa / European New Zealanders. The disproportionate prevalence of Maaori and Pacific Island ethnic groups in problem gambling activities is linked to higher levels of socio-economic deprivation.

### **7.2 CLASS 4 GAMING MACHINE PROCEEDS IN WAIKATO DISTRICT**

Ministry of Health reports state that people living in most deprived areas are more likely to become problem gamblers, and are five times more likely to become problem gamblers than those living in the least deprived communities.

According to Department of Internal Affairs Gaming Machine Proceeds Data (as of December 2018), Waikato District has 18 Class 4 Gaming Machines venues with 235 machines spread across those venues. Of the 18 venues located in Waikato District:

- 9 venues are located in high deprivation (9-10) areas
- 3 venues are located in medium-to-high deprivation (7-8) areas

- 3 venues are located in medium deprivation (5-6) areas
- 2 venues are located in medium-to-low deprivation (2-3) areas
- 1 venue is located in a low deprivation (1) area.

<b>Location</b>	<b>Gaming Machine Proceeds Oct-Dec 2018.</b>
Ngaruawahia	\$322,161
Huntly	\$758,063
Rangiriri / Te Kauwhata	\$290,339
Tuakau / Mercer	\$773,980
Raglan / Taupiri / Whatawhata	\$319,256

There are currently no venues with Class 4 gaming machines in Tamahere, Matangi and Eureka. However, there are Class 4 gaming machines located nearby in Hillcrest, Hamilton.

### **7.3 REGULATORY ROLES OF TERRITORIAL AUTHORITIES**

Territorial authorities have a legislative requirement to have a policy that specifies where Class 4 gaming venues can be established. Waikato District Council adopted the Gambling Venues Policy in October 2018, with the following objectives:

- Controlling the growth of gambling in Waikato District
- Minimise the harm caused by gambling, including problem gambling the district
- Reflect the views of local communities in respect of the provision of gambling in the district
- Allow people who wish to participate in Class 4 gambling in the district to do so.

Under this policy, no further Class 4 venues may be established (sinking lid).

### **7.4 FUNDRAISING IMPLICATIONS**

Hamilton City Council adopted a management policy in 2017 stating that staff will not apply to gaming societies for community projects. This approach does not appear to be common practice, with many territorial authorities receiving funding from gaming societies, including:

<b>Territorial Authority</b>	<b>Funding Received</b>	<b>Gaming Society Funder</b>
Waipa District Council	\$200,000	Grassroots Trust
Napier City Council	\$16,000	Grassroots Trust
Tauranga City Council	\$180,000	Grassroots Trust / Lion Foundation
Kawerau District Council	\$50,000	Lion Foundation
New Plymouth District Council	\$20,000	Lion Foundation
Whakatane District Council	\$100,000	Lion Foundation
Palmerston North City Council	\$134,384	Lion Foundation

Examples from other councils provide an indication of the potential contributions from gaming societies if there was a council partnership project that aligned with their investment strategy and funding priorities.

## **8. RISK FORECAST**

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Many of the global risks that could impact projects involving a third party funding partnership approach are largely out of the control of Waikato District Council, and there will be limited treatments available in the event of a significant economic downturn. However with current national and global economic projections, it is unlikely that there will be a significant disruption to the council's ability to attract funding towards partnership projects.

## **9. CONSIDERATIONS**

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Audit and Risk Committee may wish to consider the following potential actions:

- That staff development develop 'external funding' or 'funding partnerships' as a separate risk from other council partnerships.
- That staff identify and develop appropriate treatments to mitigate inherent risks associated with funding partnerships, and includes these treatments in an updated Strategic Risk Register at the next Audit and Risk Committee meeting
- That the Audit and Risk Committee provide a recommendation to the Policy and Regulatory Committee on whether the council should develop a policy about council applications to trusts and societies distributing Class 4 Gaming Machine proceeds.

## **10. CONCLUSION**

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While there are risks that the council needs to be cognisant of when seeking funding partnership opportunities, the risks are outweighed by the opportunities to support the development of community partnership projects, facilities, and services in Waikato District.

Many of the broader funding risks, such as the impact of an economic downturn, is largely out of the hands of local government in New Zealand, and there are opportunities to mitigate some of the other more direct risks to Waikato District Council. Further exploration of the Class 4 gaming proceeds risk is a chance to address one of the potential risks that has clear treatment options available.

## **11. ATTACHMENTS**

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NIL

### Open Meeting

<b>To</b>	Audit & Risk Committee
<b>From</b>	Gavin Ion Chief Executive
<b>Date</b>	30 <sup>th</sup> August 2019
<b>Prepared by</b>	Lynn Shirley Zero Harm Manager
<b>Chief Executive Approved</b>	Y
<b>Reference/Doc Set #</b>	GOV1318 / 1866302
<b>Report Title</b>	Waikato District Council Zero Harm Safety Management System (ZHSMS)

## 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 policies, systems, standards and procedures that enable best practice workplace health and safety performance.

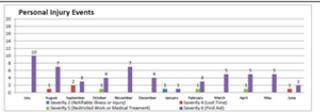
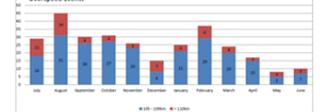
We aim for more than just compliance by observing the principle that workers and others should be given the highest level of protection against harm to ensure their health, safety and wellbeing.



## Disciplined Management Systems

### Zero Harm "Work Safe, Home Safe" Strategic Plan for FY20

The Zero Harm Team undertook a review of FY19's safety performance and shared this with the organisation prior to developing the FY20 Zero Harm Strategic Plan. The FY20 plan has been reviewed and approved by the Executive Leadership Team (ELT) and shared with Council and the Safety Action Team (SAT). The FY19 Performance Review and FY20 Strategic Plan are attached for reference.

Date: 30/09/2019 Version 3		Zero Harm "Work Safe, Home Safe" Strategic Plan 2019/2020		Lead: Gavin Ion Support: Kylie Anderson and Lynn Shirley																																																																																																																							
<p><b>Vision (Mission)</b></p> <p>Our staff are our greatest asset. To support our staff to be engaged we must provide and maintain a work environment that is without risks to health and safety.</p> <p>We want our "Zero Harm" culture and "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. We would like to be an employer of choice as a result of our health, safety and wellbeing performance. The Zero Harm Team will be accessible and actively coach and support our people to achieve our Zero Harm vision.</p>  		<p><b>"Work Safe, Home Safe" 2018/2019 (Team Objectives, Tactics, Projects and Targets)</b></p> <table border="1"> <thead> <tr> <th>Goal</th> <th>Activities</th> <th>Lead</th> <th>Q1</th> <th>Q2</th> <th>Q3</th> <th>Q4</th> </tr> </thead> <tbody> <tr> <td rowspan="5"><b>People</b> Safety Engagement Conversation Target - 2 per Manager/Team Leader per month</td> <td>1. Undertake a Safety Leadership survey with all People Leaders</td> <td>ZHT</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>2. Further develop and deliver Safety Leadership training programme for People Leaders</td> <td>ELT/ ZHT</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>3. Work Safe, Home Safe 2020 Campaign developed and deployed to all workers and councillors</td> <td>ZHT</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>4. 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### Zero Harm Safety Management System (ZHSM S)

As detailed in the Zero Harm Strategic Plan, work has continued on reviewing and updating our documented safety management system. Our safety management system will now be aligned to AS/NZS ISO 45001:2018 Occupational health and safety management systems instead of AS/NZS4801:2001.

Recently developed and published components of our safety management system include:

- Volunteer Worker Management Standard
- Hazard and Risk Management Standard

Key areas of focus for the next quarter include:

- Workplace Stress and Fatigue Critical Risk Management Standard
- Working on or Near Roads Critical Risk Management Standard
- Training and Competency Management Standard
- First Aid Management Standard

## **Volunteer Worker Management Standard**

Council recognises that volunteers play a vital role in communities across the District and make significant contributions by undertaking a range of unpaid activities. Council also recognises its responsibility to ensure, so far as is reasonably practicable, the health and safety of all workers, including volunteers, when they are undertaking activities on its behalf.

While Council has a documented process and number of tools to support volunteer health and safety management, these do not use a risk based approach or reflect the new health and safety legislation. Recently Council has been approached by volunteers wanting to undertake activities that contain a number of significant health and safety risks, for example refurbishment of Huntly Memorial Hall and repair of Te Otamanui Lagoon Walkway.

To undertake a gap analysis between existing processes and new legislative requirements the Zero Harm Team and the Events Team:

- Sought opinion on Council's duty from Legal Counsel
- Approached other Councils and organisations who have volunteer workers to understand their processes
- Reviewed current WorkSafe NZ guidelines on volunteer workers

To effectively manage the health and safety risks associated with volunteer work, and ensure that volunteers and others, work safe and go home safe every day, the following five step process has been developed and documented in the Volunteer Worker Management Standard.



The process requires each volunteer activity to be considered on a case by case basis and a risk assessment will be undertaken by Council in conjunction with the volunteer group to determine the level of health and safety risk associated with the work (high, medium or low).

Low Risk Activity	Medium Risk Activity	High Risk Activity
<ul style="list-style-type: none"> <li>• Non-hazardous elements</li> <li>• Simple activity</li> <li>• Short duration</li> </ul>	<ul style="list-style-type: none"> <li>• Some hazardous elements</li> <li>• Complex activity</li> </ul>	<ul style="list-style-type: none"> <li>• Significantly hazardous elements</li> <li>• Complex activity</li> <li>• Long duration</li> </ul>

Documentation required, approval to proceed and Council supervision of the volunteer activity will be determined by the level of risk associated with the work. As a minimum no physical work can be undertaken without the completion and approval of a Job Safety Analysis (JSA) by Council.

The Standard has been reviewed and approved by the Executive Leadership Team (ELT) and is attached for reference. Work is now underway on developing the following tools:

- Volunteer Health and Safety Handbook
- Volunteer Health and Safety Management Plan

## ***Hazard and Risk Management***

Work has been continuing on reviewing hazard registers and undertaking risk reviews across a number of workgroups. The Zero Harm team has been working with Waters Operations to review their hazards registers in preparation for the transition to Watercare Services Ltd.

The Zero Harm Advisor has also completed an audit at Raglan Holiday Park that included a focus on the identification and management of hazards.

Training on hazard identification and management has been provided to People Leaders as part of the Safety Leadership Training programme developed by Zero Harm.

Focus for the next quarter will be continuing to review and build hazard registers for:

- Woodlands Estate and;
- Raglan Holiday Park

Following the outcome of a recent event investigation, changes have also been made to our Contracted Work Health and Safety Risk Assessment Tool, to include prompts to consider the introduction of new hazards or risks as a result of changes being made. A Management of Change Standard is being developed which will outline the steps required to be taken to ensure any health and safety risks associated with business changes are either eliminated or minimised.

## ***Contractor Management***

The Zero Harm team has reviewed and updated the tools used by our Contract Managers to audit and approve a Contract or Project specific Health and Safety Plan that is prepared by a Contractor prior to physical work commencing.

Contractor Health and Safety Management training based on the below framework has also been provided to the Community Connections Team and the Community Projects Team.



## **Critical Risk Management**

### ***Asbestos Management***

An asbestos management survey has recently been completed on the Pokeno Community Hall prior to physical works (electrical board rewiring and internal painting) being organised by the Hall Committee. The survey identified two asbestos containing materials (ACM) that have been used in the construction of the hall. The old electrical board that was to be replaced was identified as containing ACM, and has now subsequently been removed. The removal work was done in accordance with the WorkSafe NZ Approved Code of Practice for the Management and Removal of Asbestos 2016 and Council's Asbestos Management Critical Risk Standard.

## **On Road Driving – Light Vehicles**

Council's current contract with Smartrak who provide our vehicle GPS/Telemetric hardware and software technology expires in October. A specialist fleet consultant has been engaged to undertake a procurement exercise and evaluate potential providers.

## **Workplace Violence**

As part of the implementation of the Bowtie controls for managing the critical risk of workplace violence, a security risk assessment is being organised with security consultants Fearfree Ltd for the Raglan Holiday Park.

The Zero Harm team and Customer Experience Manager have also completed a training needs analysis for each role in the organisation, to determine what training is required for our people in relation to the risk of workplace violence. We have met with the training provider who has previously delivered training for Council in relation to this risk to understand what is available to meet our needs.

## **People and Organisational Safety Culture**

### **Safety Leadership**

Over the past three months the Zero Harm team has continued to deliver Safety Leadership training to People Leaders in Service Delivery. Training has covered the following topics:

- Hazard and Risk Management
- Event Management

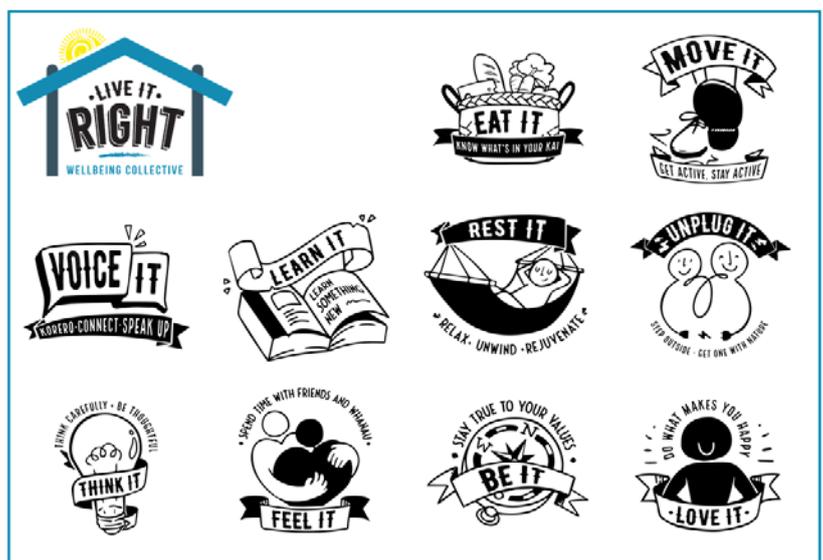
Feedback from participants has been really positive and the material being covered is assisting them to clearly understand their role as a Safety Leader.

### **Safety Engagement Conversations**

Engaging with our people and discussing health, safety and wellbeing issues and providing recognition has continued to remain a key area of focus. A total of 1211 conversations were recorded in BWare for the 2018/19 financial year. This equates to an average of 100 conversations per month. For July and August 2019 a total of 399 conversations have been recorded.

### **Health and Wellbeing**

The Wellbeing Nucleus has been working on finalising our Wellbeing Collective Strategic Plan for 2019-2020 which is attached for reference. The plan has been reviewed by the ELT.



This month at Chamber Chat we officially launched our Wellbeing Collective branding including our own “10 healthy habits” and opened “Wellbeing Way” in the Ngaruawahia Office.

Key wellbeing activities over the coming months include:

- Refresh of gym – new paint on the walls and flooring
- The Front Row Global Challenge via our wellbeing partner Tracksuit Inc.
- Mission Slimpossible

## 4. DISCUSSION AND ANALYSIS OF OPTIONS

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### 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

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### 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

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

## 7. ATTACHMENTS

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- Zero Harm FY19 Performance Review
- Zero Harm “Work Safe, Home Safe” FY20 Strategic Plan
- Zero Harm Dashboard – (August 2019)
- Wellbeing Collective Strategic Plan for 2019-2020
- ZHSMS 1.4.4 Volunteer Worker Management Standard
- Volunteer Work Activity Risk Assessment Form

# ZERO HARM 2018-19

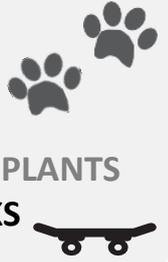
## WDC IS HOME TO...

403  
STAFF  
MEMBERS



91 FLEET VEHICLES

OFFICES  
LIBRARIES  
ANIMAL SHELTERS  
WATER TREATMENT PLANTS  
RESERVES AND PARKS



## OUR PEOPLE REPORTED...

334 HEALTH & SAFETY  
EVENTS IN BWARE SAFETY MANAGER

191 NEAR  
MISSES

28 PROPERTY  
DAMAGE INCIDENTS

67 FIRST AID  
INJURIES



31 PAIN  
OR DISCOMFORT  
REPORTS

## OUR ORGANISATION HAS...

14 CRITICAL  
RISKS TO MANAGE

## WE PROVIDED...

50 WORKSTATION ASSESSMENTS  
150 INFLUENZA VACCINATIONS  
140 PERSONAL HEALTH TESTS  
63 ZERO HARM INDUCTIONS



## OUR 2018 -19 SAFETY PERFORMANCE...

4 LOST TIME  
INJURIES

3 INJURIES THAT REQUIRED  
MEDICAL TREATMENT

1 RESTRICTED  
WORK INJURY

248 VEHICLE  
OVERSPEED EVENTS

1211 SAFETY  
ENGAGEMENT  
CONVERSATIONS



1 WORKSAFE NZ  
NOTIFIABLE INJURY

AND 426 CORRECTIVE ACTIONS  
WERE COMPLETED



**ZERO HARM**

Work Safe, Home Safe

**Vision (Mission)**

Our staff are our greatest asset. To support our staff to be engaged we must provide and maintain a work environment that is without risks to health and safety.

We want our "Zero Harm" culture and "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. We would like to be an employer of choice as a result of our health, safety and wellbeing performance. The Zero Harm Team will be accessible and actively coach and support our people to achieve our Zero Harm vision.



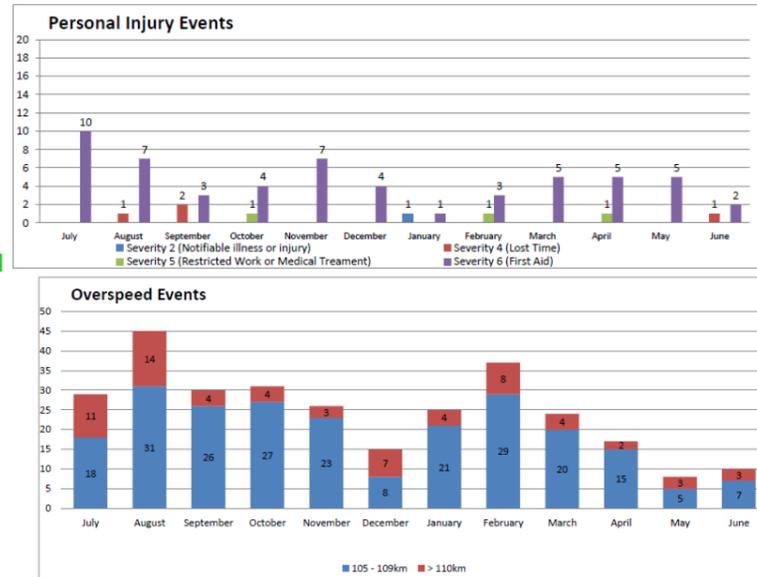
**Performance, gaps and targets (Key Challenges) Where are we?**

**2018 / 2019 Performance**

- 8 Total Recordable Injuries (TRIFR)
- 334 events reported in BWare (46% reduction on 2017/2018)
- 248 Over speed events (10% reduction on 2017/2018)
- 67 Over speed events at greater than 110km (15% increase on 2017/2018)
- 1 WorkSafe NZ Notifiable Injury event
- The number of safety engagement conversations being held has increased (71% on 2017/2018)

**Gaps**

- We have had limited focus on Critical Risk Management
- Our document H&S Management System is fragmented
- We have low levels of hazard reporting in BWare
- 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 (2018/2019) (Key Activities) How did we perform?**

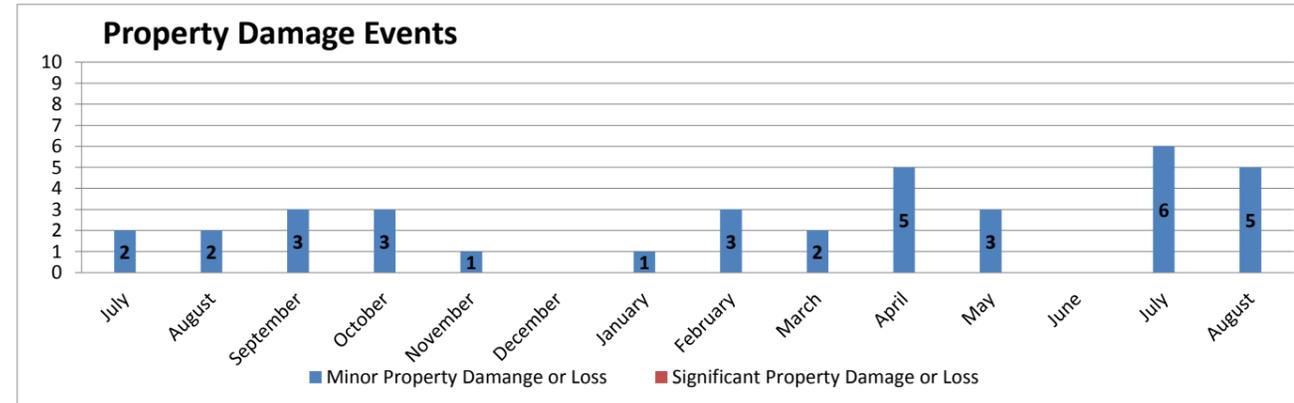
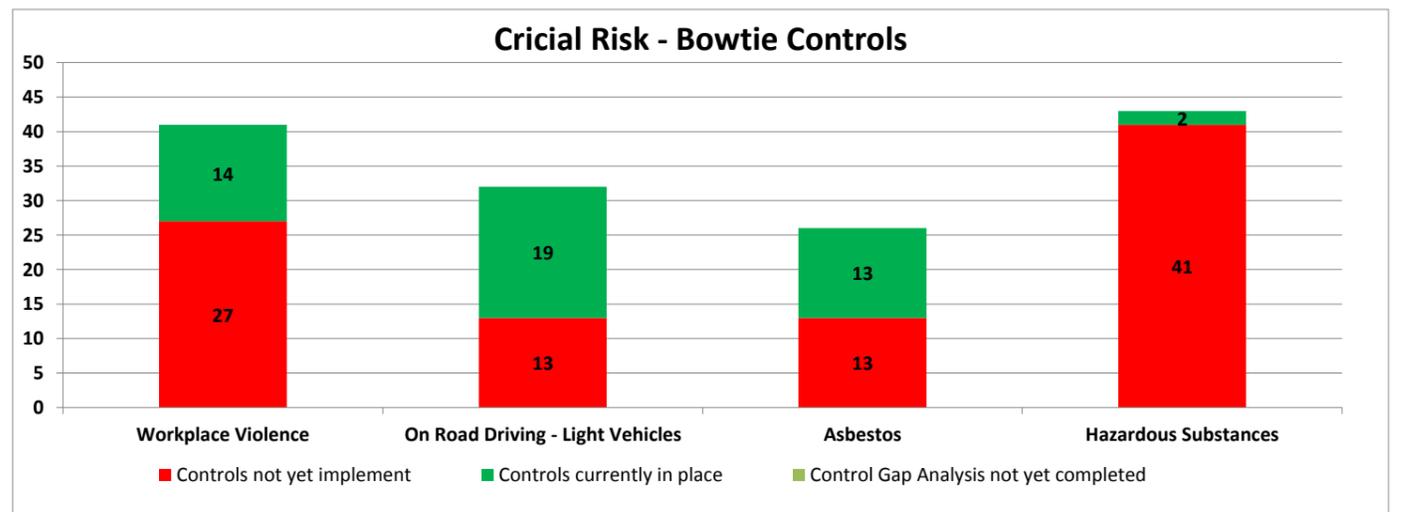
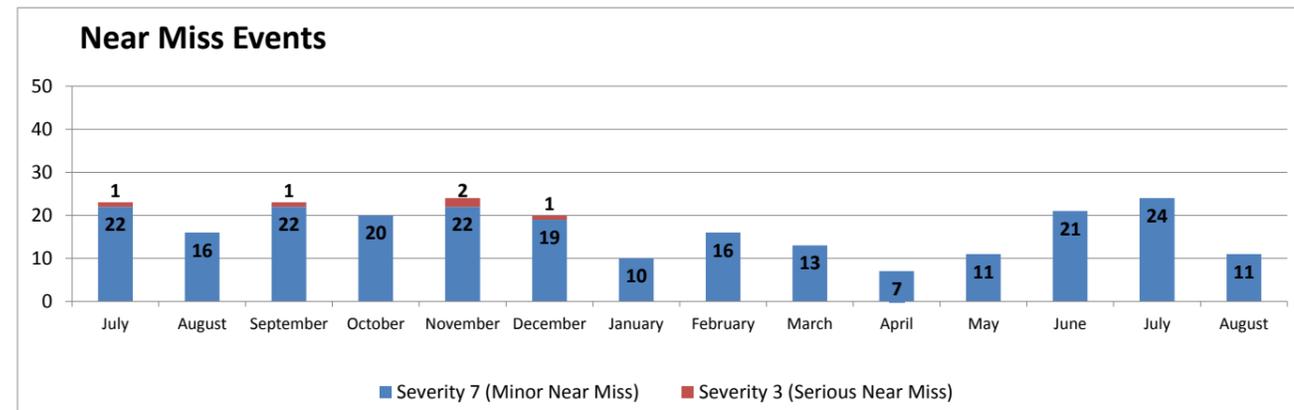
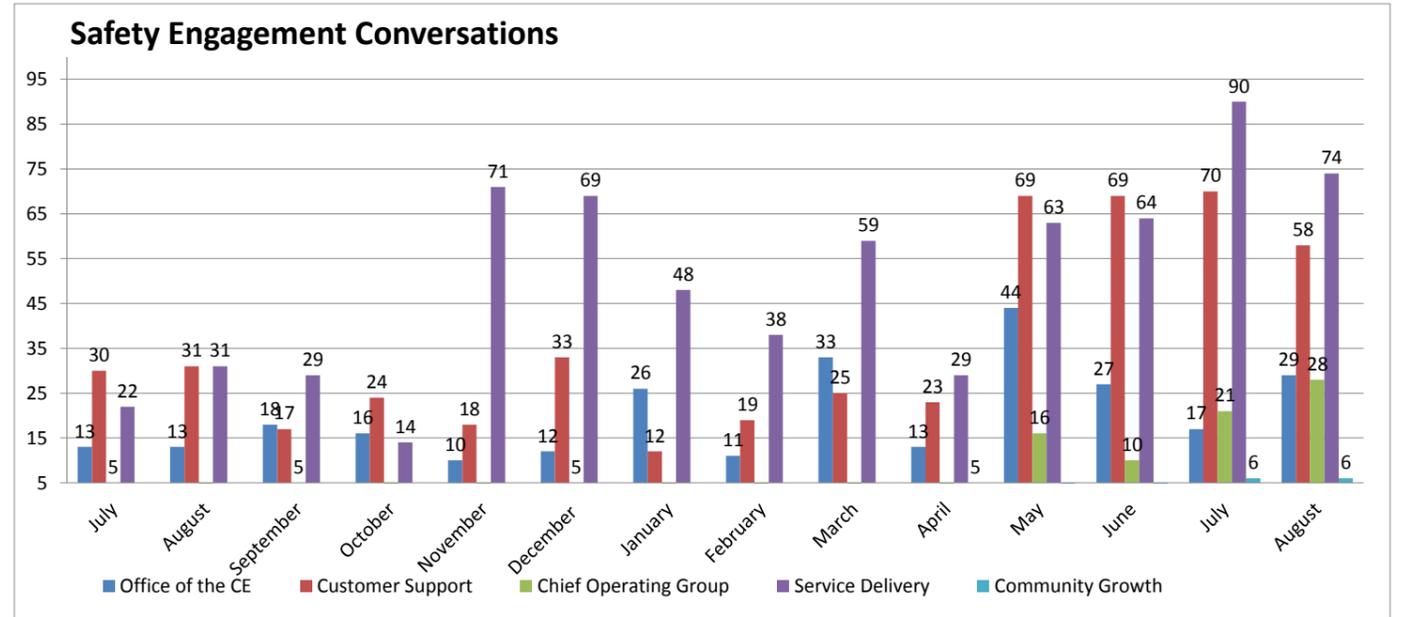
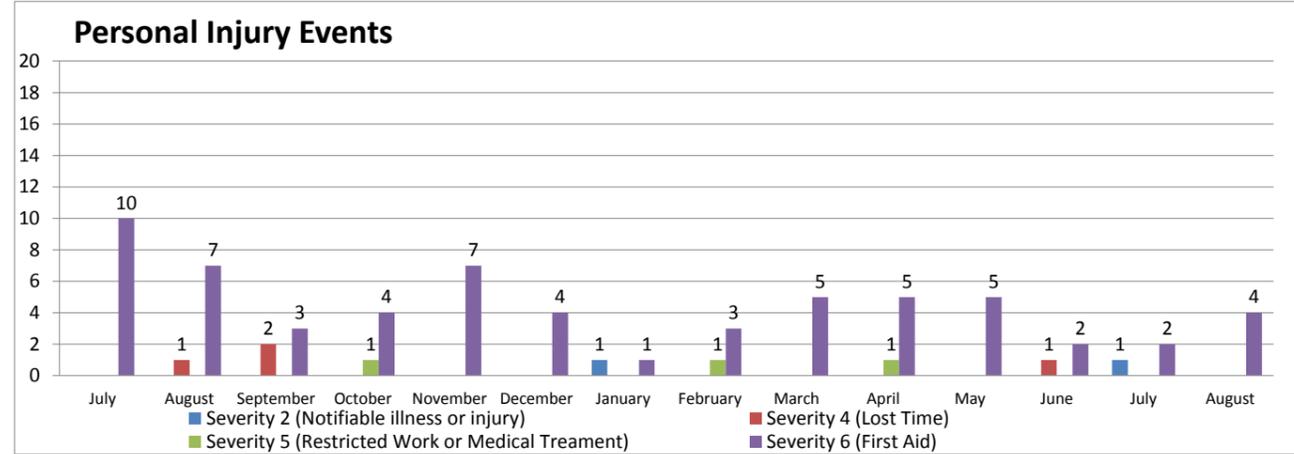
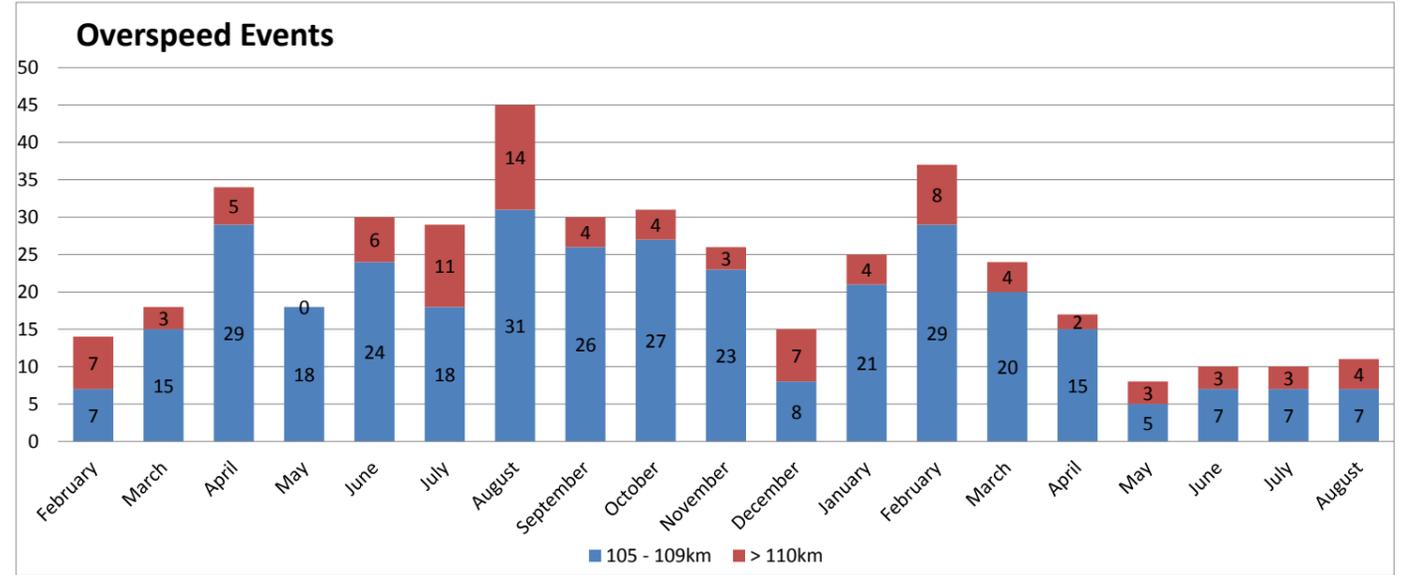
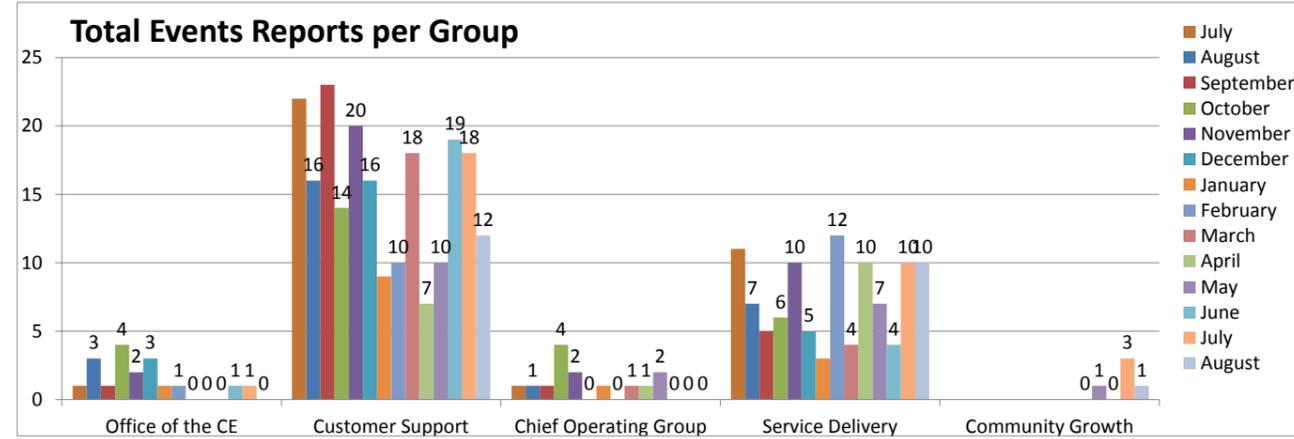
Theme	Rating	Key result/meaning?
People	Green	Safety Leadership Training sessions have been held with a number of People Leaders. The Safety Action Team (SAT) received Incident Investigation Training to US 17601. Work Safe, Home Safe 2019 was incorporated into the "Team Up" event with Nigel Latta focussing on individual safety responsibilities. Brad Norris from Synergy Health supported the relaunch of our Wellbeing Programme using the Tracksuit Inc. platform. Zero Harm has supported the formation of a Wellbeing Collective and a number of personal health initiatives including personal health testing and influenza vaccinations have been provided. Zero Harm was involved in the review of role position descriptions and the revised PDs now have simplified and aligned health and safety responsibilities.
Disciplined Management Systems	Orange	The Zero Harm Compliance Calendar is still to be developed. Have continued to develop our ZHSMS including PPE, Working Alone, Discomfort and Pain, Post Traumatic Event Procedures. Significant progress has been made on the reviewing current physical works contractor H&S plans. Work is ongoing with review of contractor management procedures. A new Contracted Work H&S Risk Assessment form. Work has commenced on review of our Hazard and Risk management procedures. Bware is being used to manage and track corrective actions. Hazards are being reviewed and updated in Bware. Bware training has been undertaken. The reporting of hazards remains sporadic.
Managed Risks	Green	Documented management standards developed for all four selected critical risks. Gap analysis completed for workplace violence, asbestos, on road driving and underway for hazardous substances. Four new critical risks have been selected for FY20 focus.

**"Work Safe, Home Safe" 2018/2019 (Team Objectives, Tactics, Projects and Targets)**

Goal	Activities	Lead	Q1	Q2	Q3	Q4
<b>People</b> Safety Engagement Conversation Target = 2 per Manager/Team Leader per month  % of training completed in accordance with Training Needs Analysis	1. Undertake a Safety Leadership survey with all People Leaders	ZHT				
	2. Further develop and deliver Safety Leadership training programme for People Leaders	ELT/ ZHT	Yellow			
	3. Work Safe, Home Safe 2020 Campaign developed and deployed to all workers and councillors	ZHT				
	4. Deliver Health and Safety Rep Stage 1 Training to all SAT Reps	ZHT				
	5. Support and promote the activities detailed in the Wellbeing Collective 19-20 Strategic Plan	ZHT	Yellow			
<b>Disciplined Management Systems</b> Number of corrective actions >7 days overdue  Audit compliance with AS/NZS ISO 45001:2018	1. Develop and deploy "Work Safe, Home Safe" Compliance Calendar	ZHT				
	2. Continue to review and further develop the Zero Harm Management System Framework to AS/NZS ISO 45001:2018	ZHT	Yellow			
	3. Continue to review and update Contractor Management Procedures and processes	ZHT	Yellow			
	4. Review current Hazard and Risk Management Procedures	ZHT	Yellow			
	5. Develop and deliver Hazard and Risk Management Training to all teams	ZHT				
	6. Develop and deliver Contractor H&S Management Training to Contract Managers	ZHT	Yellow			
	7. Review and update procedures and process to manage Volunteer Worker H&S Management	ZHT	Yellow			
<b>Managed Risks</b> 80% of critical risk bow tie controls implemented	1. Implement Working Alone Standard and undertake risk assessments where required.	ZHT	Yellow			
	2. Implement Bowtie Controls for Hazardous Substances, Workplace Violence, Asbestos and On Road Driving Critical Risks	ZHT	Yellow			
	3. Develop Critical Risk Standard and Bowtie for Working on or Near Roads	ZHT				
	4. Develop Critical Risk Standard and Bowtie for Working Alone	ZHT				
	5. Develop Critical Risk Standard and Bowtie for Stress	ZHT				
	6. Develop Critical Risk Standard and Bowtie for Fatigue	ZHT				

# Zero Harm Dashboard - August 2019

As at 30 August 2019



“Work safe, home safe”



### Wellness Ideas Parking Lot

The following potential wellbeing ideas were put forward by our people. The Wellbeing Collective have identified that we play more of a stakeholder role in the following initiatives that are being led or may be initiated at some point in time, by other parts of the organisation or may

- Four day working week — *Gearing for Growth*
- Investigate more standing desks and stand up meeting rooms — *Gearing for Growth*
- Investigate having more outside meeting spaces — *Gearing for Growth*
- Provide Te Reo classes — *Iwi Liaison*
- Upgrade gym equipment — *Staff Engagement Group and P&C*
- Investigate upgrading the courtyard by the café, planting fruit and vegetables for use — *Staff Engagement Group*
- Investigate having a space for mindfulness, prayer etc. — *Gearing for Growth*
- Promote and provide an environment for power naps—*Gearing for Growth*

### Wellbeing Collective Members

Lynn Shirley	Denise Lamb
Kylie Anderson	Alanah Knaggs
Evonne Miller	Ellen Wilson
Teresa Hancock	Ana Maria d'Aubert
Sheryl Flay	Brian Cathro
Kay Warren	Michael Edmonds
Cass Arthur	Carole Nutt
Amy Rodger	Joanne Smith
Roger MacCulloch	Bronwyn Robinson
Melissa Tararo	Nick Johnson
Angela Parquist	Kim Wood
Jacob Quinn	Jim Ebenhoh
Sarah Quinn	Terrance Hayes
Phyllis Hefang	Robert Ball
Jo Hall	Tineka Wymer
Jodi Bell Wymer	Rebecca Clarke
Shelly Wilson	Shelley Wollett
Sarah Wilson	Wanda Wright
Tracey Oakes	Dorothy Derecourt
Janene Koppers	Chris Gatehouse
Madelina Baena-Escamilla	Adam Bradford
Jordy Wiggins	Deryl Penjueli
Nicky Hunter	Lianne Van Den Bemd

## 1. Purpose

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Waikato District Council (“the Council”) recognises that volunteers play a vital role in communities across the District and make significant contributions by undertaking a range of unpaid activities. Council also recognises its responsibility to ensure, so far as is reasonably practicable, the health and safety of all workers, including volunteers, when they are undertaking activities on its behalf.

The purpose of this standard is to provide clear guidance on the minimum requirements to effectively manage the health and safety of volunteers who undertake work for Council.

## 2. Scope

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This standard applies to all Council operations where volunteers undertake activities.

## 3. Definitions

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**Health and Safety at Work Act 2015 (HSWA):** New Zealand’s primary workplace health and safety legislation.

**Job Safety Analysis (JSA):** Also known as “task analysis” is a written plan for a chunk of work (a job) which includes a scope, task, time and situation specific hazard and risk assessment, and a set of agreed controls.

**Person Conducting Business or Undertaking (PCBU):** A business entity such as a company or a natural person (for example if they are a sole trader or self-employed) conducting a business or undertaking. A business is an activity that is carried out with the intention of making a profit or gain, whereas an undertaking is an activity that is non-commercial in nature.

**Risk Assessment:** A systematic process of evaluating the potential risks that may be involved in a projected activity or undertaking.

**Site Specific Safety Plan (SSSP):** A document or documents that set out the Health and Safety management policies, processes, rules, procedures and resources that will be applied to ensure the safety of all those undertaking or those affected by the activity.

**Volunteer:** A person who is acting on a voluntary basis (whether or not the person receives out-of-pocket expenses).

**Volunteer Association:** Is a group of volunteers (whether incorporated or unincorporated) working together for one or more community purposes where none of the volunteers whether alone or jointly with any other volunteers, employs any person to carry out work for the volunteer association.

**Volunteer Safety Supervisor:** A volunteer who is responsible for overseeing and monitoring the work activity to ensure it is being undertaken in accordance with the agreed Job Safety Analysis (JSA) or Site Specific Health and Safety Plan (SSSP).

**Volunteer Worker:** Means a volunteer who carries out work in any capacity for a PCBU –

- (1) With the knowledge or consent of the PCBU; and
- (2) On an ongoing and regular basis; and
- (3) That is an integral part of the business or undertaking; but

(b) does not include a volunteer undertaking any of the following voluntary work activities:

- I. Participating in a fund-raising activity:
- II. Assisting with sports or recreation for an educational institute, sports club, recreation club:
- III. Assisting with activities for an educational institute outside the premises of the educational institution:
- IV. Providing care for another person in the volunteer's home.

**Workplace:** Is a place where work is being carried out, or is customarily carried out, for a business or undertaking; and includes any place where a worker goes, or is likely to be, while at work. This includes a vehicle, vessel, aircraft, ship or other mobile structure.

#### 4. Responsibilities

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**The Company (PCBU) and Officers** are responsible for;

- Ensuring that the requirements of this Standard are met in all Council operations
- Providing adequate budget and resources to enable the Volunteer Worker Management Standard to be fully functional including audit and review processes
- Ensuring the delegation of appropriate health and safety responsibilities and accountabilities to all levels of management

**Council Volunteer Coordinator** is responsible for;

- Ensuring a Zero Harm Volunteer Work Health and Safety Risk Assessment is completed for any work to be undertaken by volunteers
- Ensuring that all requirements of this standard are applied to work being undertaken by volunteers

**Council Representative / Project Manager** is responsible for;

- Supporting the Volunteer Safety Supervisor to develop a Job Safety Analysis (JSA) and when required a Site Specific Safety Plan (SSSP)
- Reviewing and approving the JSA and SSSP prior to any work commencing
- Ensuring that volunteers are supervised at all times, or suitably inducted and trained
- Where possible and practical undertaking an inspection of the work site while work is being undertaken
- Ensuring that any reports of a serious personal injury or serious near miss are immediately escalated to the ELT and Zero Harm Team

**Executive Leadership Team (ELT)** are responsible for;

- Ensuring this Standard is understood, implemented and complied with at all levels of the organisation
- Approving volunteer work activities that are assessed as high risk

**People Leaders** are responsible for;

- Ensuring the requirements of this Standard are met within their area of responsibility, including ensuring that recommendations from risks assessments are agreed and implemented
- Ensuring all relevant workers are suitably trained and competent in volunteer health and safety4 management as relevant to their roles

**Volunteers** are responsible for;

- Taking reasonable care of their own health and safety and reasonable care that others are not harmed by something they do or don't do
- Following any reasonable health and safety instructions given to them, as far as they are reasonable able to

- Only operating equipment and tools they are trained and competent to use
- Wearing the required personal protective equipment
- Immediately reporting any uncontrolled hazard, unsafe condition or health and safety event e.g. personal injury, near miss or property damage

**Volunteer Safety Supervisor** is responsible for ensuring that;

- Volunteers are informed of the hazards associated with the work being undertaken and the control measures to manage the hazards
- Volunteers working on the site have the correct training, skills, knowledge and experience to perform the work they are undertaking
- Tools and equipment being used on the site are legally compliant, fit for purpose and being used in accordance with manufacturers requirements
- Control measures put in place to manage hazards are effective
- All health and safety events e.g. personal injury, near miss and property damages incidents are recorded and reported to Council
- Any unsafe work practices or unsafe conditions are immediately corrected

**Zero Harm Team** is responsible for;

- Providing coaching and support to ensure the standard is understood, implemented and complied with
- Ensuring this Standard is kept up to date and distributed to all relevant workers

## 5. Volunteer Worker Health and Safety Management Process Overview

Council welcomes the opportunity to work with volunteers, however Council must ensure, “so far as reasonably practicable”, the health and safety of volunteers, and that of other people while they are undertaking tasks on its behalf. This is called the ‘primary duty of care’.

This means that Council must determine what is reasonably practicable for it to do in any given circumstance. This primary duty is a broad overarching duty. It includes, but is not limited to so far as is reasonably practicable:

- Providing and maintaining a work environment that is without risks to health and safety
- Providing and maintaining safe plant and structures
- Providing and maintaining safe systems of work
- Ensuring the safe use, handling, storage of plant, structures and substances
- Providing any information, training, instruction, or supervision that is necessary to protect all persons from risks to their health and safety arising from the work being carried out.

In order to ensure that Council effectively identifies and manages the risks associated with activities being undertaken by volunteers, each activity will be considered on a case by case basis and managed using the following process.



### 5.1 Scoping the Activity and Assessing the Risks

Involves determining what activity is to be undertaken, what health and safety risks may be associated with the activity and who else may be impacted by the activity.

## 5.2 Risk Management

Involves the identification and implementation of controls to either eliminate or manage the risks associated with the activity being undertaken. It also involves agreeing and documenting any specific information, training, instruction and/or supervision requirements to manage health and safety risks.

## 5.3 Pre-commencement

Involves finalisation and approval of the volunteer activity based on the level of risk. Pre-commencement also involves the delivery of any key health and safety information to the volunteer works via an induction process.

## 5.4 Support, Supervision and Monitoring

Involves the ongoing interaction between Council and volunteer workers, including the provision of support and supervision, and the monitoring of the volunteers compliance to the agreed standards and activities for the work.

## 5.5 Post Activity Review

Involves the review of health and safety performance, against the agreed standards and activities, at the end of the work or other defined timeframe.

# 6. Volunteer Worker Health and Safety Management Requirements

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## 6.1 Scoping the Activity and Assessing the Risks

Council has primary duty to ensure the health and safety of volunteers by identifying and communicating potential health and safety issues and skills and experience requirements to undertake the activity.

Many volunteers will be familiar with the light type of 'do it yourself' work such as painting and gardening. However, volunteers coming from office type environments to do physical activities or activities involving specialised equipment may not have the appropriate training or experience.

The purpose of scoping and undertaking an assessment of the volunteer activity is to identify any health and safety risks. Risks associated with the activity can vary based on a number of different factors including but not limited to;

- Nature of the activity
- Where the activity is being undertaken
- The hazards associated with the activity

The Council Volunteer Coordinator in conjunction with the Zero Harm Team where required, is responsible for completing a volunteer work health and safety risk assessment.

The **Volunteer Work Health and Safety Risk Assessment Form** assists with the classification of the activity and ensures that the process is completed in a systematic and standardised manner.

The outcome of the risk assessment will determine the level of health and safety management required for the activity and forms a basis for due diligence. Volunteer work activities will be classified as Low, Medium or High risk as illustrated in the following table.

**Table 1. Risk Classification of Volunteer Work Activities**

Low Risk Activity	Medium Risk Activity	High Risk Activity
<ul style="list-style-type: none"> <li>• Non-hazardous elements</li> <li>• Simple activity</li> <li>• Short duration</li> </ul>	<ul style="list-style-type: none"> <li>• Some hazardous elements</li> <li>• Complex activity</li> </ul>	<ul style="list-style-type: none"> <li>• Significantly hazardous elements</li> <li>• Complex activity</li> <li>• Long duration</li> </ul>

## 6.2 Risk Management

As previously stated the level of risk associated with an activity depends of on a number of variables such as the nature of the activity, the environment and the quality of systems to guide and support the volunteers.

The aims of risk management are to either;

- Remove the source of harm by eliminating the risk or;
- Minimising the risk by using control measures

### 6.2.1 Job Safety Analysis (JSA)

A Job Safety Analysis (JSA) is the minimum risk management tool that must be developed prior to volunteers undertaking any activity for Council.

Volunteer work activities **must not** commence until a JSA has been completed and risk controls approved by the Council Representative / Project Manager.

A JSA offers many benefits which include:

- Helping to uncover existing and potential hazards and consequence of exposure of the associated to activity steps
- Helping to outline appropriate control measures to prevent and eliminate hazards
- Standardising activity processes based on acceptable safe work practices

It is the responsibility of the Council Representative / Project Manager in conjunction with the Zero Harm Team where required, to assist and advise on what health and safety requirements need to be implemented to manage the risks associated with the activity.

### 6.2.2 Volunteer Site Specific Health and Safety Plan

Depending on the duration and nature of the activity a Volunteer Site Specific Safety Plan (SSSP) may also be required. A Volunteer SSSP is required for all **Medium** and **High** risk rated volunteer activities.

A Volunteer SSSP is a documented agreement that determines how health and safety will be managed for a specific activity.

As a minimum the Volunteer SSSP will detail the following;

- Description of the work being undertaken
- Key contact details
- Roles and responsibilities for health and safety
- Hazard and risk management including Job Safety Analysis
- Induction, training and supervision requirements
- Emergency response procedures

It is the responsibility of the Council Representative / Project Manager in conjunction with the Zero Harm Team where required, to assist and support a Volunteer group to develop and document the Volunteer SSSP.

### 6.2.3 Training and Competency

Different work activities can require different levels of information, training, instruction or supervision. Certain work activities require higher levels of training or supervision for workers and others to remain healthy and safe.

Examples of work that may require higher levels of information, training, instruction or supervision are:

- Working at heights
- Chainsaw use
- Wood-splitter use
- Working with substances hazardous to health
- Mobile plant and heavy vehicle use for example scissor lifts, excavators or trucks

Volunteers cannot operate or use specialist plant, tools, equipment or machinery unless they are trained, competent and in some circumstances have the correct licence.

During the development of the JSA consideration must be given to determining what training or supervision is required to ensure, so far as is reasonably practicable, those who carry out work of any kind, use plant of any kind, or deal with a substance of any kind that is capable of causing a risk:

- either have adequate knowledge or experience of similar work so they are not likely to cause harm to themselves or other people **or** are supervised by someone who has the relevant knowledge and experience, **and**
- are adequately trained in the safe use of all plant, objects, substances, or equipment the volunteers are or may be required to handle, as well as all personal protective equipment (PPE) that the volunteers are or may be required to wear or use.

## 6.3 Pre-commencement

### 6.3.1 Volunteer Activity Approval

As previously stated, volunteer activities **must not** commence until approval has been given by Council. The following table details the management approval of volunteer activities required for each risk level.

**Table 2. Level of Management Approval Required for Volunteer Activities**

Volunteer Activity Sign Off	Volunteer Activity Risk Level		
	Low	Medium	High
	Team Leader <i>For example Venue and Events Team Leader</i>	Workgroup Manager <i>For example Community Connections Manager</i>	Executive Leadership Team (ELT) Member <i>For example General Manager Service Delivery</i>

### 6.3.2 Volunteer Induction Requirements

Prior to the commencement of an activity all volunteer workers must receive an induction. An induction is the first step to ensuring that workers have the information and skills that they need to work safely. As a minimum the induction must include the following;

- Information on the hazards associated with the work and control measures to manage those hazards
- How to report a new hazard
- The required safety equipment and clothing that must be used and why
- How to report a health and safety event (for example near miss, property damage or personal injury)
- The location of first aid equipment and who is a trained first aider
- The location of all emergency equipment and what actions to take in the event of an emergency

Depending on the situation, the induction may be delivered either one-on-one or in group setting. A record must be kept to confirm who has received an induction. All volunteer workers must sign the record to confirm that they have been inducted.

For Low risk activities the induction can be delivered by a member of the volunteer group. For Medium and High risk activities the induction should be delivered by the Volunteer Safety Supervisor in conjunction with the Council Representative/Project Manager.

## 6.4 Support, Supervision and Monitoring

### 6.4.1 Support and Supervision of Volunteer workers

Support and supervision of volunteer workers is critical to ensuring the best possible outcomes for both Council and the volunteer/s.

There are three main reasons for the on-going support and supervision of volunteer;

- Helping them to do their job properly
- Helping them to enjoy themselves – this can increase the chances of them wanting to continue volunteering
- Helping them to understand Councils policies and processes and fulfil the requirements of their role.

Council will supervise volunteer workers as they would Council workers and provide appropriate support, training and supervision as required to undertake their role. The level of worksite supervision that is appropriate will depend on the role or task being undertaken, and the knowledge or experience of the volunteer/s. For Low risk activities a member of the volunteer group may assume the role of Volunteer Safety Supervisor. Refer to Table 3. for the levels of worksite supervision required for volunteer activities.

**Table 3. Level of Worksite Supervision Required for Volunteer Activities**

Level of Worksite Supervision	Volunteer Activity Risk Level		
	Low	Medium	High
	<ul style="list-style-type: none"> <li>• Volunteer Safety Supervisor appointed</li> <li>• Continuous attendance of Volunteer Safety Supervisor</li> </ul>	<ul style="list-style-type: none"> <li>• Council Representative/Project Manager is to undertake the initial monitoring of work, and is then required to make periodic appearances to the worksite</li> <li>• Volunteer Safety Supervisor is also appointed</li> <li>• Continuous attendance of Volunteer Safety Supervisor</li> </ul>	<ul style="list-style-type: none"> <li>• Continuous attendance of Council Representative / Project Manager at the worksite</li> </ul>

### 6.4.2 Monitoring of Volunteer workers

Ongoing communication with and monitoring of volunteers is necessary part of good health and safety management. The nature and frequency of which will depend on the volunteer activity and its associated level of risk. Monitoring should be conducted in a format that allows a free and open exchange of information. Examples of monitoring may include but not be limited to;

- Meetings
- Spot inspections or work site visits
- Audits of the Volunteer Site Specific Safety Plan (SSSP) for all **High** risk rated activities

### 6.5 Post Activity Review

A post activity review provides the occasion to acknowledge when the activity has been completed safely and also identify any opportunities for improvement. If during the review any deficiencies are identified then corrective actions are to be agreed and assigned in BWare Safety Manager. If the corrective actions are linked to safety performance, then the issues should be flagged for specific monitoring in future engagements. A post activity review is required to be completed for all **Medium** and **High** risk rated volunteer activities.

It is the responsibility of the Council Representative/Project Manager to complete the post activity review.

## 7. Volunteer Worker Summary

Council engages with a variety of volunteer worker groups that undertake a range of different activities. The table below is provided as a guide only to illustrate and summarise the health and safety requirements and performance expectations detailed in this standard

Volunteer Activity Risk Level	Example of activity	Requirements
Low	Hand weeding of garden beds around local hall	<ul style="list-style-type: none"> <li>• <b>Job Safety Analysis</b> developed for the specific activity</li> <li>• <b>Activity approval</b> given by Council Team Leader</li> <li>• <b>Induction</b> delivered by Volunteer Safety Supervisor</li> <li>• <b>Monitoring of work</b> undertaken by Volunteer Safety Supervisor</li> </ul>
Medium	Painting exterior of community hall	<ul style="list-style-type: none"> <li>• <b>Volunteer Site Specific Safety Plan</b> developed for the specific activity</li> <li>• <b>Council Workgroup Manager</b> approval required</li> <li>• <b>Induction</b> delivered by Volunteer Safety Supervisor in conjunction with Council Representative/Project Manager</li> <li>• <b>Monitoring of work</b> is initially undertaken by Council Representative/Project Manager. Volunteer Safety Supervisor monitors work when Council Representative is not on site</li> <li>• <b>Post Activity Review</b> undertaken</li> </ul>
High	Excavation and structural repair of slumped walkway	<ul style="list-style-type: none"> <li>• <b>Volunteer Site Specific Safety Plan</b> developed for the specific activity</li> <li>• <b>Executive Leadership Team (ELT) Member</b> Approval required</li> <li>• <b>Induction</b> delivered by Volunteer Safety Supervisor in conjunction with Council Representative/Project Manager</li> <li>• <b>Monitoring of Work</b> is undertaken by continuous attendance of Council Representative/Project Manager</li> <li>• <b>Audit</b> of Volunteer Site Specific Safety Plan (SSSP) completed</li> <li>• <b>Post Activity Review</b> undertaken</li> </ul>

## 8. References and Related Documents

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- Health and Safety at Work Act 2015
- Providing Information, Training, Instruction or Supervision for Workers, WorkSafe NZ Fact sheet, July 2016
- Information for PCBUs that Engage Volunteers, WorkSafe NZ Fact sheet, March 2016

DRAFT

Volunteer Work Activity Details				
Group/Company/Organisation Name				
Description of Work Activity:				
Location / Address of Work Activity: (Please provide photos where appropriate)				
Duration of Work:	Ongoing	One Off	Proposed Date/s of Work:	
Number of Volunteers Participating:			Number of Volunteers under 16 years old:	

Volunteer Work Risk Assessment									
What Work Processes/Risks will be Involved?									
Low Risk Elements			Medium Risk Elements			High Risk Elements			
Work involving manual handling	N	Y	Work involving the use of hazardous substances	N	Y	Work at height where there is a risk of a person falling more than 2 metre	N	Y	
Work involving exposure to animals and insects	N	Y	Work involving electricity	N	Y	Work involving electrical installation	N	Y	
Working outdoors	N	Y	Work involving powered tools for example skill saw, drop saw etc.	N	Y	Work involving the use of cranes or lifting appliances	N	Y	
Work involving hand tools for example spade, shovel etc.	N	Y	Work involving potential falling objects for example rocks, trees, equipment	N	Y	Work involving scaffolding	N	Y	
Work involving exposure to animal effluent	N	Y	Work involving exposure to biological waste	N	Y	Work involving welding, grinding or gas cutting	N	Y	
Work involving the handling of rubbish	N	Y	Work involving noise levels at or above 85dB(A)	N	Y	Working alone	N	Y	
Work involving sharp objects	N	Y				Work involving powered mobile plant (for example forklift, excavator, bobcat, tractor, scissor lift etc.)	N	Y	
Work involving repetitive movements	N	Y				Work involving excavations at a depth greater than 150mm	N	Y	
						Work involving a chainsaw	N	Y	
						Work involving a wood splitter	N	Y	
						Work involving heavy vehicles for example trucks	N	Y	
						Work involving a post driver/borer/rammer	N	Y	
Physical Work Environment									
Work being undertaken in an urban/residential area	N	Y	Work is being carried out in or adjacent to an area that is in use by pedestrians/others	N	Y	Work carried out in or near water or other liquid that involves the risk of drowning	N	Y	
Is the work only being performed at a WDC manned facility	N	Y	Does the work have the ability to impact others	N	Y	Is the work being performed in a remote location, for example geographically isolated or has limited cell phone coverage	N	Y	
Work being undertaken on uneven or rough terrain	N	Y				Work is being carried out on or adjacent to a road, railway or other traffic corridor	N	Y	
Training and Licencing Requirements									
			Will the work require workers to have a currents drivers licence, for example Car, Truck, Wheels, Tracks and Rollers	N	Y	Will the work require workers to have legislatively mandated certifications or licences, for example Scaffolding Certificate of Competency	N	Y	

If two or more medium risk elements are associated with the work activity, it will be classified as **Medium Risk Work**. If one or more high risk elements are associated with the work activity, it will be classified as **High Risk Work**.

<b>Risk Assessment Outcome</b> (Internal use only)			
Volunteer Work Risk Category: (Circle applicable category based on the Risk Assessment Questions)	Low	Medium	High
Risk Assessment completed by:			
Date Risk Assessment completed:			

<b>Risk Management References</b> (for example Codes of Practice, Guidelines) List any associated with the work that need to be taken into consideration

<b>Comments or Notes</b>

<b>Volunteer Work Risk Management Checklist</b>			
Risk Management Requirements	Volunteer Work Risk Category		
	Low	Medium	High
Job Safety Analysis	✓	✗	✗
Site Specific Safety Plan (including Job Safety Analysis)	✗	✓	✓
Management Approval	✓	✓	✓
Induction	✗	✓	✓
Supervision and Monitoring	✗	✓	✓
Site Specific Safety Plan Audit	✗	✗	✓
Post Activity Review	✗	✓	✓

### **Open Meeting**

<b>To</b>	Audit & Risk Committee
<b>From</b>	Tony Whittaker Chief Operating Officer
<b>Date</b>	28 August 2019
<b>Prepared by</b>	Madelina Baena-Escamilla Continuous Improvement Analyst
<b>Chief Executive Approved</b>	Y
<b>Reference #</b>	GOV1318
<b>Report Title</b>	Update on Process Audit and Quality Improvement

## **I. EXECUTIVE SUMMARY**

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

## **2. DISCUSSION**

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### **2.1. Process Audit Programme**

Auditor training was carried out in the first week of June. Seven staff have completed the training and are now certified as Internal Auditors; the total number of Internal Auditors has now increased to 27. As part of the training, new Auditors had the opportunity to audit three processes.

Reports have been received for all the three audited processes; these resulted in four major non-conformances, four minor non-conformances and 14 recommendations for improvement. (See attached Process Audit Status (2019-2020) Report).

A new Internal Audit Schedule has been prepared and expected to be completed in the next four months. Due to the Dog registrations incident in late August, a significant number of animal control and regulatory administration processes have been included in the schedule. For the full list of processes to be audited, refer to Process Audit Schedule (2019-2020) Report

### **2.2. Policy**

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

Policies published and/or reviewed and updated in the last three months:

- Higher Duties Allowance Policy
- Leave Without Pay Policy
- Dress Code Policy
- Employee Exiting Policy
- Disciplinary Policy
- Job Sizing Policy
- Staff Involvement in Local Government Elections Policy

Other policies being created or reviewed are:

- Backflow Prevention Policy
- Dog Control Policy (going to Policy & Regulatory Committee next month)
- Firearms Policy

The following policies will be presented to the Policy & Regulatory Committee next month to be revoked:

- As Built Service Plans for subdivision
- Voting as a Ratepayer Policy
- Conservation Lots – fencing of Stands of Native Bush and Other Landscape or Biological Features
- Swimming Pools – Supervision Standards
- Town Halls – Hire Charges
- Cemeteries – Memorial Headstones
- Funding of amenity and under-veranda lighting
- Out of District fees for Cemeteries
- Community Board and Community Committee Discretionary Funds
- Tree Guideline Policy
- Community Engagement
- Customer Complaints & Compliments
- Working Alone Policy
- Heavy vehicle impact fee assessment policy

### **2.3. Improvement Forum**

The improvement forum is being refreshed; the main focus will be identifying opportunities for improvement around the organisation. The terms of reference is being reviewed, and the refreshed role of Continuous Improvement Agents is being defined.

The improvement forum is working on the actions defined in the Continuous Improvement Plan. As part of this plan, a Continuous Improvement Survey will be sent to all staff in the middle of September to help determine the current level of Continuous Improvement maturity. The results of this survey will be used as guidance to inform and prioritise the actions in our plan.

Process mapping training continues to be delivered; in the past three months, 28 new starters have been trained on the use of Promapp, process mapping and process improvement as part of their induction.

### **3. RECOMMENDATIONS**

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**THAT the report from the Chief Operating Officer be received.**

### **4. ATTACHMENTS**

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- Process Audit Status (2019-2020) Report
- Process Audit Schedule (2019-2020) Report

**Audit Status 2019-2020 (Carried out at Auditor Training on 6<sup>th</sup> of June)**

Group/Team	Processes	owners and experts	Auditors	Date of Audit / Status	Outcome			Progress update
					Major NC (high)	Minor NC (medium)	Rec (Low)	
					4	4	14	
<b>Operations - Rates</b>	<ul style="list-style-type: none"> <li>Respond to a request for rates information</li> </ul>	Dayle Hutt, Sarah Ferguson, Colin Bailey	Stacey Salomon, Helen Kirby, Terrence Hayes	6 June 2019	0	2	7	Audit was carried out as part of internal auditing training. Report has been sent to process owner and expert.
<b>Customer Support – Consents Administration</b>	<ul style="list-style-type: none"> <li>Process LIM report</li> </ul>	Melissa Muir Joanne Smith	Sandra van der Westhuizen Deryl Penjueli	6 June 2019	0	2	4	Audit was carried out as part of internal auditing training. Report has been sent to process owner and expert.
<b>Customer Support – Service Delivery</b>	<ul style="list-style-type: none"> <li>Dealing with a difficult customer or member of the public</li> </ul>	Reece Turner	James Hanright, Taljit Singh-Sandhu	6 June 2019	4	0	3	Audit was carried out, and owners have made changes in the process. Audit is closed

**Audit Schedule 2018-2019 (to be completed by February 2020)**

<b>Group/Team</b>	<b>Processes</b>	<b>Owners and experts</b>
<b>Chief Executive</b>	<ul style="list-style-type: none"> <li>• Report a Serious Wrongdoing under the Protected Disclosure Act</li> <li>• Report and Investigate Fraudulent or Suspected Fraudulent Activity</li> </ul>	Tony Whittaker Vanessa Jenkins Alison Diaz
<b>Service Delivery - Community Assets</b>	<ul style="list-style-type: none"> <li>• Complete Parks &amp; Facilities Asbuilt Data Sheets</li> <li>• Enter P&amp;F Asset Data into Asset Finda</li> <li>• Enter P&amp;F Asset Data into SPM</li> </ul>	Robert Ashley Joy Rolton
<b>Service Delivery – Community connections</b>	<ul style="list-style-type: none"> <li>• Organise an event</li> <li>• Manage Event Application for WDC Reserve or Facility</li> </ul>	Samantha Baker Jordy Wiggins
<b>Service Delivery – Strategic Property</b>	<ul style="list-style-type: none"> <li>• Create New, Renew or Vary Lease or Licence</li> <li>• Surrender Lease or License</li> <li>• Evict Lessee or Licence Holder</li> </ul>	Nicolas Wells Michelle Smart
<b>Service Delivery – Contracts &amp; Partnering</b>	<ul style="list-style-type: none"> <li>• Audit Stickered Bags through Refuse Contracts</li> <li>• Ordering of Rubbish Stickers</li> <li>• Daily Process for Handling Rubbish Stickers</li> <li>• Month End Process for Rubbish Sticker Balances</li> </ul>	Phil Ellis Patricia Cronin
<b>Operations - Rates</b>	<ul style="list-style-type: none"> <li>• Prepare and Strike Annual Rates</li> <li>• Process a Charge Run</li> <li>• Process Rates Annual Recalculation of Direct Debit Payments</li> </ul>	Colin Bailey Catherine Lapwood
<b>Operations - Records Information</b>	<ul style="list-style-type: none"> <li>• Adhoc Bulk Mail Out (via Word Mail Merge)</li> </ul>	Catherine Otto Ellen Prenter
<b>Operations - People and Capability</b>	<ul style="list-style-type: none"> <li>• Prepare for and Carry Out Staff Induction</li> </ul>	Vanessa Jenkins Tharsha Adamstein

<b>Customer Support - Consents</b>	<ul style="list-style-type: none"> <li>• Receive, set up and undertake Section 88 Check</li> <li>• Accept Resource Consent Application</li> </ul>	Wade Hill Deborah Scott Jason Wright Sara Abusidou
	<ul style="list-style-type: none"> <li>• Ensure iwi engagement in Resource Consents for activities on the surface of the river</li> <li>• First steps to Determining Notification</li> </ul>	AnaMaria d'Aubert Sam Toka Ella Makin Emma Ensor
	<ul style="list-style-type: none"> <li>• Prepare and Consider Notification Report</li> <li>• Notify a Resource Consent</li> </ul>	Wade Hill Deborah Scott Victoria Majoor Jason Wright
<b>Customer Support - Animal Control Regulatory Administration</b>	<ul style="list-style-type: none"> <li>• Dog Registrations - End of Year Annual Re-Registration process</li> <li>• Update System Parameters</li> </ul>	Christine Cunningham Pam Osborne
	<ul style="list-style-type: none"> <li>• Annual Dog Registrations - process renewal</li> <li>• Dogs - Notification of Change of Address within District</li> <li>• Change of dog ownership / and property associations</li> </ul>	Christine Cunningham Pam Osborne
	<ul style="list-style-type: none"> <li>• Dogs - Process online payments for Animal Control</li> <li>• Animal Control - Create new Receipting session in ECR</li> <li>• Animal Control - Receipt online dog payments in ECR</li> <li>• Animal Control - Close and Bank Session in ECR</li> </ul>	Christine Cunningham Pam Osborne
	<ul style="list-style-type: none"> <li>• Deactivate a dog record</li> <li>• Dog Registrations - Refund Fees</li> <li>• Animal Control - Processing Animal Refunds in ECR</li> <li>• Inactive Dogs - Clear Existing Dog Registration Fees</li> </ul>	Christine Cunningham Pam Osborne
<b>Community Growth - Economic and Community Development</b>	<ul style="list-style-type: none"> <li>• Process a Development Agreement</li> </ul>	Annette Brodie
	<ul style="list-style-type: none"> <li>• Large Scale Development Enquiries</li> </ul>	Julie Dolan Mitch King

### **Open Meeting**

<b>To</b>	Audit & Risk Committee
<b>From</b>	Sue O’Gorman General Manager Customer Support
<b>Date</b>	26 August 2019
<b>Prepared by</b>	Katja Jenkins Risk Advisor
<b>Chief Executive Approved</b>	Y
<b>Reference #</b>	GOV1318
<b>Report Title</b>	Dog Registration Reminder Notice Incident

## **I. EXECUTIVE SUMMARY**

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The purpose of this report is to inform the Audit & Risk Committee of the privacy breach that was identified on Thursday 22 August 2019 around dog registration data. The report outlines what occurred, what work council staff have done to date to mitigate the impact of the breach, and what the plan is going forward to eliminate the risk of this occurring again.

A number of processes have been identified as having an association with the incident and are detailed in the report. These processes have now been added to an internal audit schedule.

## **2. BACKGROUND**

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On Thursday 22 August 2019 it was identified that during a standard process a print error resulted in Council inadvertently breaching privacy legislation. Investigation into the incident discovered that a number of customers had been mailed dog registration reminder letters containing identification details of other customers.

At approximately 9:54am Council received an email from a member of public with concerns associated with information contained in a letter they had received. In response to the information the Incident Management Team was activated.

As part of the incident management process it was identified that 354 customers had been impacted. The following actions were taken in response:

- The privacy commission was notified as a precaution;
- Elected members were notified;
- The cause was identified; a data and reporting system configuration resulting in the printing error. This was compounded by a lack of process documentation which left the process reliant on individual knowledge of the system issue. It should be noted that a

manual quality assurance process was applied prior to the letters being mailed. This process involves sample checking the print outs to ensure accuracy. This process did not identify the issue.

- A system configuration fix was applied.
- Public communications outlining the incident and accepting responsibility were prepared and released;
- Council called all affected customers (contact was made with 228 of the customers as at the end of day – 29 August 2019).
- A process was initiated to manage on-going administration.

On Friday 23 August 2019, the incident management process progressed to the ‘Recovery’ stage and a recovery plan was implemented.

Actions to mitigate the risk of recurrence were also activated including:

- Acknowledgement of an identified administration shortfall; customer details maintenance and payment processes. At this stage the extent of this issue, and understanding of impact on other processes remains unknown however the Customer Delivery, Information Management and Finance Teams are working together to explore the issue. A stocktake of upcoming mail-out requirements has being conducted for the purpose of examining the potential risk and to apply any required mitigations.
- Review of the associated strategic risk (R00192 Compliance Management) is underway. The risk and treatments will be updated as necessary and outcomes communicated to the Audit & Risk Committee at the December meeting.
- Associated processes have been added to the internal audit schedule to identify non-compliances and improvement opportunities.

All short term actions were completed by close of business Monday 6 September 2019. Medium and Long Term actions are likely to be ongoing and will need to be completed prior May 2020. These actions will inform and contribute to a project aimed at examining the end to end process and implementing improvements with a customer focus lens.

### **3. RECOMMENDATION**

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**THAT the report from the General Manager Customer Support be received.**

### **4. DISCUSSION**

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At this stage legal advice indicates no expected financial penalty but acknowledges that impact to Council reputation is possible. It is noted however that 115 of the customers contacted expressed that they were pleased to have proactively heard from Council in regard to the matter.

The incident has exposed potential risks associated with existing processes including:

- Accuracy of specific customer records being reliant on the customer to proactively inform Council of changes
- Internal compliance with centralised process documentation
- Quality assurance

These risks will be explored and assessed as part of the recovery process and through a subsequent project work.

Processes identified as having an association with the incident are:

- Dog Registrations - End of Year Annual Re-Registration process
- Update System Parameters
- Annual Dog Registrations - process renewal
- Dogs - Notification of Change of Address within District
- Change of dog ownership / and property associations
- Dogs - Process online payments for Animal Control
- Animal Control - Create new Receipting session in ECR
- Animal Control - Receipt online dog payments in ECR
- Animal Control - Close and Bank Session in ECR
- Deactivate a dog record
- Dog Registrations - Refund Fees
- Animal Control - Processing Animal Refunds in ECR
- Inactive Dogs - Clear Existing Dog Registration Fees

These processes have now been added to an internal audit schedule.

## **5. CONCLUSION**

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The efficient collaborative response to the incident through the application of the Incident Management Process, with over 52 staff from across the organisation contributing to response and recovery actions, minimised the potential damage caused by this incident.

Ongoing actions associated with this incident aim to not only mitigate the chance of recurrence but also to examine current practices to identify inefficiencies and improve the future customer experience.

## **6. ATTACHMENTS**

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Extract EM Recovery - Initial Action Plan 30-8-19

## Initial Action Plan

<b>Initial Impact Assessment</b> <i>(based on results from Initial Recovery Impact Assessment and outstanding Response actions)</i>	
<b>Incident: Privacy Breach</b>	
<b>Date and time: 23/08/19</b>	<b>Prepared by: Reece Turner</b>
<b>Areas affected: Dog owners / WDC business units</b>	<b>Recovery Manager for Transition: Reece Turner</b>
<b>Date Recovery Action Plan commences: 26/08/19</b>	<b>Date to review Recovery Action Plan:</b>

### Current situational information from latest EOC SITREP 22 August 2019 per Recovery Task Group:

<b>Overview</b>	<p>354 Customers were affected by an error in the first batch of dog registration reminder letters that were posted on Tuesday 20 August. Analysis continues, however the number of impacted customers is now confirmed as 354.</p> <p>Legal advice is that there is no expected financial penalty/impacts however legislation is currently been amended to include financial penalties for privacy breaches. The biggest impacts are expected to be on the reputation/trust.</p> <p>As of 8:45am on Friday 23 August WDC have been in touch with 228 customers by phone.</p> <p>As a result of these phone conversations a number of issues have been raised around the matching of payments and the accuracy of data that we need to remedy prior to ensure the resending of the letter.</p>
<b>Recovery Purpose</b>	Establish Task Groups for the coordination and remediation actions to address the impacts of the incident across our business, to prevent further and future impacts on our customer experience with dog registration reminder process.
<b>Organisational Risk</b>	<p><b>Risk of reputational damage</b></p> <p>Local or one-off national coverage. Prolonged negative local coverage</p> <p><b>R00192 Compliance Management;</b> Council is exposed to significant financial loss or business disruption caused by non-compliance with legislative, regulatory or policy requirements</p>
<b>Stakeholders</b>	<p><b>Active stakeholder</b></p> <p>Animal Control / Regulatory Administration – (Pam, Tony, Brett, Christine) Contact Centre and Customer Delivery – (Ngahina, Brian, Liz) Communications – (Jake Q, Deanna Smith, Sheryl) Legal – (Christine P) Finance – (Colin, Alison, Andrew) IM – (Susan, Julian) Risk &amp; Innovation – (Kat, Glynn, Kurt) Customer Experience Manager – (Reece) People &amp; Capability – (Vanessa)</p> <p><b>Informed stakeholder</b></p> <p>GM Customer Support ELT Risk &amp; Audit Committee</p>

	Elected members
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**Actions outstanding from Response Phase latest EOC Action Plan (*insert date*):**

Date logged	Outstanding Actions from Response Phase	Recovery Task Group	Short, medium or long-term	Date completed / Noted
23/8/19	126 customer still not contacted 74 Contacted voicemails left 52 Uncontactable	Customer Delivery	Short	Completed 26/8/19
	17 Deceased dogs	Customer Delivery	Short	Completed 26/8/19
	19 data issues(rehomed dog, not owner)	Customer Delivery	Short	Completed 26/8/19
	Deceased people	Customer Delivery	Short	Completed 26/8/19
	25 Payments made	Finance	Short	Completed 26/8/19
	Re-issue of reminder notices	Customer Delivery	Short	Completed 27/8/19
	Customer requesting call back	Customer Delivery	Short	Completed 27/8/19
	Customer updating contact details	Customer Delivery	Short	Completed 26/8/19
	Customers requesting tag replacement	Customer Delivery	Short	Completed 26/8/19
	Ensure no further dog registration reminder letter go out until issues document in the recovery actions plan are completed	Reg Admin IM	Short	Completed 26/8/19
	Acknowledgement from Privacy Commission	Legal	Short	Completed 26/8/19

**Key short-term Recovery actions:**

Task Group	Short-term actions	Owner (agency/lead person)	Date to be completed	Date completed
Comms Legal CS Management	<i>Determine written response to formalised complaints and media requests. Create recovery communication plan for all stakeholder</i>	Comms	Monday 26 August 2019 - 5pm	Completed 26/8/19
	<i>Update communication plan to include privacy commission advice</i>	Comms	Tuesday 27 August 2019	Completed 27/8/19
Finance Reg Admin IM	Identify, record and correct those customers records who have paid their 19/20 registration fees that have been credited to overdue 18/19 fees	Colin	Monday 26 August 2019 - 5pm	Completed 26/8/19
Risk & Innovation CS GM	Prepare report for Risk & Audit Committee	Kat Jenkins Sue O'Gorman	Friday 30 August	Completed 30/8/19

			2019 – 5pm	
CD	Create a workgroup to work through outstanding response actions	Ngahina / Liz	Monday 26 August 2019 - 5pm	Completed 26/8/19
P&C	Welfare checks of those staff who were effected or took part in the IMT response	Vanessa	Monday 26 August 2019 - 5pm	Ongoing 28/8/19
IM Reg Admin	Understand the total of number of notice that was to be sent out.	Pam / Christine	Monday 26 August 2019 - 5pm	Completed 26/8/19
Reg Admin Finance	Verify the identified 145 customer payments are applied to the correct year	Pam / Marion	Tuesday 27 August 2019 Updated to Thursday 29 August	Completed 2/9/19

**Key medium-term Recovery actions**

Task Group	Medium-term actions	Risks identified	Owner (agency/lead person)	Date to be completed	Date completed
IM Risk & Inn Reg Admin Finance	Re-create letter batch with accurate financial information based on information and business improvements developed in short-term recovery actions		Pam and Susan	TBC	TBC
IM Risk & Inn Reg Admin Finance	Determine what is going to be done in regards to the outstanding payments from 18/19		TBC	TBC	TBC
IM Risk & Inn Reg Admin Finance	Business wide Quality Assurance process created for future mail outs		TBC	TBC	TBC

**Key long-term Recovery actions:**

Task Group	Long-term actions	Risks identified	Owner (agency/lead person)	Date to be completed	Date completed
IM Risk & Inn Reg Admin Finance	Alignment of business rules and legalisation Explore and implement business improvement		TBC	ongoing	TBC

**Support Services requirements/considerations**

Ref	Support Service	Short-term actions	Partners identified	Owner (agency/lead person)	Date to be completed	Date completed

**Supporting notes on further information**

Initial Recovery Meeting held 26.08.2019 Meeting opened at 09:00am by Reece Turner <ul style="list-style-type: none"> <li>Minutes Appendix One</li> </ul>
Recovery Meeting held 27.08.2019 Meeting opened at 09:00am by Reece Turner <ul style="list-style-type: none"> <li>Minutes Appendix Two</li> </ul>
Recovery Meeting held 28.08.2019
Communications Plan <ul style="list-style-type: none"> <li>Appendix Four</li> </ul>
Business and Dog outstanding Issue that require attention (Session dated Friday 30 August) <ul style="list-style-type: none"> <li>Appendix Five</li> </ul>


<b>Date this Initial Recovery Plan signed off:</b>	<b>Signed by:</b>
Reece Turner	Reece Turner

#### Appendix 1 – Minutes 26-08-2019

- An overview of the current situation was provided
- Key actions identified – Analysis of data and reissue of reminder letters
- Purpose of the meeting is to coordinate actions and undertake quality control
- Two key organisation risks - reputation and compliance management
- An overview of the action plan provided
- Outstanding tasks from response – 126 customers still require contact & data requires updating
- No further letters will be sent before quality control is undertaken
- Customer delivery identified as key stakeholders to look at the data
- Customer delivery has kept a spreadsheet of affected customers

#### Contact Centre

- identified numerous data issues
- Need more than one means of contact for customers
- Would be good to have the option to email
- It is the owner's responsibility to keep their details up-to-date

#### Customer Support

- Contacted 225, 60 errors
- Identified a 30% error rate

#### Reg Admin

- Outstanding debt from previous years unpaid rego is causing confusion

#### Finance

- Systems are working as expected. The processes need updating
- The change in process has identified issues
- Verification of payments required – need to be provided with data
- Possibly additional processes to collect debt during the year rather than at the end
- There is an education opportunity to make sure our customers understand that there can be penalties under the act
- Records need improvement and the end to end process needs review

#### Risk

- Preparing a report for Audit & Risk in collaboration with Customer Support
- Agenda closes next week

#### Recovery

- Scan all documents into ECM

#### Communications

- Need to consider our current response for people that are still to reply incl. customers and key stakeholders

Next progress updates 09:00am 27 August 2018

Appendix 2 – Minutes 27-08-2019

Meeting commenced at 09:00am

Stakeholders present: Ngahina Armstrong-Nield, Reece Turner, Anisha McPhee, Tony Pipe, Susan Toogood, Elizabeth Saunders, Pam Osbourne, Brett Watene, Colin Bailey, Deanna Smith, Sheryl Flay, Madelina Baena-Escamilla and Julian Hudson

Apologies: Alison Diaz, Andrew Nimmo, Christine Cunningham, Christine Pidduck

- Customer Delivery working through data issues incl. non contacts, deceased dogs
- Of 126 customers they have reduced the number requiring contact to 74. 52 Customers identified as having no contact details (no working phone number or email address). These customers may require a physical visit.
- Contact Centre does not currently have capacity to reissue notices and work needs to be done to understand who requested call-backs.
- Finance has located 145 payments credited to 2018 fees. Accuracy needs to be checked. Reg admin and Finance will share the task of verifying accounts and ensure they are applied to the right place. The majority of the issues we due to timing issue.
- Legal advised that payments cannot be applied to 2018 accounts if the customer believed that they were settling their 2019 account.
- The Communications team have provided a comms plan that includes a media statement.
- Original collection notices were 4500. All known issues have to be checked before these are sent. Of the 4500, one batch of 700 were printed and distributed.
- The privacy commissioner has advised that the initial notification was sufficient to their office. We should also have included information when talking to our customers that they can make a complaint if they wish to the privacy commissioner.

## APPENDIX 3

Meeting 09:00am 28 August 2019

Good progress made with short term objectives

Verified a total of 5 customers that require a call backs from the completed pile. Contact Centre to reach out to customers.

Communication plan updated, welfare checks being arranged by People and Capability.

Current numbers:

354 customers effected

228 customers contacted by phone

126 not contacted with 74 customers called however, we have been unable to speak to these customer. Voice messages have been left.

52 of these 126 customers are not contactable due to out of date mobile / landline phone numbers.

Pam is still making progress on her outstanding actions and will have these completed by close of business Thursday 29 August.

Next work a workshop will be organise to under the pain points in the process that require attention moving forward to prevent any further issues.

Audit and Risk Committee have requested further information that needs to be addressed.

Update Friday 30 August 2019 09:00.

- HR aware of their welfare requirements
- Pam is require a couple of more days to complete checking of current data
- 5 call backs identify and to be completed by Brett and his team
- Facebook chatter in the Huntly community. Media interest from NZ herald
- Session conducted to identify organisation wide, dogs issues and solutions (see appendix 5)

## Appendix 4 – Communications Plan

### COMMUNICATION PLAN IN RECOVERY

#### *WHAT WE DID:*

- Majority of customers have been contacted by telephone to advise of situation
- Consistent messaging was provided (approved by our Legal team)
- Staff were provided with a script and FAQs
- Information was published on the website
- Holding statement prepared in case of media interest or Facebook activity
- Privacy Commissioner was contacted (Christine Pidduck)

#### *KEY MESSAGES TO MEDIA:*

- We acknowledge the error
- Explain what has happened
- We take accountability
- We've attempted to contact all of the affected customers
- Some we haven't been able to contact because their phone numbers aren't current. We encourage people to let us know if any contact details have changed
- We are reviewing our invoicing processes so that it doesn't happen again.

#### *HOLDING STATEMENT – FOR MEDIA:*

Unfortunately an error occurred on Tuesday 20 August while processing our dog registration reminders. As a result, 354 registration reminders included details about another customer. These letters arrived in people's mailboxes on 22 August.

We have contacted 228 customer and are still working on contacting the remaining 126 customers [as at 26 August]. We encourage people to make sure their contact details are correct. They can do this by phoning 0800 492 452.

We are sorry that this error occurred. Our customers' privacy is very important to us and we will be reviewing our invoicing processes so that it doesn't happen again.

#### *IF MEDIA REQUIRE A SPOKESPERSON*

Chief Executive Gavin Ion to be briefed on current situation prior to any media interviews.

#### *RESPONSE TO FORMAL COMPLAINT:*

- Acknowledge their concerns
- Apologise for our error and take accountability
- Explain what has happened; explain the current situation
- Give reassurance that we are looking into the situation to ensure it doesn't happen again.

#### *Example of response:*

Thank you for your email/phone call.

Explain background – what went wrong, what the current situation is. For example:

Unfortunately an error occurred on Tuesday 20 August while processing our dog registration reminders. As a result, 354 registration reminders included details about another customer. These letters arrived in people's mailboxes on 22 August.

We have contacted 228 customer and are still working on contacted the remaining 126 customers [as at 26 August]. We encourage people to make sure their contact details are correct. They can do this by phoning 0800 492 452.

Waikato District Council is taking this matter very seriously. Our customer's privacy is very important to us and we will be reviewing our invoicing processes so that it doesn't happen again.

### **FAQs FYI**

#### **How many people has this happened to?**

354 people received letters with information about someone else.

#### **When did this happen? When did you find out about this?**

The letters were sent out on Tuesday 20 August and arrived in people's letterboxes on Thursday 22 August. We found out on Thursday morning after a customer phoned.

#### **What are you doing to fix this situation?**

We immediately investigated and determined how many people had been affected.

We tried phoning all affected customers that day.

We have managed to get hold of 228 customers to date [as at 26 August].

We've had a look at all the invoices to see who has been affected. A

We've also contacted the Privacy Commission to let them know about the situation.

#### **Where have their details gone?**

They were sent to one other person. This would have been the person that was on the registration list after them.

#### **What did you tell customers to do with the letter?**

We have asked all customers to destroy the letter.

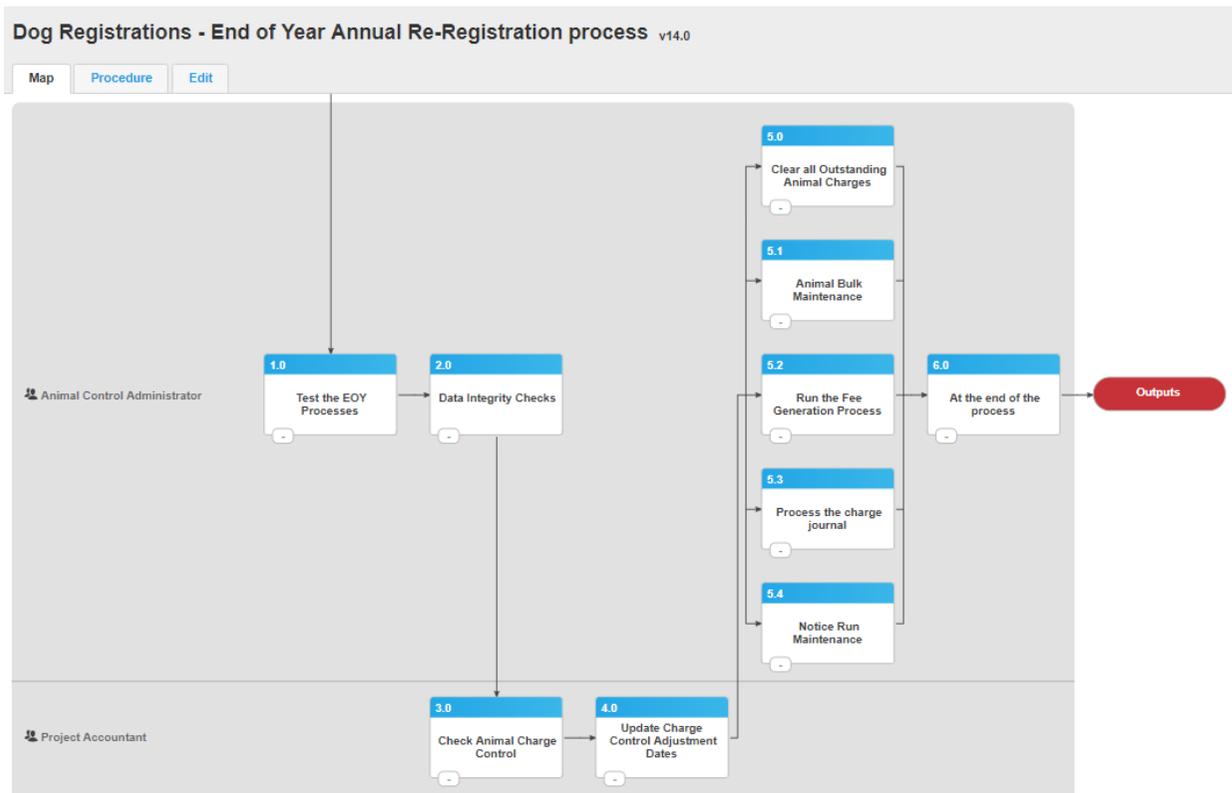
If people want to make a formal complaint

Direct to website or 0800 492 452

If you require anything further, please do not hesitate to get in touch with us. We have a 24 hour toll free line which you can reach us on 0800 492 452 or via email at [info@waidc.govt.nz](mailto:info@waidc.govt.nz)

## Appendix 5

<b>Business Recommendations</b>		<b>Dog Rego Recommendations</b>
Some way of detailed checking		Increase awareness of owners responsibility to update their details
Update QA to check last letter in additional to other checks		Communications to review the letter and the text
Check process on outgoing mail		Clarity around overdue fees
Check why we are putting personal details on letters		Communications and Customer Delivery to be made aware of what letters are going out
Projects ensure main stakeholders are involved to make write decisions		Clarify legal position around unpaid registration fees and our rights to credit current years payment against past due
Manual checks of letter before posting		Reminder pull out multiple dogs process separately
Regular review of report set up		Potentially check contact details with other databases (National Dogs Database)
Regular communications to our customers to update their details		Follow up on uncontactable owners - ACO's
Communications out to family members to update deceased members of the family		Check dog to ensure fee have not been paid
Understand our letter templates		Pull out multiple dog over ## out of print run
Filter down communications re decisions		Check first and last pages of print run to ensure no dysfunction in report
Replicate rates notice process		Current Report only allows for 16 dogs. Need a report for customers with 10 or more dogs - process them separately
Ensure letters are in ECM before sent out to the customer		Look at process for updating details for deceased people
Ensure letters are shared with Customer Delivery before they are sent out		Make decisions on outstanding renewal actions
		Data cleansing done prior to new re - reg year
		Should a statement of account be sent for outstanding fees prior to re-reg period
		How do we collect outstanding money?



### **Open Meeting**

<b>To</b>	Audit & Risk Committee
<b>From</b>	Clive Morgan General Manager Community Growth
<b>Date</b>	23 August 2019
<b>Prepared by</b>	Stacey Solomon Corporate Planner
<b>Chief Executive Approved</b>	Y
<b>Reference #</b>	GOV1318 / 2345063
<b>Report Title</b>	Progress Against Audit Issues – September 2019 Update

## **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:

- Cyber security systems
- Risk management
- Project management
- Procurement and contract management
- Audit New Zealand (Annual Report)

Staff have undertaken a review of audit issues contained in the Audit Issues register.

The green highlighted items in the attachment have been completed since the last report in June 2019.

There are 5 unresolved issues (+ 1 pending) from a total of 159. We continue to make progress resolving the remaining audit issues and are on track as per the Combined Audit Recommendations schedule.

## **2. RECOMMENDATION**

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**THAT the report from the General Manager Community Growth be received.**

### 3. SUMMARY OF PROGRESS

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The tables below outline the areas and status of issues – either completed, in progress or pending since the last report in June 2019.

#### Areas of audit issues – September 2019

	Pending	Work in progress	Complete	Total
Audit New Zealand	0	1	34	35
Cyber security	1	2	30 + 1 ongoing	34
Internal audit	0	0	5	5
Procurement and contract management	0	2	13	15
Risk management	0	0	36 + 1 ongoing	37
Project management	0	0	33	33
<b>Total</b>	<b>1</b>	<b>5</b>	<b>153</b>	<b>159</b>

#### Areas of audit issues – June 2019

	Pending	Work in progress	Complete	Total
Audit New Zealand	0	1	32	33
Cyber security	1	1	30 + 2 ongoing	34
Internal audit	0	0	5	5
Procurement and contract management	0	2	13	15
Risk management	0	0	36 + 1 ongoing	37
Project management	0	0	33	33
<b>Total</b>	<b>1</b>	<b>4</b>	<b>152</b>	<b>157</b>

The “ongoing” issues identified are those including training and process improvement. Staff consider we will always be undertaking ongoing business improvement.

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 (as per the dates in the schedule) and it is expected further progress will be made by the next Audit & Risk Committee meeting.

#### Waters

Twenty five per cent of all service requests recorded for the 2018/19 year have now been audited; the Waters issue in the AuditNZ area is therefore being raised and closed this reporting period.

The audit indicated that a number of the service requests may have been incorrectly categorised, or that categorisation of the requests was subjective ie: a blockage that results in an overflow may be recorded as an overflow, not a blockage.

Incorrect categorisation such as this resulted in a 1.4% error in compliance with Levels of Service from the waters teams, who were unable to accurately allocate and apply the appropriate level of service. This analysis has a confidence greater than 99%, with 1.4% an acceptable level of error when compared to the 5% accepted variance placed on this level of service in the LTP 2018/28.

#### **4. CONCLUSION**

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There are a total of 159 issues that have been raised by various audits across the organisation, 153 of which are now complete.

#### **5. ATTACHMENTS**

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Combined Audit Recommendations

## Attachment I: Combined Audit Recommendations

Audit Area	Domain	Recommendation/ Action Required	Date first raised	Proposed Action/Plan - September A&R Committee comment	Who	By When	Status
AuditNZ	Contract management	Develop and implement a contract management system	Jul-16	Contracts and Partnering Manager appointed, Contracts and Compliance Officer appointed. Working with IM to get the Tech1 Contract Management module up and running to see if it will be suitable going forward. In the interim Contract and Partnering Team work on gathering details (currently in Excel)	Contracts and Partnering	Dec-19	Work in progress
AuditNZ	IM practices	Dashboard reporting on key Information Management initiatives should also include reporting on availability and capacity of IT infrastructure and systems	Oct-18		IM	Apr-19	Complete
Cyber Security	Bus Own and Direction for IT	Rec02: Business owners (from Rec01) formalise information security requirements for the assets owned	Dec-15	Master Data project is being executed.	IM	Dec-19	Work in progress
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	Stock is starting in Tuakau on Sunday August 22nd with the refurb project. Other sites to follow.	IM	Oct-19	Work in progress
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	The new service desk team are completing a full stock take of the PC fleet in order to create new processes for regular patching. This work has been delayed due to other priorities.	IM	TBC	Pending
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	Contracts and Compliance Officer now appointed. First team of focus is Community Connections in Service Delivery. Working with WDC Contract Managers to establish what each Contract is currently providing and looking to introduce best practices to ensure WDC are getting the information needed on the services provided.	Contracts and Partnering	Sep-19	Work in progress

KPMG review of Procurement and Contract Management	Procurement	<p>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:</p> <ul style="list-style-type: none"> <li>• procurement aims and objectives for the next 3 to 5 years</li> <li>• procurement vision</li> <li>• demonstrates the support by senior management</li> <li>• maps out the major initiatives to be addressed in the forthcoming 3 to 5 years</li> <li>• 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</li> <li>• framework upon which WDC's procurement policy and procedures are based</li> <li>• objectives against which progress can be measured and reported</li> </ul> <p>2) Review procurement guidelines to ensure there is consistency between procurement policy, the manual and ProMapp process descriptions.</p>	Dec-16	<p>The WLASS regional framework has gone live with associated process put in place to utilise the new Professional Suppliers Panel. The development of a roadmap alongside roadmap has been delayed and will be commenced within the next quarter. A graduate procurement specialist has been secured on placement from MBIE for a period of 6 months. This resource will assist with the implementation of the roadmap and support to the business.</p>	Procurement	Sep-19	Work in progress
Audit NZ	Waters	<p>Review the classification recorded of all waters call-outs/jobs before year-end to ensure they are correctly classified in the Customer Relationship Management (CRM) system. The resolution times recorded should also be checked to ensure they are accurate.</p>	Sep-19	<p>25% of all SR's recorded for the 2018/19 year were audited. The audit result indicated that 7% of all SR's may be incorrectly categorised (however, in many cases categorisation was subjective).          Analysis of the 7% of SR's described as incorrectly categorised revealed that in 20% of cases, the incorrect categorisation impacted the LoS applied to the SR.          In summary, there is a 1.4% error in reported compliance with LoS from the waters team resulting from the categorisation of the SR's. This analysis has a confidence on greater than 99%.          This is an acceptable level of error when compared to the 5% accepted variance placed of LoS measured in the LTP</p>	Waters	Jul -19	Complete

### **Open Meeting**

<b>To</b>	Audit & Risk Committee
<b>From</b>	TG Whittaker Chief Operating Officer
<b>Date</b>	5 September 2019
<b>Prepared by</b>	A Diaz Chief Financial Officer
<b>Chief Executive Approved</b>	Y
<b>Reference #</b>	GOV1318/ 2346971
<b>Report Title</b>	Procurement Report

## **1. EXECUTIVE SUMMARY**

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This report details procurement activities at Waikato District Council for the past quarter.

The objective of this report is to keep the Audit & Risk Committee informed on key improvement initiatives to better manage procurement risk throughout Council.

## **2. RECOMMENDATION**

---

**THAT the report from the Chief Operating Officer be received.**

## **3. PROCUREMENT UPDATE**

---

### **3.1 PROCUREMENT AND CONTRACT MANAGEMENT ROADMAP**

An internal 'Contracts Centre of Excellence' to deliver higher standards of contract performance is under development, led by the Contract & Partnering Manager. Associated with this work, the committee were briefed in June on the plan to establish an overarching Contracts and Procurement Framework with expected delivery of a roadmap in September. This work is currently on hold as we assess short-term availability of key resources. A key deliverable under the roadmap would be the configuration and rollout of the contract management system, so while requirements work is ongoing, next steps will be delayed until the overall roadmap is agreed. Note that with the roading Alliance and the new WaterCare Services Limited contract in place, the contracts system will need to be right sized for the remainder of the contract work.

### **3.2 GOVERNMENT PROCUREMENT RULES**

As discussed previously, the new Government Rules of Procurement come into effect in October. There are significant changes to what was previously Government Rules of

Sourcing. While local government is not required to follow these rules, it is certainly encouraged, and they feature significantly in our Council Procurement policy and processes. Representatives from Council will attend a Ministry of Business, Innovation and Employment (MBIE) workshop in Hamilton on 18 September to gain further insight into the changes and anticipated benefits.

### **3.3 PROFESSIONAL SERVICES PANEL**

A five-year Waikato Local Authority Shared Services (WLASS) professional services panel contract and associated webpage was launched in August. The pre-qualified consultants on the panel cover a variety of disciplines, and are based in a number of localities across New Zealand. The last panel arrangement had more than \$80 million of spend, and with the supporting webpage and ease of use this is expected to grow over the next wave.

Via a secure login, staff can view all of the pre-qualification information before a quote is sought e.g. previous project work, key staff resumes, expertise/skill set, their contracted rates and details of insurance cover.

The panel has been set up on an exclusive rights basis from which a departure can only be approved by an appointed Senior Manager and only if specific criteria for exception have been met.

The benefits of this arrangement for Waikato District Council will be better controls over who can enter into arrangements, improved reporting over professional panel usage, and streamlined procurement processes for staff.

### **3.4 PROCUREMENT RESOURCES**

The New Zealand Government Procurement and Property Branch within the Ministry of Business, Innovation and Employment (“MBIE”) runs a cross-government procurement graduate programme, where graduates are employed by MBIE on a two-year fixed term contract but seconded to agencies across government for six-month rotations.

While seconded to the host agency, it is expected that graduates gain relevant skills, competency and experience working in procurement and that they not be used as an administrative resource. A procurement graduate from this programme started at Council in August and will be with us until February 2020.

## **4. ATTACHMENTS**

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NIL

### **Open Meeting**

<b>To</b>	Audit & Risk Committee
<b>From</b>	Tony Whittaker Chief Operating Officer
<b>Date</b>	8 September 2019
<b>Chief Executive Approved</b>	Y
<b>Reference #</b>	GOV1318 / 2346975
<b>Report Title</b>	Insurance Renewal Process 2019

## **I. EXECUTIVE SUMMARY**

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The annual insurance review is in progress. A number of changes have been made to asset schedules, which will impact material damage and infrastructure natural disaster cover premiums.

Material damage declared values have moved as follows:

Insured value 2018	\$ 223,518,656
Additions to schedule	\$ 96,033,522
Removal from schedule	(\$ 53,118,359)
<b>Total insured value 2019</b>	<b>\$ 266,433,819</b>

Infrastructure asset values have almost doubled when compared with 2018 declared values. The changes capture revised methodology in calculating replacement values following bridge inspection work (70% higher), an extension to the number of existing assets termed as 'critical', as well as new bridge assets of \$25 million. The impact of these changes on insurance premiums is not yet known and will depend on the movements across all participating councils.

As is usually the case, the information required for a conversation with the Audit & Risk Committee is not to hand this early in the renewal cycle. We will circulate the relevant information to members once available at the beginning of November.

## **2. RECOMMENDATION**

---

**THAT the report from the Chief Operating Officer be received.**

## **3. ATTACHMENTS**

---

NIL

### **Open Meeting**

<b>To</b>	Audit & Risk Committee
<b>From</b>	Clive Morgan General Manager Community Growth
<b>Date</b>	27 August 2019
<b>Prepared by</b>	Stacey Solomon Corporate Planner
<b>Chief Executive Approved</b>	Y
<b>Reference #</b>	GOV1318 / 2345010
<b>Report Title</b>	Draft 2018/19 Annual Report

## **I. EXECUTIVE SUMMARY**

---

Attached is the draft non-financials for the 2018/19 Annual Report and Summary. At the time of preparing this report, these documents were still being audited by our independent auditors, Audit New Zealand.

The purpose of this report is to provide an opportunity for the Audit & Risk Committee to give feedback on the Annual Report and Summary from a risk perspective.

This year the Annual Report Summary has been developed as a self-contained section at the front of the Annual Report, we are also developing a page on our website that will present the Summary in a more interactive way to our residents and ratepayers. Previously the Summary had been prepared in a new sheet, before being circulated to households in the district.

The main rationale for the change to digital presentation of the Summary is to increase cost effectiveness. To support this, an article will be included in the October/November 2019 LINK newsletter encouraging people to view the Summary on the website. Hardcopies of the Annual Report and Annual Report Summary will be made available at all of our libraries and service centres.

The Annual Report and Annual Report Summary will be presented to the Strategy & Finance Committee on 25 September 2019 to recommend adoption by Council on 7 October 2019.

**2. RECOMMENDATION**

---

**THAT** the report from the Chief Operating Officer be received.

**3. ATTACHMENT**

---

Draft 2018/19 Annual Report and Annual Report Summary (non-financials)

# 2018/19



**ANNUAL REPORT & SUMMARY**  
*Riipoata aa-tau me te tuhinga whakaraapopoto*

**OUR VISION:  
LIVEABLE, THRIVING AND  
CONNECTED COMMUNITIES**

**HE NOOHANGA AAHURU,  
HE IWI WHAI ORA, HE HAPORI  
TUUHONO TAHI**



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# **WELCOME TO OUR ANNUAL REPORT SUMMARY FOR 2018/19**

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 summary provides you with a 'scorecard' so that you can review what we've been doing in the district over the past 12 months.

## Creating liveable, thriving and connected communities

Our vision of 'liveable, thriving and connected communities - he noohanga aahuru, he iwi whai ora, he hapori tuuhono taki', continues 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've co-developed and adopted the Waikato District Blueprint through a series of community workshops and consultation where we heard from hundreds of members of the public. The Blueprint is Council's way of showing the community that we are taking a new and different approach to planning by providing a high-level spatial picture of how the district could look in the future, while addressing the social, economic and environmental needs of our people and places. We were given a clear sense of the community's priorities, what is really important to them, and where they would like to see Council direct its resources. In total, 15 Local Area Blueprints, as well as nine themes and related initiatives, were co-developed for the Blueprint.

Alongside the Blueprint is the work we're doing on the District Plan. Stage 1 of the Proposed District Plan was publically notified in July 2018 and we received nearly 1,000 submissions on it. The submission period was supported

by a series of public drop in sessions throughout the district to provide the public an opportunity to talk about it with our planning team. Hearings for Stage 1 will begin in the next financial year, while Stage 2 of the District Plan is still under review and covers natural hazards and climate change topics.

### Financial performance

We worked hard to set rates and debt levels that balance affordability with the need to provide for our growing community. For the 2018/19 year, in the Waikato District average rates per rateable property were \$2,881.

### Sustainable development

Waikato District Council was once again announced as a finalist in the Society for Ecological Restoration Australasia awards. The awards recognise the continued ecological enhancement of Lake Rotokauri, with the support of external funding.

We are improving walking accessibility to Lake Waikare and reducing the costs of doing this by obtaining offers of grant support from external funders (up to \$170,300 from the Waikato River Authority and Trust Waikato) to help build the paths and lakefront boardwalk. By seeking external funding, we've been able to do more for less with rate payers' money. We have been proud supporters of walk and cycle ways in the district through our support of Te Awa, which stretches along the Waikato River, from Ngaruawahia in the Waikato District, through Hamilton City, to Karapiro in the Waipa District.

### Economic Development

Our reputation as a place to do business has again increased in the past year. Our International Strategy for Economic Development continues to create relationships with overseas investors, and through the Open Waikato site we have created relationships with China and South Korea, where investors are potentially looking to establish businesses in the district.

We have committed \$60,000 per annum as part of the Long Term Plan to the Regional Economic Development Agency, Te Waka and are members of the Regional Economic Development Group.



An annual grant of \$150,000 per annum is provided to Hamilton & Waikato Tourism to support the promotion of our district, and in particular, Raglan as one of our key district destination sites. Expenditure across the wider Waikato region for 2018 was \$1.560 billion, the 5<sup>th</sup> highest in the country and in the Waikato district the tourism spend was \$127 million.

## 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.

In consultation with the community, we reviewed our representation arrangements for the 2019 local body elections. The Local Government Commission determined that, with some minor boundary changes, our current arrangements provide fair and effective representation.



We expanded our efforts to connect with you using a variety of media, surveys and public meetings, and online services and we are constantly looking for new and better ways to do this. We engaged, consulted and supported our communities on a number of other initiatives, plans, strategies and bylaws ranging from food-waste collection to gambling venues, and from speed limits to libraries.

We have again achieved customer satisfaction levels of 80% or more with some of our largest and most widely-used services – public libraries (91%), parks and reserves (83%), wastewater (90%), water (82%), rubbish (83%) and recycling (82%). Overall, 74% of survey respondents were satisfied with the way rates are spent on the services and facilities provided by the Council.

## Building connected communities

We provide many of the facilities and resources that support liveable, thriving and connected communities. Our libraries have continued to be an important place for community activity, hosting community group meetings as well as regular reading programmes and other learning opportunities.

We partnered with Hamilton City Council and are contributing \$199,235 plus GST annually for a shared library service. This

means nearly 23,000 people living in 8,000 Waikato District households in the southern area of the district continue to be able to use Hamilton City libraries for free. The agreement recognises that our residents and ratepayers live, work, and socialise outside of our district, and that closer collaboration between Hamilton City Council and Waikato District Council is a key factor in ensuring sustainable growth.

To upgrade the Tuakau Library, \$1.25million of funding was made available during 2018/19. We engaged with the community to design what the new space will look like and it is anticipated that building work will commence at the end of February 2020, with completion set for end of November 2020. The Meremere library is due for completion in August 2019, and we've started planning for a proposed library/community hub and service centre in Pokeno too.

Waikato District Council have supported a variety of events and projects across the district. The Matariki Fund helped fund events and projects to educate, inform and raise awareness of the practices and traditions of Matariki, both locally and regionally. These included storytelling, exhibitions and educational performances. We also assisted Huntly Friendship House and Te Kauwhata Community House to deliver on their various arts programmes, supported by the Waikato District Council Creative Communities Scheme funding. Our open spaces increased in the past year with an additional 12.5 hectares of parkland added to the 1,656 hectares already maintained by Council in conjunction with our partners Citycare.



## Caring for our environment

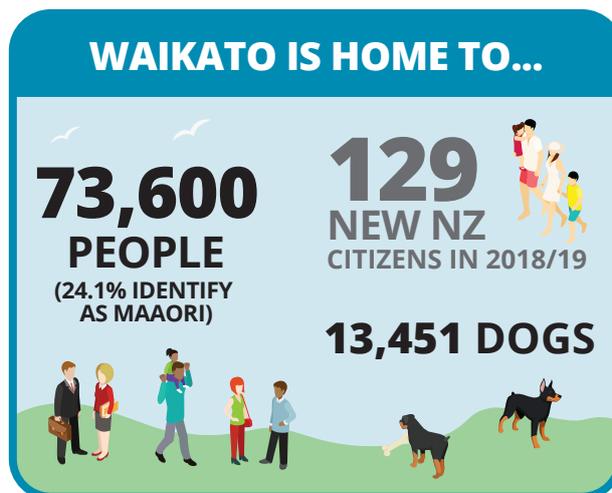
Our aim is to provide sustainable, attractive, affordable and safe options for living, in a way that's in tune with what ratepayers' wants and needs.

### Waste minimisation

Our Waste Management & Minimisation Plan (WMMP) sets out our goals, objectives and targets that help us towards waste avoidance, reduction, and recovery. We know from the waste assessment we carried out between August 2017 and February 2018 that we are generating about 52,000 tonnes of waste to landfill each year, that's not including farm-waste or waste from the 71,000 tonnes of material we divert through reuse, recycling and composting.

Our Para Kore programme is helping us move towards our waste targets. 'The Hungry Bin worm farm' Central Kids Huntly Kindergarten Hungry Bin worm farm has reduced the kindy's landfill volume by half since the beginning of the year. We have supported the EnviroSchools programme to create a generation who instinctively think sustainably by encouraging young people to plan, design and implement sustainability actions in their own communities.

awareness of how their actions affect the health of the river and the fish in the river. Horsham Downs and Horotiu are connecting with Council through the 'Water Day' and planting along the Waikato River.



### WE PROVIDE...

**9,137,000**

**LITRES OF**  
DRINKING WATER A DAY

**54 PUBLIC**  
**TOILETS**  
USED BY 4,000  
PEOPLE EVERYDAY



**54**

**PLAYGROUNDS AND**  
NEIGHBOURHOOD RESERVES

**KERBSIDE**  
COLLECTIONS  
OF 10,438  
TONNES OF  
REFUSE EACH YEAR



**13 SKATEPARKS**

**3 SWIMMING**  
**POOLS**

**2 CAMPGROUNDS**  
PAPAHUA AND HAKANOVA

Students at Whatawhata School have created an edible entranceway to the nature trail, 'Kuhunga'. The schools front gardens have been developed to provide local produce for school lunches. Tamahere School engaged in 'Change for Change' – a programme where each class picked a charity or organisation and identified ways to support them by holding a market day to raise funds and awareness of various charities. This included a school production of 'The Mauri of Pirongia' which raised \$1,300 to be donated to Pirongia Restoration Society. Tuakau School focused during Term 3 on a Te Awa inquiry which raised students'

### Environmental Health

Our environmental health service delivery processes were audited by JASANZ (Joint Accreditation System of Australia and New Zealand) in late 2018, and Waikato District Council are now approved as a recognised agency by the Ministry for Primary Industries to provide verification services within the district.

### Our natural environment

During 2017 – 2019, staff carried out the required consultation process to review our Natural Reserves Management Plan. This process requires extensive consultation with members of the public, key stakeholders and local Iwi. As a result, a plan was developed and adopted, that provides staff and the community guidance on the types of improvements and activities that should occur on our reserves.

# 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  
XX CENTS**

**AREA OFFICES AND  
OTHER PROPERTIES**



**XX  
CENTS**

**COMMUNITY AND SAFETY**



**XX  
CENTS**

**CORPORATE AND  
COUNCIL LEADERSHIP**

**XX  
CENTS**



**ENVIRONMENTAL  
HEALTH  
XX CENTS**



**GRANTS AND  
DONATIONS  
XX CENTS**



**LIBRARIES  
XX  
CENTS**



**PARKS AND RESERVES**

**XX  
CENTS**



**RESOURCE MANAGEMENT**

**XX  
CENTS**



**ROADING XX  
CENTS**



**SOLID WASTE X CENT**

**STORM X CENTS  
WATER**



**WASTE  
WATER  
XX  
CENTS**

**WATER SUPPLY  
XX 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.

## Funding for local groups

**IN THE PAST  
12 MONTHS  
WE HAVE..**

- Supported our vision of building 'liveable, thriving and connected communities' with the creation and adoption of the Waikato Blueprint.
- Committed more than \$594,000 in grants to 118 organisations and charities throughout the district.
- Received nearly 1,000 submissions on our proposed District Plan.
- Established an independent Waters Governance Board to drive forward with our strategic and operational changes to the Waikato district's waters systems and management, which is predicted to save us almost \$28.3 million over the next 10 years and deliver improved environmental outcomes.
- Expanded our online services, attracted nearly 230,000 people to our website and now have almost 11,000 followers on our Council Facebook page.

## Learning to be 'DogSmart'

Through our 'DogSmart' education programme we've scored well above our performance targets for the 2018/19 year. The growth of the Dogs in Libraries programme continues, where people are able to read to one of six fully trained and temperament tested dogs. The current program is being translated into Te Reo so that we can deliver it to our kura kaupapa (te reo speaking schools) in the coming terms.

For the second year we teamed up with Hamilton City Council and hosted our 'Dirty Dog Challenge', attracting nearly 300 dogs and their owners to the Christian Youth Camp in Ngaruawahia. Our 'Pound Pups Pool Parties' also proved popular, with events organised in Ngaruawahia and Tuakau.

Dog registrations numbered 13,451, which is down slightly on last year's 14,070.

## Road and footpath networks growing

A major focus this year has been on planning for changes to the local roading network to support new residential growth and the construction of the Waikato Expressway. Expressway projects are nearing completion and will bring long term benefits to the district.

NZTA introduced a new framework for assessing speed limits in 2017/18. We have used the new guidelines to assess and make changes to speed limits in our district, completing two years of a three year review programme. In June, the Ministry of Transport announced a change to the Road Safety Strategy. Moving from 'Safe Systems' to 'Vision Zero', we will be undertaking feedback and assessing the implications on our future programmes in the coming months.

We continue to work with the New Zealand 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 who are about to sit their restricted or full licence.

## Three Waters

You told us through consultation on our Long Term Plan 2018-28, that your preferred option 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. We invested a significant amount of time over the last year in progressing contract discussions with Watercare that will allow us to meet our LTP 2018-28 commitments. The contract with Watercare will allow us to deliver safe drinking water, wastewater and stormwater services with a strong focus on better environmental outcomes.

## Water Supply

We've now completed a \$6.6 million project to improve the security of the Waikato District's drinking water supply by installing four new reservoirs at Ngaruawahia, Hopuhopu, Huntly and Pokeno. The additional reservoirs have increased Council's drinking water storage capacity to 9.75 million litres, or, a minimum of 24 hours of water storage across the central area of the district and Pokeno.

## Wastewater

We cleaned 13.27 kms of wastewater pipes in Raglan and Huntly and inspected them via Closed Circuit Television (CCTV) cameras, including smoke testing in some areas as part of the third phase of our ongoing inspection and cleaning project. We commenced an inflow and infiltration reduction programme in Meremere to lower the high wet weather flows in the township, and replaced 1.1 km of failing asbestos cement gravity sewer located in Ngaruawahia's Waikato Esplanade.

We completed studies on servicing growth and wet industries in the Pokeno / Tuakau area and Horotiu Industrial zone, creating a programme of works to upgrade the wastewater network. We also undertook wetland rehabilitation at our Meremere and Te Kauwhata treatment plants, and upgraded and replaced our primary screens at our Raglan and Te Kauwhata treatment plants.

## Stormwater

We used CCTV to survey 10.5 kms of our critical stormwater pipe and assessed where the pipes needed to be renewed or rehabilitated. We commenced work on developing a stormwater catchment management plan for Te Kauwhata, the early stages of which have included a significant amount of data capture.

# 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 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've not met the target (variance greater than 5%)
- We're on track, but haven't quite met the target (within 5%)
- We didn't measure these targets this year

## PERFORMANCE TARGET RESULTS

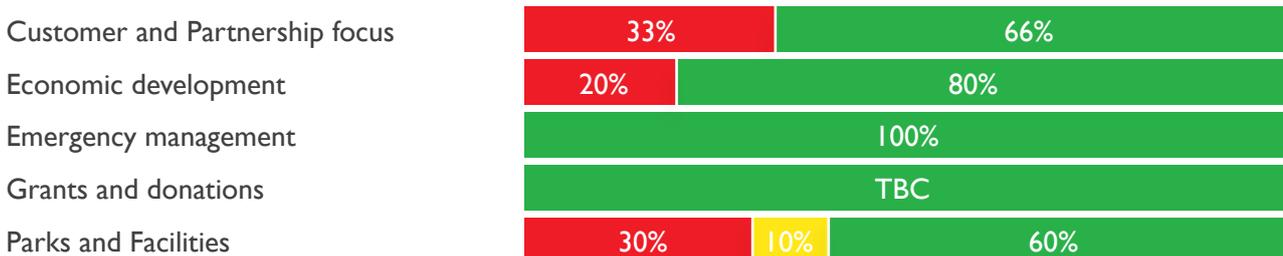
### Governance

We met six of our seven targets in how we make decisions, conduct meetings and consult with iwi. We missed one target because 80% of customers surveyed said they were satisfied with the availability of Councillors, this is compared with a target of 100%.



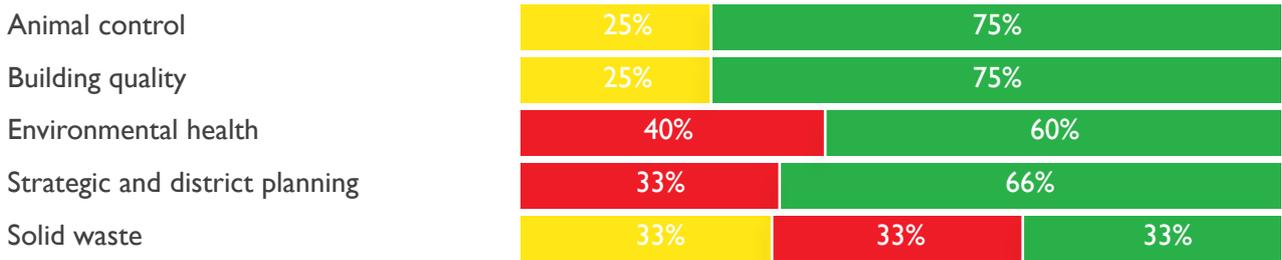
### Sustainable Communities

This year we consulted and engaged with our community on a number of issues, with 56% of customers satisfied that we are engaging with the community on the right issues, and 53% of customers satisfied with the ease of access to information on key community issues. We surpassed our goal of 95% on delivering the Economic Development strategic work programme, scoring 100% on this target. We achieved 100% on all three of our Emergency Management targets by successfully participating in an exercise fully moderated by an external party, and maintaining a minimum number of trained staff who are capable of fulfilling core Emergency Operations Centre roles.



### Sustainable Environment

We surpassed our solid waste target for the percentage of schools in the district receiving solid waste education, but did not meet our targets for kerbside collection complaint resolutions or rubbish removal service request resolutions. Of the 1,796 building consents we processed this year, 23 were not processed within the 20 working day timeframe meaning we missed one of our Building Quality targets. We also missed one animal control target – the number of reported serious dog attacks on people in public places (where medical attention is required) – but customer satisfaction levels with the service continue to remain high.



### Roading

The Waikato District Alliance continues to exceed customer service request targets; we attribute this to a strong focus on customer service responses and a greater resourcing. We were unable to measure the targets set in our LTP for the percentage of footpaths in our district that fall within the level of service or service standard for their condition. This is because footpath rating was not included as part of Council's agreement with our contractor for this financial year. The first rating of footpaths in the district will be carried out in the first quarter of the 2019/20 year.



### Waters Services

As we did last year, we have met all targets for stormwater and wastewater services. We attribute this to our ongoing programme of network improvements throughout the district. We are still meeting all our customer responsiveness targets.



## FINANCIAL INFORMATION TBC

- Summary financial statements
- Summary accounting policies
- Summary additional disclosures
- Independent Auditors Report













# OVERVIEW

## *TIROHANGA WHAANUI*

**03** This is Waikato district

**60** Our role and structure

**04** From the Mayor  
and Chief Executive

**07** Who we are

# THIS IS WAIKATO DISTRICT

## WAIKATO IS HOME TO...

**73,600**  
PEOPLE  
(24.1% IDENTIFY  
AS MAAORI)

**129**  
NEW NZ  
CITIZENS IN 2018/19

**13,451** DOGS



## WE PROVIDE...

**9,137,000**

**LITRES OF**  
DRINKING WATER A DAY

**54 PUBLIC  
TOILETS**  
USED BY 4,000  
PEOPLE EVERYDAY



**54**

PLAYGROUNDS AND  
NEIGHBOURHOOD RESERVES

**KERBSIDE  
COLLECTIONS  
OF 10,438  
TONNES OF  
REFUSE EACH YEAR**



**13 SKATEPARKS**

**3 SWIMMING  
POOLS**

**2 CAMPGROUNDS**  
PAPAHUA AND HAKANOA

## WAIKATO SPANS

**OVER 450,000**  
HECTARES OF LAND



## IN 2018/19 WE HAVE SUPPORTED...

**151 COMMUNITY  
GROUPS**



**AND 201** DOGS WERE  
RE-HOMED

## WE MAINTAIN...

**1,864KMS**  
OF SEALED ROADS



**600KMS**  
OF UNSEALED  
ROADS

**251KMS**  
OF FOOTPATHS

**113**  
PARKS AND  
RESERVES



**39**  
COMMUNITY  
HALLS

## WE OPERATE...



**6 LIBRARIES THAT SERVICE  
16,234 LIBRARY MEMBERS**

**32 WATER  
RESERVOIRS  
WITH A TOTAL  
CAPACITY OF 35,117m³**



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



**2** ANIMAL  
SHELTERS

**21**  
CEMETERIES

**25 DOG  
EXERCISE AREAS**

# FROM THE MAYOR AND CHIEF EXECUTIVE

## Our vision to guide our growth

Our vision of 'liveable, thriving and connected communities - he noohanga aahuru, he iwi whai ora, he hapori tuuhono tahu', continues to guide how we shape our growth so we create communities that people feel connected to and want to live in.

We made a significant step towards delivering on our vision by co-developing and adopting the Waikato District Blueprint, which is Council's way of telling the community that we are taking a new and different approach to planning. The Blueprint was co-developed with the community through a series of workshops and consultation where we heard from hundreds of members of the public. We were given a clear sense of the community's priorities, what is really important to them, and where they would like to see Council direct its resources. The Waikato District Blueprint provides a high level spatial picture of how the district could look in the future, and addresses the social, economic and environmental needs of our people and places. In total, 15 Local Area Blueprints as well as nine themes and related initiatives were co-developed. We are now planning the implementation phase of the Blueprints, as well as for an additional Local Area Blueprint for Gordonton.

Stage 1 of the proposed Waikato District Plan, which sets the guidelines for land use and for protecting our environment and heritage, was publicly notified in July of 2018 for a three month submission period. Changes included a village zone, and the opportunity for papakainga (multiple dwelling) development on all Maaori freehold land with multiple owners. We received over 900 submissions on the proposed District Plan.

In May, Council endorsed the Hamilton to Auckland Corridor Plan Draft Shared Statement of Spatial Intent, after almost a year in preparation. The document outlines shared objectives, key opportunities, challenges, constraints and solutions. It also sets out a preferred spatial approach and provides a 100 year view for future urban growth and development along the corridor, from Papakura to Cambridge/Te Awamutu.

## Sustainable delivery of services

Over the past year we undertook a major project to review how our organisation operates internally and what changes we needed to make to ensure that we could continue to meet the ambitions, needs and issues of our communities. In part, this was required as a result of the significant growth that the district is experiencing.

We launched a strategic reset, co-designed the organisations structure, formed new teams, created space and reimagined our working environment, refreshed our

values, recruited heavily, demanded a culture of doing things differently, and launched a new organisation to our people at an event called Team Up 2019.

To deliver on the LTP 2018-28 we have invested major time commitments to progressing contract discussions with Watercare, which are now nearing completion. 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.

The Waikato Expressway projects are nearing completion and will bring long term benefits to the district. In the short term there are some negative impacts on local roads due to construction traffic. We managed the effects of construction traffic on local roads through discussion and agreements with the New Zealand Transport Agency (NZTA) and its contractors. We have monitored the impact of increased truck movements on the condition of our roads and have been able to adjust maintenance regimes and safety measures as required.

We are proud that some of our most widely-used services continue to record customer satisfaction levels of 80% or more including libraries (91%), parks and reserves (83%), wastewater (90%), water (82%), rubbish (83%), and recycling (82%). Overall, 66% of survey respondents were satisfied with the way rates are spent on the services and facilities we provide.

## Caring for our environment

In 2018/2019 we continued to mitigate the risk of wastewater overflows with a particular focus on protecting waterways and environmentally sensitive areas. We did this by cleaning wastewater pipes in Huntly and Raglan, commenced an inflow and infiltration reduction programme in Meremere, replaced failing asbestos cement gravity sewer in Ngaruawahia and replaced pump units in our wastewater pump stations where needed.

We consulted with our community in Raglan about a targeted rate for the continuation of their kerbside foodwaste collection. The community did not support the level of targeted rate that was needed to deliver the service and Council supported this decision.

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

## Economic development

We have growth in areas of identified economic strength for the district and have handled enquiries from overseas as well as domestically. Our International Strategy for Economic Development continues to create relationships with overseas investors and through the Open Waikato site we have created relationships with China and South Korea, where investors are potentially looking to establish businesses in the district.

An annual grant of \$150,000 per annum is provided to Hamilton & Waikato Tourism to support the promotion of our district and its destination sites like Raglan. Visitor expenditure across the Waikato region was the 5th highest in the country for 2018 at \$1.560 billion, of which 127 million was spent in our district.

## Financial Performance

We worked hard to set rates and debt levels that balance affordability with the need to provide for our growing community. For the 2018/19 year, in the Waikato district average rates per rateable property were \$2,881.

## Building communities together

We want to involve you in decisions affecting the future of our district. We engaged with you on our initiatives, plans, strategies and bylaws during the year on subjects ranging from speed limits to foodwaste, community halls and hubs and gambling venues.

Our commitment with Waikato-Tainui to co-manage the Waikato River by restoring and protecting its health and wellbeing is the driving force behind an inaugural scholarship. We worked in collaboration with Waikato Tainui to award the Waikato District Council Waikato River Scholarship to Okeroa Waaka. Okeroa plans to undertake research projects on her local moana, Aotea Harbour, where she has a special interest in mudflats and wetland ecosystems. Okeroa is especially excited to bring about rejuvenation of the kaimoana that once thrived on the harbour's mudflats once she has finished her Bachelor of Science at Waikato University.

We committed grants totalling more than \$594,000 from Council-owned or administered funds for distribution to 118 organisations that enabled 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.

Allan Sanson  
Mayor



Gavin Ion  
Chief Executive



We are proud that some of our most widely-used services continue to record customer satisfaction levels of 80% or more ...



# OUR ROLE AND STRUCTURE

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

## Wards

The district is divided into ten wards. They are: Awaroa ki Tuakau, Eureka, Hukanui-Waerenga, Huntly, Newcastle, Ngaruawahia, Onewhero-Te Akau, Raglan, Tamahere and Whangamarino.

## Community boards

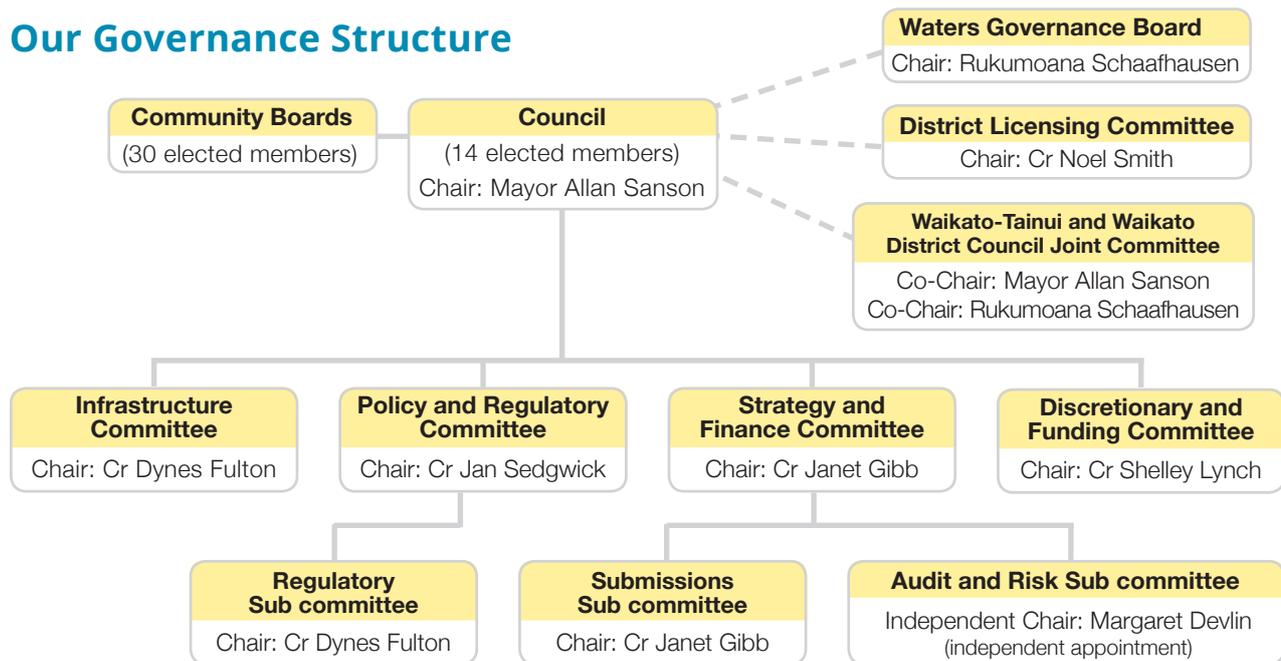
Five community boards, whose members are elected within the board areas, deal with local issues within their areas. Community boards are established in Huntly, Ngaruawahia, Onewhero-Tuakau, Raglan and Taupiri.

## 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. 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



**Allan Sanson**  
2018/19

## The Executive Leadership Team



**Gavin Ion**  
Chief Executive



**Tony Whittaker**  
Chief Operating Officer



**Sue O'Gorman**  
General Manager Customer Support



**Clive Morgan**  
General Manager Community Growth



**Ian Cathcart**  
General Manager Service Delivery

# WHO WE ARE 2018/19

## The Council

**Cr Jacqui Church**  
Awaroa ki Tuakau Ward

**Cr Jan Sedgwick**  
Whangamarino Ward

**Cr Stephanie Henderson**  
Awaroa ki Tuakau Ward

**Cr Shelley Lynch**  
Huntly Ward

**Cr Frank McInally**  
Huntly Ward

**Cr Bronwyn Main**  
Onewhero-Te Akau 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

**Cr Dynes Fulton**  
Hukanui-Waerenga Ward

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

OVERVIEW



**Roger MacCulloch**  
Acting General  
Manager Service  
Delivery



**Vanessa Jenkins**  
People and  
Capability Manager



**Jacob Quinn**  
Marketing and  
Communications  
Manager



**Mark Willcock**  
Chief Information  
Officer



**Alison Diaz**  
Chief Financial  
Officer



**Kurt Abbot**  
Projects and  
Innovation Manager



# STATEMENT OF SERVICE PROVISION

## TAUAAKI RATONGA WHAKARITENGA

### 10 Governance

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### 37 Stormwater

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### 48 Progress towards community outcomes

# STATEMENT OF SERVICE PROVISION

## What we did

This Annual Report reviews our progress towards achieving what we set out to do in the first year of our 2018-2028 Long Term Plan (LTP). The LTP sets out our strategic direction for the 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 2018-2028 LTP our community outcomes were encapsulated by the Council's vision of liveable, thriving, connected communities – he noohanga aahuru, he iwi whai ora, he haapori tuuhono tahi.

### Supporting our communities:

#### *Kia tautoko ki a taatou Haapori*

We consider the well-being of all our people in all our planning and activities. We have supported and plan for the development of complete and connected communities.

### Building our economy:

#### *Ka hanga a taatou Oohanga*

We attract diverse enterprises/business: creating jobs and opportunities for our community. We continue to support our existing industry. We have others who leverage our location to ensure tourism brings benefits to a range of people in our communities.

### Sustaining our environment:

#### *Kia toituu to taatou Taiao*

We are a community that believes in environmental sustainability; we pursue and promote related ideas and manage regulatory processes to safeguard and improve our district.

### Working together with you:

#### *Kia mahi tahi taatou*

Our communities work with us so we are collectively focused on the right things at the right time.

### Providing value for money:

#### *Ka whai painga mo te putea*

Residents and ratepayers get value for money because we find innovative ways to deliver strategic, timely and fit for purpose infrastructure and services at the most effective cost.

Each group of activities contribute to one or more of our community outcomes.

Activity	Outcome				
	Supporting our Communities	Building our Economy	Sustaining our environment	Working together with you	Providing value for money
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				✓	✓

✓ = primary contribution

✓ = minor contribution

## Our Approach

When considering the financial picture, the Council's overall approach continues to be:

- Support growth in targeted areas
- Maintain existing assets
- Modernise infrastructure where it is prudent to do so
- Do more with existing budgets
- Move the cost of providing a service to those who use them ie: user pays

## 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 our community outcomes.

## Funding impact statement – Whole of Council

	2016/17 Annual plan \$'000	2016/17 Annual report \$'000	2017/18 Annual plan \$'000	2017/18 Actual \$'000
<b>Sources of operating funding</b>				
General rates, uniform annual general charge, rates penalties	51,604	52,394	54,159	54,916
Targeted rates	21,557	19,863	23,304	23,242
Subsidies and grants for operating purposes	8,047	8,143	7,524	7,538
Fees and charges	9,725	9,233	10,164	9,556
Interest and dividends from investments	500	855	100	497
Local authorities fuel tax, fines, infringement fees, and other receipts	7,976	9,038	7,619	9,292
<b>Total operating funding</b>	<b>99,409</b>	<b>99,526</b>	<b>102,870</b>	<b>105,041</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	74,556	77,828	77,398	79,548
Finance costs	3,588	3,549	4,393	3,997
Other operating funding applications	2,355	2,716	2,792	2,906
<b>Total applications of operating funding</b>	<b>80,499</b>	<b>84,093</b>	<b>84,583</b>	<b>86,451</b>
<b>Surplus (deficit) of operating funding</b>	<b>18,910</b>	<b>15,433</b>	<b>18,287</b>	<b>18,590</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	9,494	11,174	9,037	10,969
Development and financial contributions	8,217	8,547	8,445	12,633
Increase (decrease) in debt	19,142	20,000	28,300	-
Gross proceeds from the sale of assets	217	2,537	202	2,590
Lump sum contributions	-	-	-	-
Other dedicated capital funding	93	1,220	97	1,034
<b>Total sources of capital funding</b>	<b>37,163</b>	<b>43,478</b>	<b>46,081</b>	<b>27,226</b>
<b>Applications of capital funding</b>				
Capital expenditure				
- to meet additional demand	9,360	9,381	11,549	7,117
- to improve the level of service	12,945	12,264	15,741	9,227
- to replace existing assets	25,826	26,597	27,409	24,009
Increase (decrease) in reserves	7,700	3,924	9,307	4,110
Increase (decrease) in investments	242	6,745	362	1,353
<b>Total applications of capital funding</b>	<b>56,073</b>	<b>58,911</b>	<b>64,368</b>	<b>45,816</b>
<b>Surplus (deficit) of capital funding</b>	<b>(18,910)</b>	<b>(15,433)</b>	<b>(18,287)</b>	<b>(18,590)</b>
<b>Funding balance for Whole of Council</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**NOTE: Last year's statement -  
New data to come**

# GOVERNANCE

## What we did

Our Long Term Plan 2018-28 provided 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.

### 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 completed the review of our representation arrangements for the October local body elections, with 146 submissions received on our initial proposal. The Local Government Commission determined that, with some minor boundary changes, our current arrangements provided fair and effective representation. This means that the Council will continue to comprise of 13 councillors elected from 10 wards, a Mayor elected 'at large' (from across the district), and 5 community boards.

We adopted the Waikato District Blueprint, following workshops across the district and receiving 439 submissions on our draft Blueprint. This has provided a clear sense of the community's priorities, which will now help direct Council's resources towards the things that are really important to our communities. We received nearly 1,000 submissions on our Proposed District Plan (Stage 1), the public hearings for which will start in the next financial year. We also engaged with our communities on a range of other initiatives, plans, strategies and bylaws, on subjects ranging from foodwaste collection to gambling venues and from speed limits to community hubs and halls.

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 230,000 people to visit our website in the past year and we have almost 11,000 followers on Facebook.

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

### Waters Governance

We established the Waters Governance Board as an independent body to drive forward with strategic and operational changes to the district's water systems and management. The Board comprises three independent directors, including one Waikato-Tainui member, to provide arms-length, robust governance and oversight, including for the implementation of any arrangements with other parties.

### Civic Events

Over the last year, we hosted five citizenship ceremonies, welcoming more than 120 new citizens to our district. A number of commemorative services for ANZAC day were held across the district, including the civic service in Ngaruawahia, which provided a reflective time following the tragic terror attacks in Christchurch in March.

### Maintained Iwi Partnerships

We appointed a new Iwi and Community Partnership Manager to build stronger relationship with iwi and tangata whenua. We engaged with all iwi groups assisting the numerous enquiries and concerns from Blueprint submissions, rates and water enquiries, to Joint Management Agreements. A solid relationship with iwi is a vital component in order to deliver liveable, thriving and connected communities.

During Joint Management Agreement meetings with Te Whakakitenga o Waikato (Waikato-Tainui) and Nga Wai o Waipa (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. The past year also saw Council commence consultation with iwi/Maori stakeholders about the creation of specific Maori Representatives on Council's three major standing committees.

Working and collaborating with Waikato-Tainui has developed into a joint decision making process on a number of initiatives and projects such as growth and infrastructure, community development and Maori representation in Council decision-making processes.

Together with Waikato-Tainui, we awarded the inaugural Waikato District Council Waikato River Scholarship to Okeroa Waaka, who has her sights firmly set on undertaking research projects on her local moana, Aotea Harbour, once she has finished her Bachelor of Science at Waikato University.

## How we did

Performance measures	2017/18 result	2018/19 target	2018/19 result	Rating	Explanation
Satisfaction of residents that they were able to contact their councillor as and when required.	77%	90%	80%		Contact details for councillors are available on our website, through our call centre, in our Link newsletter and in regular councillor newspaper columns.
Percentage of district plan changes that are undertaken as per the RMA statutory process.	0	100%	100%		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 council and iwi / hapuu groups.	4	1	4		A number of hui have been held (in excess of the 1 required to meet this KPI), including hui on Raglan wastewater and Maaori representation.
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

GRAPH TO COME

---

TBC%    General rates

---

TBC %    Internal charges recovered

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TBC %    Targeted rates

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## Funding impact statement – Governance

	2016/17 Long term plan \$'000	2017/18 Long term plan \$'000	2017/18 Actual \$'000
<b>Sources of operating funding</b>			
General rates, uniform annual general charge, rates penalties	6,420	6,597	6,742
Targeted rates	190	193	197
Subsidies and grants for operating purposes	-	-	5
Fees and charges	-	-	1
Internal charges and overheads recovered	1,073	1,097	1,251
Local authorities fuel tax, fines, infringement fees, and other receipts	259	16	17
<b>Total operating funding</b>	<b>7,942</b>	<b>7,903</b>	<b>8,213</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	2,770	2,494	2,630
Finance costs	-	-	-
Internal charges and overheads applied	4,458	4,655	4,499
Other operating funding applications	-	-	2
<b>Total applications of operating funding</b>	<b>7,228</b>	<b>7,149</b>	<b>7,131</b>
<b>Surplus (deficit) of operating funding</b>	<b>714</b>	<b>754</b>	<b>1,082</b>
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	-	-	-
Gross proceeds from the sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
<b>Total sources of capital funding</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Applications of capital funding</b>			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	-	-	-
- to replace existing assets	-	-	39
Increase (decrease) in reserves	714	754	1,043
Increase (decrease) in investments	-	-	-
<b>Total applications of capital funding</b>	<b>714</b>	<b>754</b>	<b>1,082</b>
<b>Surplus (deficit) of capital funding</b>	<b>(714)</b>	<b>(754)</b>	<b>(1,082)</b>
<b>Funding balance for Governance</b>	<b>-</b>	<b>-</b>	<b>-</b>

**NOTE: Last year's statement -  
New data to come**

# 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.*

## 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 customers 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 Economic Development 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

#### GRAPH TO COME

TBC%	General rates
TBC %	Local authorities fuel tax, fines, infringement fees and other receipts
TBC %	Fees and charges
TBC %	Targeted rates
TBC %	Internal charges recovered
TBC %	Subsidies and grants for operating purposes

### Capital funding

#### GRAPH TO COME

TBC %	Development and financial contributions
TBC %	Gross proceeds from sale of assets
TBC %	Increase in debt
TBC %	Subsidies and grants for capital expenditure
TBC %	Other dedicated capital funding

# Customer and Partnership focus

## What we did

### 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 (91%), parks and reserves (83%), wastewater (90%), water (82%), rubbish (83%) and recycling (82%). Overall, 66% of survey respondents were satisfied with the way rates are spent on the services and facilities provided by the Council.

We commissioned the National Research Bureau to undertake our survey by means of randomised telephone polling throughout the year, and to provide us with comparative national data. The survey is a means of measuring our effectiveness in representing the wishes and viewpoints of our residents. This showed us that 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

Nearly two-thirds of survey respondents said they were satisfied with the overall service received (65%) and that it took little or no effort to conduct business with the Council (56%).

### Customer engagement

We engaged with or consulted our communities on subjects ranging from gambling venues, community hubs and halls, representation arrangements, to our District Plan rules.

Council received 774 submissions on the foodwaste service offered in Raglan, 439 submissions on the Waikato Blueprint, 311 submissions on the Port Waikato Community Hub and nearly 1,000 submissions on the Proposed District Plan.

Our online customer engagement continued to rise as we expanded our online services and lifted our social media engagement. Compared with 2017/18 there was a 19.45 per cent increase in website visits during 2018/19, a 18.1 per cent rise in website users (to nearly 230,000 unique visitors during the year) and a 20.2 per cent increase in new users. Visitor numbers viewing the website via mobile phone rose 29.5 per cent and visitors on tablets were stable, -0.2% per cent change.

We manage three Facebook pages and three Facebook groups. Our main page averages an 'organic' (unpaid) reach of 6,220 people a day – more than 2.2 million per year. Youth engagement is a key initiative.

We have recruited for a Youth Engagement Officer that will enable us to connect youth with their communities and with Council.

### Library services

The libraries activity applies to all six libraries that are owned and managed by Council. These sites are for the benefit of our changing communities and Council is currently determining what shape they will take in the years to come. National and international trends are towards modern libraries taking on a more 'hub' type feel, complimented by more outreach of services (taking services to those who can't access them).

Early indications are that Council and our communities support this direction.

For our sites to be as welcoming, inclusive, and safe as possible, we removed all cash facilities from our libraries and have now completed our first year of being completely cash-free.

We've partnered with Hamilton City Council and renewed our shared library services agreement for another three years. Waikato District Council is contributing \$199,235 plus GST annually for the service, enabling nearly 23,000 people living in 8,000 Waikato District households in the southern area of the district to continue being able to use Hamilton City libraries. The agreement recognises that our residents and ratepayers live, work, and socialise outside of our district, and that closer collaboration between Hamilton City Council and Waikato District Council is a key factor in ensuring quality, sustainable growth in coming decades.

The 2018/19 year has seen significant progression in two major projects. The expansion of the Tuakau library has progressed to final design stage with construction scheduled to finish in late 2020, and the Meremere library is due for completion in August 2019.

As indicated in Council's Long Term Plan, work has begun on a proposed library/community hub and service centre in Pokeno. Although Council is in the early stages of planning this facility will ultimately be guided by the Pokeno and surrounding community through engagement.

Our libraries have continued to be an important place for community activity, hosting community group meetings as well as regular reading programmes and other learning opportunities. We hope to expand the opportunities for people to engage in new (and old) experiences over the next year.

## How we did

Performance measures	2017/18 result	2018/19 target	2018/19 result	Rating	Explanation
Percentage of customers satisfied that council engages with the community regarding the right issues.*	40%	60%	56%		The Significance and Engagement Policy is applied when considering what issues require feedback from the public however in determining this, Council has to be mindful that the public can suffer from consultation fatigue. The results could be a reflection of this.
Percentage of customers satisfied with the ease of access to information regarding key community issues.*	52%	60%	53%		We continue to provide information via a range of printed and electronic mediums. For cost effectiveness and ease of access, we encourage the viewing of information via our website, based on a digital-first philosophy, however we understand that printed material is still more appropriate for some people. We have retained the Link magazine, for this reason. We will continue to look at new and different ways to provide information to our communities and customers to maximise the usefulness of our engagement and communication activities.
Level of customer effort	-	3	2.68		Target met.
Net Promoter Score (level of likelihood that library users will recommend to friends and family their library as a place to go).	n/a	90%	90%		Target met.
Level of customer satisfaction that the quality of library resources meets their needs.	n/a	90%	90%		Target met.
Percentage of time that access to a free internet service is available in libraries.	100%	100%	100%		Target met

\* Source: "Waikato District Council Ongoing Satisfaction Survey July 2018-May 2019".

\*\* Our survey does not provide us with reasons why we are not meeting some of our targets. Nevertheless, to improve our results, we are undertaking a major internal change management programme to help our organisation meet the needs of our growing customer base.

## 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.

## 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 continued with the programme of work to support growth in areas of identified economic strength for the district and have handled enquiries from overseas as well as domestically.

The growth in employment for the 2018 year was 3.5% compared to the national growth of 3.0% with filled jobs sitting at 22,655 across the district. The largest sectors in employment continue to be in Construction, Manufacturing and Education and Training.

Our International Strategy for Economic Development continues to create relationships with overseas investors and through the Open Waikato site we have created relationships with China and South Korea, where investors are potentially looking to establish businesses in the district.

The Waikato district population grew 2.3% compared to the national growth of 1.9% during 2018.

### Regional Approach

We have committed \$60,000 per annum as part of the Long Term Plan to the Regional Economic Development Agency, Te Waka and are members of the Regional Economic Development Group.

An annual grant of \$150,000 per annum is provided to Hamilton & Waikato Tourism to support the promotion of our district and in particular Raglan as one of our key district destination sites. Visitor expenditure across the wider Waikato region for 2018 was \$1.560 billion, the 5th highest in the country and in the Waikato district the tourism spend was \$127 million.

We are members of the Waikato Wellbeing Plan and work with regional partners to promote the four wellbeings of Economy, Social, Culture and Environment. The Regional Plan is currently being prepared and initiatives being created to support the wellbeings.

The Economic and Community Development unit played a large part in the Blueprint programme currently being developed across the district and next year will lead many of the Economic and Community initiative's identified as important by our communities.

### Local Initiatives

Waikato District Council have supported a variety of events and projects across the district.

The Matariki Fund supported events and projects which helped educate, inform and raise awareness of the practices and traditions of Matariki locally and regionally. These included storytelling, exhibitions and educational performances.

Council have assisted Huntly Friendship House to develop an arts programme that last year included more than 50 local arts and performance workshops involving about 1,400 Huntly residents, as well as an ongoing local 'placemaking' programme to rejuvenate parts of the town centre.

We assisted the Te Kauwhata Community House in delivering its first arts programme this year with help from the Waikato District Council Creative Communities Scheme administered funding.

The Waikato District Council Heritage Project Fund, Wellbeing Trust Fund and Discretionary Grants Fund supported a number of worthy projects and events throughout the district in the 2018/19 year that enabled community groups to meet local needs and aspirations.

#### These included:

- a family-friendly 'light party' for the Mangatangi community
- the Ngaruawahia United Associated Football Club 50th anniversary celebrations
- a road cycling teams event that involved more than 350 riders on a circuit from Ngaruawahia through the Waikato countryside hosted by the Dynamo Cycling and Sports Club
- the Te Kauwhata A&P Show that attracted people from around the district
- the free Raglan Music and Dance Festival run by Waikato Rocks Trust
- an extension to the heritage train carriage shelter at Pukemiro Junction operated by the Bush Tramway Club
- the production of a local history book and educational resource
- Huntly Volunteer Fire Brigade received a grant towards replacing the brigade's emergency support vehicle

## How we did

Performance measures	2017/18 result	2018/19 target	2018/19 result	Rating	Explanation
The percentage increase in number of business units in the Waikato District. (Same or higher than NZ growth rate in number of business units).	2.1	0.70%	1.20%		Business units grew by 1.2% compared to the national average of 0.7% in the same period.
The percentage of customers satisfied or very satisfied that the quality of service and expertise meets their needs.	-	90%	0%		Unknown, no survey has been conducted.
Business Perception Survey average rating	-	8.50	8.80		We achieved an 8.8 out of 10 rating in the November 2018 Business Net Promoter Score Survey.
The percentage increase in measurable annual tourism expenditure	-	9.3%	14.20%		
The percentage delivery of the Economic Development strategic work programme.	100%	95%	100%		

## What this tells us

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

This year we recruited a Community Resilience Coordinator to assist in the delivery of emergency management and resilience in our communities. This role will assist communities to develop a greater understanding of the hazards and risks that we face, and how through planning and decision making we can increase resilience in our communities so that we are able to better cope and recover when faced with an event of any size that disrupts our lives.

We have been working on the development of our emergency management team leaders and have established a virtual leadership team that consists of our controllers, recovery and welfare managers, and our executive who are our representative body for delivery and progress for our incident and emergency management system. They maintain strategic oversight of all of our incident and emergency management activities, including the Emergency Management team leaders, Emergency Management staff, and the physical resources used to support the information management /emergency management work, as well as the management of the Emergency Operations Centre (EOC).

We completed our Recovery arrangements to ensure that we are able to manage recovery in a way that involves all of our community stakeholders. We are now shifting our focus

to strategic planning, identifying actions that can be taken before an emergency to reduce the impact of the event on communities. Engagement with the community prior to emergencies helps us to prioritise our essential community assets and to prepare for on-going stressors that people and communities inevitably face during recovery.

During the year we took part in several exercises to test our systems and preparedness. These included a flood scenario exercise in September, which tested our resources for establishing a temporary Civil Defence centre and having a fully operational emergency operations centre. In October we participated in New Zealand Shakeout, the national Drop, Cover, Hold drill. Our staff also participated in exercise Rauora II with the New Zealand Police and in a local eruption exercise with Ruapehu District Council.

We continued to improve community understanding and awareness of emergency preparedness through our programme of visits to schools, churches and marae. We attended the Tuurangawaewae Regatta and the Tainui Games to promote Marae being prepared in an emergency, and participated in SAFE Kids alongside other safety organisations.

## How we did

Performance measures	2017/18 result	2018/19 target	2018/19 result	Rating	Explanation
Successfully participate in one exercise per annum that is fully moderated by an external party.	-	1	1		Target met.
Council maintains a minimum number of trained staff to Intermediate Level to fulfil core Emergency Operations Centre roles.	-	30	85		Target met.
Council maintains a minimum level of trained staff to foundation level to fulfil core Emergency Operations Centre roles.	-	100	154		Target met.

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

# GRANTS AND DONATIONS

## What we did

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 \$594,000 for distribution to 118 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 \$61,972 to benefit 23 local groups, and the work

of nine more groups benefited from \$187,774 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 \$327,000 for 26 local groups and projects as a result of Long Term Plan pledges. A further \$267,200 of discretionary grants and other funding was committed for distribution to 69 local groups during the year through applications processes managed by Council committees and Community Boards.

Description	Annual Plan 2018/2019 Committed \$	Amount Paid 2018/2019 \$
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	33,702*
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	0
Hamilton & Waikato Tourism	150,000	150,000
Tuakau and District Museum Society Inc.	10,000	10,000
North Waikato Transport Trust	2,000	2,000
Para Kore	5,000	5,000
Creative Waikato	6,000	6,000
Te Kauwhata & Districts Information and Support Centre	10,000	0
Waikato Coalfields Museum	50,000	50,000
Waikato Biodiversity Forum	3,240	3,000**
Franklin Tourism	2,500	2,500
Matariki Festival (involving 6 local groups)	5,000	4,480
<b>Sub-total of Annual Plan 2018/19 commitments</b>	<b>327,740</b>	<b>336,682</b>

<b>A total of 69 other groups benefited from:</b>		
Heritage Assistance Fund	20,051	19,939**
Conservation Fund Grants	32,402	19,580**
Heritage Project Fund	40,000	36,376**
Community Administration Funding	10,000	1,400**
Discretionary Grants	164,795	155,830*
<b>Total Council funds committed 2018/2019</b>	<b>594,988</b>	<b>569,807</b>

NB – the tables above are run together as a single table as total funds committed are totalled at the bottom.

\*Includes funds committed in 2018/19

\*\*Amount paid out from committed funds relies on groups securing alternative funding required, or meeting other similar criteria, and this can mean funding may be held over for one or two financial years.

## How we did

Performance measures	2017/18 result	2018/19 target	2018/19 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%	95%		Staff continue to ensure funding recipients file a return on time.

There are no potential significant negative effects associated with this activity

# COMMUNITY CONNECTIONS (PARKS AND FACILITIES)

## What we did

The 2018/19 financial year saw a review of structure for the Parks and Facilities team. During this review, the purpose and deliverables of the team were assessed and as a result of this, a realignment of our teams occurred. The name also changed from Parks and Facilities to Community Connections which reflects the role the team play in our communities. The team is now focussed on three specific work areas – Community Venues and Events, Open Spaces Maintenance and Community Facilities.

### Community Venues and Events

The Community Venues and Events team are tasked with improving the participation of community owned facilities and encouraging the use of our parks and open spaces. The team have started working with community groups to facilitate and enable volunteers and will continue to liaise with members of the public to enhance the customer experience in the coming years. Our work in this areas was recognised in October 2018 when Huntly Aquatic Centre, which is managed by our partners Belgravia Leisure, was awarded the New Zealand Recreation Association's Outstanding Pool Award. This award recognised the excellent customer service, innovative approach to teaching, access and inclusion along with its high percentage of population participating in the "Learn to Swim" programme that the Huntly pool delivers.

### Open Spaces Maintenance

2018/19 saw a busy year for the open spaces team with an additional 12.5 hectares of parkland added to the existing 1,656ha of maintained parkland that are already managed by the team in conjunction with our open spaces partners, Citycare. In addition to normal maintenance, capital improvements were completed to improve and enhance the open spaces available members of the public. These projects included:

#### Tamahere Park

Tamahere playground, skate park and basketball court was completed by Fosters Construction, a combined effort of funding and design by the Tamahere community and Waikato District Council. In the coming year, further work is planned with the addition of seating, walkways and fitness equipment.

#### The Point Playground, Ngaruawahia

Following consultation with Ngaruawahia Community Board and members of the community, the playground at The Point was replaced with natural play equipment that also includes waterplay features. Following internal procurement processes which included the feedback from consultation, the community were presented two options and the new playground was opened in July 2019.

### Ecological Enhancements

Waikato District Council was once again announced as a finalist in the Society for Ecological Restoration Australasia awards. The awards recognised the continued ecological enhancement of Lake Rotokauri, with the support of external funding. Additional work has also been completed at Shiphed Bush in Otua where fencing was repaired and pedestrian access was improved. Pest control and native habitat improvements continue on a number of other reserves throughout the district.

We have continued to improve walking accessibility to Lake Waikare and reduced costs by obtaining offers of grant support from external funders (up to \$170,300 from the Waikato River Authority and Trust Waikato) to help build the paths and lakefront boardwalk. By seeking external funding, staff have been able to do more for less with rate payers' money.

### Natural Reserves Management Plan

During 2017 – 2019, staff carried out the required consultation process to review the Natural Reserves Management Plan. This process requires extensive consultation with members of the public, key stakeholders and local Iwi. As a result of this process, a plan has been developed which provides staff and the community guidance on the types of improvements and activities which should occur on these reserves.

### Community Facilities

The Community Facilities team continue to provide repairs and maintenance to the 220 Council owned buildings throughout the district, as well as managing the Council fleet of 91 vehicles and over 20 plant items to ensure that they are safe, maintained, compliant and utilised well. In addition to responding to daily requests for service, staff have carried out renewals at our facilities ensuring the needs of our communities are being met. These projects include re-roofing sports clubs and pensioner houses, upgrading hot water systems and shower facilities in sport clubs, resurfacing the Huntly pools, surveying and cleaning the Raglan Wharf, replacing furniture through libraries, halls and offices, office upgrades to increase capacity, asbestos surveying, insulation upgrades to pensioner properties, installing safety showers and washing facilities for our Waters and Animal Control teams, fleet replacement and fit-out. In addition to this, the team have focused on the following projects this year;

### Huntly Memorial Hall

The Huntly War Memorial Hall was reopened in June 2019 after being closed in 2015 due to the condition of the building. Initial costings suggested that the cost to repair the building exceeded funds available and it was decided to remove the hall. In response to this decision, a project group was established within the community who have been able to undertake a large portion of the repair work for \$140,000, a significantly reduced cost made possible by the support of local businesses, tradesmen and the dedication of the project group.

### Pensioner Housing

Renewals have been carried out at four pensioner units throughout our district, including new bathrooms, flooring,

and internal painting. The Jellicoe Ave units in Tuakau had new fencing and two of the units were refurbished. The Willoughby Units in Huntly had the exteriors and all joinery repainted. All units have also had insulation upgraded to meet current legislation standards, and works to repair collapsed drains. The total cost of all these this work was \$165,000.

### Tuakau Library consultation

\$1.25million of funding was made available during year 1 of the LTP to upgrade the Tuakau Library, and staff have engaged with the community to design what the new space will look like. It is anticipated that building work will commence at the end of February 2020 with completion set for end of November 2020.

## How we did

Performance measures	2017/18 result	2018/19 target	2018/19 result	Rating	Explanation
Percentage of customers who are satisfied with Parks and Reserves, including sports fields and playgrounds overall.	86%	90%	83.30%		Survey results have varied over the year with results ranging from 77% to 91% with an average result of 83%. Survey comments offer insight into common issues such as: lack of suitable reserve land in Pokeno, freedom camping, rubbish left in reserves and lack of toilet facilities, Staff will take into account the comments, investigate and implement solutions if able.
Percentage of customers who are satisfied with the presentation of Council cemeteries.	-	95%	91%		
Percentage of new playgrounds built to New Zealand Standard – Playground Equipment and Surfacing (NZS 5828:2015)	-	100%	100%		Target met.
Percentage of customers who are satisfied with public toilets in the annual satisfaction survey.	67%	75%	69%		Survey results have varied over the year and we have finished with 69% customer satisfaction. This is disappointing as results peaked at 80% in quarter three. Staff will continue to work with our contractor who keeps the toilets maintained to a high level of cleanliness. Additional cleans are added during peak seasons to ensure customers' expectations are met.
Percentage of new public toilets built to NZS 4241:1999	-	100%	100%		Target met.
Percentage of buildings that require a warrant of fitness and that comply with it.	100%	100%	100%		Target met.

Performance measures	2017/18 result	2018/19 target	2018/19 result	Rating	Explanation
Percentage of customers who are satisfied with the service provided at the Raglan Campground	-	90%	92.80%		Target met.
Percentage of customers who are satisfied with the service provided at the Huntly campground		90%	82.50		This KPI was not measured. Lake Hakanoa Camping Ground continues to maintain a good relationship with business partners who make up a large majority of the camp's long term bookings. In the past year, customers have responded to a survey with a score of 82.4% satisfaction which is unfortunately below target. Staff will continue to promote great customer service, ensure the facilities are clean and tidy and any repairs and maintenance required are completed in a timely manner.
Percentage of visitors that find the facilities clean, accessible and welcoming (pools)	-	90%	91%		Target met.
Percentage of WDC Aquatic Centres that are operated under NZ Pool Safe Accreditation	-	100%	100%		Target Met.

## Potential Significant Negative Effects

Potential negative effect	How we are addressing this
Disability access to facilities	Development of the Disabilities Access Policy. Design and manoeuvrability for wheelchair access, or mobility scooter. New facilities to be designed in accordance with Council's HCC development manual.
Noise and disorderly behaviour issues from events at reserves, and general use of reserves	Events managed in line with 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).
Toilets 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.

## Funding impact statement – Sustainable communities

	2016/17 Long term plan \$'000	2017/18 Long term plan \$'000	2017/18 Actual \$'000
<b>Sources of operating funding</b>			
General rates, uniform annual general charge, rates penalties	18,421	19,275	19,882
Targeted rates	597	600	630
Subsidies and grants for operating purposes	-	-	198
Fees and charges	1,590	1,633	1,376
Internal charges and overheads recovered	325	282	392
Local authorities fuel tax, fines, infringement fees, and other receipts	1,429	1,465	2,017
<b>Total operating funding</b>	<b>22,362</b>	<b>23,255</b>	<b>24,495</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	13,100	13,425	14,072
Finance costs	-	-	-
Internal charges and overheads applied	5,570	5,872	5,234
Other operating funding applications	588	595	616
<b>Total applications of operating funding</b>	<b>19,258</b>	<b>19,892</b>	<b>19,922</b>
<b>Surplus (deficit) of operating funding</b>	<b>3,104</b>	<b>3,363</b>	<b>4,573</b>
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	-	-	876
Development and financial contributions	1,865	1,915	2,701
Increase (decrease) in debt	3,394	3,459	1,013
Gross proceeds from the sale of assets	-	-	2,262
Lump sum contributions	-	-	-
Other dedicated capital funding*	-	-	784
<b>Total sources of capital funding</b>	<b>5,259</b>	<b>5,374</b>	<b>7,636</b>
<b>Applications of capital funding</b>			
Capital expenditure			
- to meet additional demand	892	3,988	1,199
- to improve the level of service	3,563	3,549	2,476
- to replace existing assets	1,661	2,761	1,732
Increase (decrease) in reserves	2,247	(1,561)	6,802
Increase (decrease) in investments	-	-	-
<b>Total applications of capital funding</b>	<b>8,363</b>	<b>8,737</b>	<b>12,209</b>
<b>Surplus (deficit) of capital funding</b>	<b>(3,104)</b>	<b>(3,363)</b>	<b>(4,573)</b>
<b>Funding balance for Sustainable communities</b>	<b>-</b>	<b>-</b>	<b>-</b>

\*Other dedicated capital funding for the Sustainable Communities group of activities represents capital income for the Rangiriri to Te Kauwhata walkway and for the Ngaruawahia golf course to Horotiu sections of the Te Awa cycleway.

**NOTE: Last year's statement -  
New data to come**

# 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

#### PIE CHART TO COME

TBC%	General rates
TBC%	Fees and charges
TBC%	Local authorities fuel tax, fines, infringement fees and other receipts
TBC%	Targeted rates
TBC %	Internal charges recovered

### Capital Funding

#### PIE CHART TO COME

TBC%	Subsidies and grants for capital expenditure
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# Animal control

## What we did

Animal Control have been proactive in the community by organising and running events, including the popular 'Dirty Dog' event, which attracted nearly 300 dogs and their owners this year. This was a fantastic opportunity to engage positively with customers in an informal way, drawing much social media interest and positive comments.

Two 'Pound Pups Pool Parties' were also organised in Tuakau and Ngaruawahia. Owners were invited to swim with their dogs before the pools were closed for the winter. A new event planned for next year will be a "community day" involving microchipping, vaccinations and registrations.

Overall, our engagement with the community has been consistently strong with statistics supporting this proactive approach. The engage, educate and enforcement approach has also seen a reduction in the number of infringements issued and this can be linked to increasing customer satisfaction.

Review of the 2018 dog registration process, incorporating the new Enterprise Cash Receipting (ECR) system was undertaken involving seven council teams, and improvements have been made for the coming year. Increased clarity

around payment amounts and dates in particular has been well received. Customer feedback will be utilised to guide future improvements.

The percentage of aggressive dog behaviour complaints attended by staff within target was slightly down, but education visits were well above target with a focus on youth education including 'Dogs in Libraries' and school visits.

The growth for the Dogs in Libraries programme is continuing, where people are able to read to one of 6 fully trained and temperament tested dogs. The current programme is being translated into Te Reo so that we can deliver to it our Maaori speaking schools (kura kaupapa) in the coming terms.

The team continues to be trained and developed to a high standard, ensuring they are able to meet the increasing complexity of cases including leadership and succession development.

The passing of the Arms Amendment Act 2019 has prompted a review of our firearms policy. The review will be conducted by a working group of experienced firearms users within the Animal Control Team.

## How we did

Performance measures	2017/18 result	2018/19 target	2018/19 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.	96%	95%	95%		Target met
The percentage of complaints regarding stray stock that have council personnel on site within 1 hour.	96%	95%	98.21%		Target met
The number of reported serious dog attacks on people in public places (where medical attention is required) that occur in our district does not exceed 10 per year.	-	10	15		This is the first year this KPI has been measured and the target may have been optimistic. There is work being done in education and enforcement and numbers will continue to be monitored.
Complete Engagement and Education visits throughout the district.	-	120	152		

## 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 consent systems

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

#### Inspections

The use of portable tablets for building inspections has been a big step-change for the building industry and our staff. The use of the tablets and electronic check-sheets allows the document to be emailed directly to the customer, agent or contractor at the conclusion of the inspection. If the customer wishes we can also print out a copy of the check-sheet on site.

We have once again met our targets for swimming pool inspections as a result of new legislated authority. An increased capacity following the slowdown in new house building has helped us deliver this outcome without the need to employ a dedicated role. We also met our targets for auditing buildings with WOFs.

#### Accreditation

Staff who obtained their diploma-level qualifications by the end of the 2018 calendar year so that we continue to meet Building Consent Authority accreditation requirements. This has been a huge commitment in time and effort for those concerned. We also had our biannual assessment in February by International Accreditation New Zealand which we passed and were awarded continuation of our accreditation as a Building Consent Authority.

### 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 (1,751 last year) with consents for new dwellings falling to 566 across the district (from 566 last year). Nevertheless, the 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 in 2017 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 have now carried out 81 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	2017/18 result	2018/19 target	2018/19 result	Rating	Explanation
The percentage of existing buildings with building WOFs that are monitored and audited for compliance annually.	40%	33%	35%		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.	35.5%	33%	64.65%		Target met
The percentage of building consent applications that are processed within 20 working days.	97.8%	100%	98.63%		Out of the 1,796 building consents we have received, 23 were not processed within the 20 working day timeframe.

## 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	Council has to react to new legislation, but tries to limit the cost increase as much as possible.
Non-compliance requires 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 and highly skilled inspectors, will assist in reducing the incidence of leaky homes.

# Environmental health

## What we did

The Food Act 2014 came into force on 1 March 2019 with the transition timeline for existing food operators ending on 28 February 2019. All existing operators were successfully moved to the new food regime and are now registered under the Food Act 2014.

The Act allows food businesses to operate a risk-based measure to manage food safety in a way that suits their business, based on the level of food safety risk involved. This risk-based measure must be verified by an approved verifier.

Council environmental health service delivery processes were comprehensively audited by JASANZ (Joint Accreditation System of Australia and New Zealand) in late 2018 and Council are now approved as a recognised agency by the Ministry for Primary Industries (MPI) to provide verification services within the district. Currently two Environmental Health Officers are also individually approved by JASANZ and MPI to carry out verification of food businesses.

Recognition of the three newly recruited team members as verifiers will be progressed in line with their experience and development over the next year.

Staff are continuing to provide guidance and mentoring sessions for new and existing food businesses in order to help with registration and verification of their food business.

Several bylaws have been reviewed this year, and in collaboration with the strategic team, proposals have been made to Council for review or change as appropriate.

Processing alcohol applications under Sale and Supply of Alcohol Act 2012 to meet statutory deadlines and appearance at District Licencing Committee hearings required more co-ordination this year by existing staff while recruitment was being progressed.

## How we did

Performance measures	2017/18 result	2018/19 target	2018/19 result	Rating	Explanation
The percentage of registered food premises that are inspected/audited annually.	100%	100%	78%		This KPI is for food premises verified under the new Food Act. Verification is staggered and carried out over 18 months or more. This means that while we are compliant with legislated requirements, 100% of premises won't be verified in one financial year.
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.	83.6%	85%	72.77%		This is a contracted service and work is being done through monthly meetings with the contactor to increase their performance to meet KPI's in future years. There have been a number of changes in their organisation which should mean better contract compliance in the future.
The percentage of hazardous land use information (HAIL) reports that will be completed within 10 working days	-	90%	98.40%		
Percentage of environmental health complaints where the customer has been contacted within 3 working days	91.6%	90%	57%		Throughout the year the team has experienced turnover of staff which has reduced capacity to meet service level targets. The team will be up to full capacity and capability by July 2019 which will enable the team to meet targets for the 2019/20 year.

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

# Strategic and district planning

## What we did

### Giving effect to Council's Vision

Over the past year we focussed our planning efforts to give effect to our vision of creating 'liveable, thriving and connected communities'.

We have partnered with Central Government, iwi and local councils (Auckland Council, Hamilton City Council, Waipa District Council and Waikato Regional Council) in developing a preferred spatial approach for the Hamilton to Auckland Corridor. The Central Government political lead for this programme is the Minister for Housing, Urban Development and Transport.

The spatial intent for the Corridor also recognises and aims to support the district-wide planning that has been done by Council through our District Blueprint and Local Area Blueprints.

We notified our Proposed District Plan in July 2018 and invited the public to make submissions on its objectives, policies and rules. The Proposed District Plan provides updated guidelines for development of our communities including rules for protecting the district's environment and heritage. We received close to 1,000 submissions which have since been summarised and sent out for further submissions.

### Sub-regional and regional

#### Hamilton to Auckland Corridor Plan

In May 2019, Council endorsed the Hamilton to Auckland Corridor Plan's Draft Shared Statement of Spatial Intent after almost a year in preparation. This document:

- Outlines the shared objectives;
- Sets out key opportunities, challenges and constraints and solutions; and
- Contains maps and supporting statements that set out the preferred spatial approach.

The document provides a 100 year view for future urban growth and development along the corridor from Papakura to Cambridge/Te Awamutu together with a draft programme of twenty key transformative projects. Further detail on the shared spatial intent will emerge through the development of the Hamilton-Waikato Metropolitan Spatial Plan (which includes a mass transit plan) as well through two of the other initiatives currently underway within the Waikato district, the Pokeno and surrounds spatial plan, and the Huntly and surrounds spatial plan.

We worked with our partners (Waikato Regional Council, Hamilton City Council, Auckland Council, Auckland Transport, New Zealand Transport Agency and KiwiRail) in developing the Hamilton to Auckland Transport Connections Strategic Business Case. This set the strategic context for the development of a Single Stage Business Case for the start-up passenger rail service between Auckland and Hamilton.

The sub-regional three waters study is investigating how best to service growth and development within the Waikato/Waipā/Hamilton sub-region using a best-for-communities and best-for-river approach.

Work has also started on the preparation of a strategic business case for rapid rail between Hamilton and Auckland.

#### Future Proof

We took the lead in designing the institutional structure for an expanded Future Proof partnership to provide governance ownership and oversight of the Hamilton to Auckland Corridor Plan.

Our Council approved evolving the current Future Proof partnership arrangements to bring in the Hamilton to Auckland Corridor work as a significant workstream of Future Proof. It has also endorsed expanding the structure and membership of Future Proof to include Central Government, Auckland Council, the Papakura Local Board, the Franklin Local Board and relevant iwi from northern Waikato/southern Auckland to join the Future Proof partnership as associate members.

Phase 2 of the review of Future Proof has begun and will finish in early 2020 once the Hamilton to Auckland Corridor Plan is further advanced. The Future Proof Strategy incorporates the Future Development Strategy, a requirement under the National Policy Statement on Urban Development Capacity 2016 (NPS-UDC). Together with our Future Proof partners we also produced a monitoring report for the Future Proof sub-region prepared in support of the NPS-UDC.

#### Waikato Plan

The Waikato Plan is the vehicle for the Waikato region to collaborate on regional issues, to advocate to Central Government for the Waikato region, and to harness the resources and opportunities of the Waikato as a collective to go further and achieve more together.

We have worked with our partners in progressing the following key actions identified by the Waikato Plan Leadership Joint Committee over the past year:

- The development of a regional housing stock profile
- Developing a project that looks at youth and employment
- Understanding better mental health across the region

## District wide

### Blueprints

We co-developed the Waikato Blueprint with our communities through a series of intensive consultation and inquiry-by-design workshops between July and November 2018.

The aim of the Blueprint is to provide a high-level 'spatial picture' of how the district could progress over the next 30 years, addressing the community's social, economic and environmental needs.

The Blueprint will provide Council with an effective and legible tool to move from vision to strategy, and from strategy to action by setting out specific, prioritised initiatives at the district and local level. The District Blueprint identifies nine themes and related initiatives which will further help in giving effect to Council's vision. In addition to the nine district-wide themes and related initiatives, 15 Local Area Blueprints have been developed.

### Proposed Waikato District Plan

Finalising the Draft District Plan - Stage 1 was the main focus of the Resource Management policy planning team during the first half of 2018. Stage 1 of the Proposed District Plan was publically notified in July 2018 with an extended submission period of three months. The submission period was supported by a series of public drop in sessions across the district to give the public an opportunity to talk about it with our planning team. There was also an independent planner at the drop in sessions to assist people with preparing their submissions.

Over 900 submissions were received which resulted in over 9,000 individual submission points. Further submissions were called for in April 2019. This has been supported by an online tool which shows the location of submissions that can be shown spatially. Hearings are to start in September 2019.

Stage 2 of the District Plan Review covers the natural hazards and climate change topics and is still under review. Land subject to coastal inundation, coastal erosion and flooding from the Waikato and Waipa rivers is being identified through a coastal hazards assessment that focusses mainly on Raglan and Port Waikato urban areas and flood modelling. The flood modelling and coastal hazard assessment both incorporate the effects of climate change over a 100 year period. The team has also held public and iwi consultation sessions in Raglan and Port Waikato to collect information in relation to areas that is currently at risk of coastal erosion and inundation.

Stage 2 is currently on track to release a draft for consultation in September 2019, which will allow for public feedback on identified hazard areas as well as feedback on the draft rules for development in these areas. Public notification of Stage 2 is currently scheduled for early 2020.

## Consents

The consent team handled 1,046 resource consent and related applications this financial year.

While this is down 16% from last year, the number of lots consented from subdivisions is high at 1,184.

There were 3,774 enquiries handled by our Duty Planners which is down slightly by 5%.

The number of LIMs processed were also down slightly by 5% at 1,289, but the number of property enquiries processed was the same as last year at 1,917.

The team worked with eight other Waikato based councils to produce common resource consent application forms and letters.

These were launched March 2019 as part of the Aligned Planning Project. The team is now resourced and able to provide Duty Planner service direct from our Tuakau Office once a week, providing a local service to our northern customers.

## Highlights

- Development and endorsement of the Hamilton to Auckland Corridor Plan's Draft Shared Statement of Spatial Intent;
- Leadership role played by Waikato District Council within the Future Proof partnership leading to the creation of an expanded Future Proof governing structure to support the Hamilton to Auckland Corridor Plan;
- Development of a District Blueprint and 15 Local Area Blueprints with our communities;
- Hamilton to Auckland Transport Connections Strategic Business Case;
- Hamilton to Auckland Start Up Passenger Rail Single Stage Business Case;
- Public notification of the Proposed Waikato District Plan – Stage 1;
- Summary of submissions published for the Proposed Waikato District Plan – Stage 1;
- Development of an online GIS tool to assist with further submissions;
- This was the first full year of processing Permitted Boundary Applications, a new type of application introduced under the 2017 amendments to the Resource Management Act. We processed 153 of these (18% of our work) which provided a quick cost effective service for customers (consents are issued within 10 days with a small set fee).

## How we did

Performance measures	2017/18 result	2018/19 targets	2018/19 results	Rating	Explanation
The percentage of resource consent applications which are processed within statutory timeframes.	99.6%	100%	98.85		We had 871 resource consents issued. Of these, 10 were not issued within statutory timeframes (9 had delays at lodgement and 1 had a delay with a technical report).
The percentage of current land use consents that are older than two years which have been monitored in the past two years.	80%	80%	89%		Target met.
The number of parking patrols that are carried out in communities that have parking controls under the bylaw.	-	150	152		Target met.

## What this tells us

This past year has seen a lot of the planning effort being focussed on giving effect to Council's vision. We are also in the process of developing a Planning Roadmap which will further augment this focus over the coming year.

The Proposed Waikato District Plan is on track to commence Stage 1 hearings in September 2019 and Stage 2 notification in early 2020.

While the overall number of resource consents and related applications handled by the Consent team is down slightly this year (1,046), over the last four years numbers have continued to be elevated (average of 1,104) compared to 5 years ago (only 746) which is a sustained increase of 32% compared to 5 years ago (2014/15yr).

## 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

Based on a waste assessment conducted between August 2017 and February 2018, it was determined the Waikato district generates about 52,000 tonnes of waste (excluding farm waste) to landfill each year – an average of 750kgs per person every year – and diverts about 71,000 tonnes of material through reuse, recycling and composting. This assessment informed the Waste Management & Minimisation Plan (WMMP) 2018-2024. The WMMP sets out goals, objectives and targets to guide us towards waste avoidance, reduction and recovery.

The foodwaste service in Raglan continued as a fully funded trial during the year. Public consultation was completed over March and April 2019 to assess community support for a targeted rate to be implemented to continue the service. While there was general support from the community, only 40% were prepared to pay a targeted rate. Council supported the Raglan community and no targeted rate was set. Xtreme Zero Waste, with Council support, has elected to continue the service utilising external sources of funding.

Additionally, the Para Kore programme has been busy. Central Kids Huntly Kindergarten are keen composters with their new Hungry Bin worm farm and the kindy's landfill volumes has reduced by half since the beginning of the year. Council also continue support the Enviroschools programme with the aim of fostering a generation of people who instinctively think and act sustainably. The programme supports children and young people to plan, design and implement sustainability actions that are important to them and their communities. There are 18 Enviroschools in this district.

Whatawhata students have been very engaged and have created an edible entranceway to the nature trail, 'Kuhunga'. Kuhunga was officially opened with representatives from the local community and Council partners in attendance. The school front gardens were developed to provide local produce for the school lunches.

Tamahere School engaged in social and economic sustainability with the 'Change for Change' programme – in which classes picked a charity or organisation and identified ways to support them by holding a market day to raise funds and awareness of various charities. This included a school production of 'The Mauri of Pirongia' which raised awareness of the mountain and \$1,300 was donated to Pirongia Restoration Society. Furthermore, they have sold their garden produce to the community and Punnet (local cafe).

Tuakau School during Term 3 focused on a Te Awa inquiry which raised children's awareness of how their actions affect the health of the river and the fish in the river. Horsham Downs and Horotiu are connecting with Council through the 'Water Day' and planting along the river.

Waipa District, Waikato Regional, Hamilton City and Waikato District Council's Waste Minimisation teams (known as the SWAG) continue to work together to find synergy to deliver waste minimisation across the three districts. Some of this year's work has included contributing to Nourish magazine, developing a workplace waste guide and working with businesses to reduce waste.

An inorganic collection was not rated or provided for in the 2018/19 financial year but planning for future events is underway.

## How we did

Performance measures	2017/18 result	2018/19 target	2018/19 result	Rating	Explanation
The percentage of schools in the district that receive solid waste education.	77.6%	55%	63.30%		Target met
The percentage of kerbside collection complaints that are resolved within agreed timeframes.	89.3%	97%	88.80%		Five days is the agreed timeframe for customer response. Some complaints required site visits and interaction with contractors and customers resulting in longer resolution times.
The % of time a contractor was engaged within 5 days from receiving the service request to remove rubbish to resolution.	-	95%	92%		A total of 743 service requests for 2018/2019 reporting period were received – 56 of which were received outside of the 5 day limit.

## 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	Council acts as the advocate for waste reduction through the adoption of the Waste Minimisation & Management Plan. 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 & 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.

# Funding impact statement – Sustainable environment

	2016/17 Long term plan \$'000	2017/18 Long term plan \$'000	2017/18 Actual \$'000
<b>Sources of operating funding</b>			
General rates, uniform annual general charge, rates penalties	6,773	7,191	6,890
Targeted rates	2,459	2,572	2,786
Subsidies and grants for operating purposes	-	-	-
Fees and charges	6,085	6,350	6,582
Internal charges and overheads recovered	668	677	644
Local authorities fuel tax, fines, infringement fees, and other receipts	2,913	2,986	4,077
<b>Total operating funding</b>	<b>18,898</b>	<b>19,776</b>	<b>20,979</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	13,760	14,019	16,815
Finance costs	-	-	-
Internal charges and overheads applied	5,547	5,742	5,111
Other operating funding applications	7	8	218
<b>Total applications of operating funding</b>	<b>19,314</b>	<b>19,769</b>	<b>22,144</b>
<b>Surplus (deficit) of operating funding</b>	<b>(416)</b>	<b>7</b>	<b>(1,165)</b>
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	-	-	100
Development and financial contributions	-	-	-
Increase (decrease) in debt	154	-	-
Gross proceeds from the sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding*	-	-	-
<b>Total sources of capital funding</b>	<b>154</b>	<b>-</b>	<b>100</b>
<b>Applications of capital funding</b>			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	461	16	136
- to replace existing assets	349	5	2
Increase (decrease) in reserves	(1,072)	(14)	(1,203)
Increase (decrease) in investments	-	-	-
<b>Total applications of capital funding</b>	<b>(262)</b>	<b>7</b>	<b>(1,065)</b>
<b>Surplus (deficit) of capital funding</b>	<b>416</b>	<b>(7)</b>	<b>1,165</b>
<b>Funding balance for Sustainable environment</b>	<b>-</b>	<b>-</b>	<b>-</b>

**NOTE: Last year's statement -  
New data to come**

# ROADING

## What we did

The roading activity is delivered by the Waikato District Alliance, a partnership between Council and Downer NZ established four years ago. The contract brings together the resources of the two parties under a collaborative structure which is focussed on delivery of a best for network solution. The roading network is benefitting from this innovative delivery model with many of our performance measures being exceeded.

### Planning for growth

Developments in strategic locations are creating increased traffic flow and network configuration changes across the network. New residential subdivisions are helping support the growth associated with construction of the Waikato Expressway.

We continue to create new infrastructure in Pokeno, Te Kauwhata and Tuakau and we are working with developers to support initiatives in roading and bridgework for the Rangitahi Peninsula development in Raglan.

Appointment of Downers NZ as the contractor for the proposed new Mangawara Stream Bridge at Taupiri has resulted in a construction programme which will commence in the new financial year.

### Waikato Expressway

The Waikato Expressway projects are nearing completion and will bring long term benefits to the district. We managed the effects of construction traffic on local roads through discussion and agreements with the New Zealand 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 this change on our communities.

### Network Safety

NZTA introduced a new framework for assessing speed limits in 2017/18. We used the new guidelines to assess and make changes to speed limits and have completed two years of a three year programme. We are part of a team that has developed a regional approach to speed management so there is consistency across the region. Our work on the Speed Bylaw has assisted other councils embarking on their own changes.

In June 2019 the Ministry of Transport announced a change to the Road Safety Strategy. Moving from "Safe Systems" to "Vision Zero", we will be undertaking feedback and assessing the implications on our future programmes in the coming months.

### Supporting Freight Movement

We have adopted a cautious approach to increases in the allowable maximum weights for heavy vehicles, and – except for the Tainui Bridge at Huntly – we have been guided by structural analysis in deciding not to open our Waikato River bridges to heavier vehicles. We are working with industry in developing our plan for implementation across the network.

We have used delineation (no passing lines and wide edge lines) to trial effects on reducing speed on high risk rural roads. An unobtrusive permanent radar unit has monitored the incremental changes. This trial has resulted in a 5-8km/h reduction in speed without having to make speed limit changes.

### Road safety and education

We have completed more than \$2m of safety improvements in our Low Cost Low Risk programme, \$1.7m of which has attracted Enhanced NZTA FAR subsidy of 76% (TEFAR), saving Council more than \$2.5m over the current Long Term Plan.

We continue to work with the New Zealand 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

With the successful delivery of the Perry Bridge and associated cycleway last year, Council has continued to focus on the next stage of the Te Awa cycleway project from Cambridge to Hamilton for the 2018/19 financial year jointly with Hamilton City and Waipa District Council. The bulk of work has been in the planning, design and property negotiation area which will allow delivery to commence in 2019/20. In addition, Council has also been planning the design and delivery of the Mangawara Stream Bridge which is a single lane structure with associated shared path linking the Taupiri community to the urupa in the North. 4.62 kilometres of new footpath has been constructed, providing improved linkages and enhancing pedestrian safety across our communities.

### Road surfacing and strengthening

We have re-surfaced 125.5 kilometres of sealed roads, completed 9.8 kilometres of pavement rehabilitation and graded approximately 1,400 kilometres of unsealed roads.

## How we did

Performance measures	2017/18 result	2018/19 target	2018/19 result	Rating	Explanation
The change from the previous financial year in the number of fatal and serious injury crashes on the local road network.	+1	-1	-5		Target met.
The average quality of ride on a sealed local road network, measured by smooth travel exposure.	97%	91%	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 the LTP.	-	-	-		Footpath rating was not included as part of Council's agreement with its contractor for this financial year. Rating will be carried out in the first quarter of the 2019/20 year.
The percentage of the sealed local road network that is resurfaced.	6.9%	6%	7%		Target met.
The percentage of customer service requests relating to roads to which we respond within the timeframes specified.	97.2%	80%	97.24%		Waikato District Alliance continue to exceed customer service request targets due to a strong focus on customer service request responses and timeframes.
The percentage of customer service requests relating to footpaths responded to within the timeframes specified.	94.9%	80%	95.51%		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 coordinated 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 caused 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 NZ and Transport Agency rules.

Potential negative effect	How we are addressing this
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 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 for air pollution from traffic fumes to affect health	Continuing to advocate for by-passes around urban centres
Heavy traffic volumes can lead to loss of amenity in urban areas	Continuing to advocate for by-passes 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

#### PIE CHART TO COME

TBC%	General rates
TBC %	Subsidies for operating purposes
TBC %	Local authorities fuel tax, fines, infringement fees and other receipts
TBC %	Internal charges recovered
TBC %	Fees and charges

### Capital funding

#### PIE CHART TO COME

TBC %	Subsidies and grants for capital expenditure
TBC %	Development and financial contributions
TBC %	Increase in debt
TBC %	Other dedicated capital funding

## Funding impact statement – Roothing

	2016/17 Long term plan \$'000	2017/18 Long term plan \$'000	2017/18 Actual \$'000
<b>Sources of operating funding</b>			
General rates, uniform annual general charge, rates penalties	19,195	19,534	20,078
Targeted rates	-	-	-
Subsidies and grants for operating purposes	8,429	8,380	7,335
Fees and charges	145	145	166
Internal charges and overheads recovered	4,514	4,736	1,545
Local authorities fuel tax, fines, infringement fees, and other receipts	441	458	2,140
<b>Total operating funding</b>	<b>32,724</b>	<b>33,253</b>	<b>31,264</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	18,242	18,461	17,431
Finance costs	-	-	-
Internal charges and overheads applied	6,283	6,489	3,945
Other operating funding applications	-	-	-
<b>Total applications of operating funding</b>	<b>24,525</b>	<b>24,950</b>	<b>21,376</b>
<b>Surplus (deficit) of operating funding</b>	<b>8,199</b>	<b>8,303</b>	<b>9,888</b>
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	9,494	9,091	9,993
Development and financial contributions	1,715	1,771	3,424
Increase (decrease) in debt	2,126	2,340	1,086
Gross proceeds from the sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding*	-	-	113
<b>Total sources of capital funding</b>	<b>13,335</b>	<b>13,202</b>	<b>14,616</b>
<b>Applications of capital funding</b>			
Capital expenditure			
- to meet additional demand	4,645	3,206	3,468
- to improve the level of service	2,343	2,560	1,282
- to replace existing assets	17,240	16,930	17,788
Increase (decrease) in reserves	(2,694)	(1,191)	1,966
Increase (decrease) in investments	-	-	-
<b>Total applications of capital funding</b>	<b>21,534</b>	<b>21,505</b>	<b>24,504</b>
<b>Surplus (deficit) of capital funding</b>	<b>(8,199)</b>	<b>(8,303)</b>	<b>(9,888)</b>
<b>Funding balance for Roothing</b>	<b>-</b>	<b>-</b>	<b>-</b>

\*Other dedicated capital funding for the Roothing group of activities represents capital income for motorcycle safety upgrades.

**NOTE: Last year's statement -  
New data to come**

# STORMWATER

## What we did

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

We have used CCTV to survey 10.5 kilometres of our critical stormwater pipe. These surveys will be assessed and where condition of the pipes is sub-standard they will be rehabilitated or renewed in our storm water renewal programme.

We have completed a modelling study which identified overland flow paths for 1% Annual Exceedance Probability(AEP) rain event through much of the district; this will assist Council in identifying roads and properties which are flood prone.

### North Waikato

We oversaw development-led extensions of the stormwater

network, stormwater treatment ponds and riparian planting beside streams in Pokeno to ensure that stormwater management keeps up with growth in the area. The Pokeno stormwater model has been updated to give more confidence in flood prone locations and to understand the impacts of urban development and climate change.

We also continued work on a stormwater catchment management plan for the Tuakau area.

### Raglan

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

### Mid Waikato

We commenced work on developing a stormwater catchment management plan for Te Kauwhata, early stages have included significant amounts of asset data capture.

## How we did

Performance measures	2017/18 result	2018/19 target	2018/19 result	Rating	Explanation
The number of flooding events that occurs in the district.	0	5	0		Target met.
For each flooding event, the number of habitable floors affected (expressed per 1,000 properties connected to the stormwater system).	0	0.30	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	0.3	0		Target met.
The number of complaints received by Council about the performance of its stormwater system, expressed per 1,000 properties connected to the stormwater system.	0.47 per 1,000 properties per quarter	6	2.03		Target met.
Council's level of compliance with resource consents for discharge from its stormwater system, measured by the number of the following notices, orders or convictions received in relation to those consents: <ul style="list-style-type: none"> <li>- Abatement notices</li> <li>- Infringement notices</li> <li>- Enforcement orders</li> <li>- Convictions</li> </ul>	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 on 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 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 potential 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

#### PIE GRAPH TO COME

TBC % Targeted rates

TBC % Internal charges recovered

TBC % General rates

### Capital funding

#### PIE GRAPH TO COME

TBC % Development and financial contributions

TBC % Increase in debt

## Funding impact statement – Stormwater

	2016/17 Long term plan \$'000	2017/18 Long term plan \$'000	2017/18 Actual \$'000
<b>Sources of operating funding</b>			
General rates, uniform annual general charge, rates penalties	63	65	87
Targeted rates	1,651	1,695	1,795
Subsidies and grants for operating purposes	-	-	-
Fees and charges	-	-	-
Internal charges and overheads recovered	264	290	299
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	1
<b>Total operating funding</b>	<b>1,978</b>	<b>2,050</b>	<b>2,182</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	705	803	617
Finance costs	-	-	-
Internal charges and overheads applied	556	607	417
Other operating funding applications	4	4	16
<b>Total applications of operating funding</b>	<b>1,265</b>	<b>1,414</b>	<b>1,050</b>
<b>Surplus (deficit) of operating funding</b>	<b>713</b>	<b>636</b>	<b>1,132</b>
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	955	984	902
Increase (decrease) in debt	942	706	701
Gross proceeds from the sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
<b>Total sources of capital funding</b>	<b>1,897</b>	<b>1,690</b>	<b>1,603</b>
<b>Applications of capital funding</b>			
Capital expenditure			
- to meet additional demand	787	1,325	501
- to improve the level of service	952	706	733
- to replace existing assets	72	74	94
Increase (decrease) in reserves	799	221	1,407
Increase (decrease) in investments	-	-	-
<b>Total applications of capital funding</b>	<b>2,610</b>	<b>2,326</b>	<b>2,735</b>
<b>Surplus (deficit) of capital funding</b>	<b>(713)</b>	<b>(636)</b>	<b>(1,132)</b>
<b>Funding balance for Stormwater</b>	<b>-</b>	<b>-</b>	<b>-</b>

**NOTE: Last year's statement -  
New data to come**

# WASTEWATER

## What we did

In line with our Annual Plan 2017/18, we completed a major programme of work which invested and upgraded our wastewater systems around the district.

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. These improvements have continued this year with five pumped mains being replaced in 2018/19. A further two pumped mains will be investigated for replacement in the coming year. Nearly all Raglan gravity sewers have now been CCTV surveyed and defective sewers will be included in Council's wastewater renewal programme.

To deliver on the LTP 2018-28 we have invested major time commitments to progressing discussions with Watercare, which are now nearing completion. 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 renewal programme

In 2018/2019 we continued to mitigate the risk of wastewater overflows with a particular focus on protecting waterways and environmentally sensitive areas. We:

- Cleaned 13.27 kilometres of wastewater pipes in Raglan and Huntly and inspected them via Closed Circuit Television (CCTV) cameras, including smoke testing in some areas as part of the third phase of our ongoing wastewater pipeline inspection and cleaning project;
- Started an inflow and infiltration reduction programme in Meremere to lower the high wet weather flows in the township;
- Replaced 1.1 kilometre of failing asbestos cement gravity sewer located in Waikato Esplanade, Ngaruawahia;
- Identified and replaced a number of pump units in wastewater pump stations ;
- Established a programme of priority renewals and replacements for the district's 2018-28 Long Term Plan;

### Development-led works

We completed studies on servicing growth and wet industries in the Pokeno / Tuakau area and Horotiu Industrial zone. These studies have resulted in a programme of works to upgrade the wastewater network to cater for this growth.

In 2017/2018 we completed a business case for infrastructure work in Te Kauwhata, including wastewater, to secure \$38 million from the Government's Housing Infrastructure Fund. A further study to look at potential sites for the new wastewater treatment plant (WWTP) has been done. Watercare Service Ltd have also provided assistance in advising on short term upgrades at the existing WWTP to improve plant compliance and provide capacity for residential growth in Te Kauwhata until the new plant is constructed and commissioned.

### Treatment plant upgrades

We continued the maintenance and improvement programme for all our treatment plants in order to improve compliance.

We completed wetland rehabilitation at our Meremere and Te Kauwhata treatment plants and have also upgraded and replaced our primary screens at our Raglan and Te Kauwhata treatment plants.

We continue to improve the operation and performance of the Actiflow unit at our Ngaruawahia Wastewater Treatment Plant by automating the chemical dosing. This unit removes algae and suspended solids and improves the clarity of the treated effluent.

We have completed electrical works for the new septage processing unit at our Huntly treatment plant. The septage processing unit will be commissioned in 2019/2020.

We also completed designs for upgrading the tertiary filtration system at the Raglan treatment plant to improve compliance with consented discharge standards. We are currently in the process of applying for a renewal of the plant's discharge consent. We will not progress this until we understand what the changes to the consent conditions could be.

## How we did

Performance measures		2017/18 result	2018/19 target	2018/19 result	Rating	Explanation
The number of dry weather sewage overflows from Council's system expressed per 1000 sewage connections to that sewage system.		1.9 per 1000 connections	3	1.51		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.	42 minutes	Less than or equal to 1 hour (60 minutes)	45 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.	139 minutes	Less than or equal to 4 hours (240 minutes)	151 minutes		Target met.
The total number of complaints received by Council about any of the following (expressed per 1,000 connections to the sewage system):	Sewage odour	7.0 per 1,000 connections	Less than or equal to 25 per 1,000 connections	11.1 per 1,000 connections		Target met.
	Sewage system faults					
	Sewage system blockages					
	Council's response to issues with its sewage system					
Council's level of compliance with resource consents for discharge from its wastewater system, measured by the number of:	Abatement notices	0	Equal or less than 2	2		Target met.
	Infringement notices					
	Enforcement orders					
	Convictions	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 re-use of grey water for garden irrigation

## How we paid for it

### Operational funding

#### PIC GRAPH TO COME

TBC %	Targeted rates
TBC %	Fees and charges
TBC %	General rates
TBC %	Internal charges recovered

### Capital funding

#### PIC GRAPH TO COME

TBC %	Development and financial contributions
TBC %	Increase in debt

## Funding impact statement – Wastewater

	2016/17 Long term plan \$'000	2017/18 Long term plan \$'000	2017/18 Actual \$'000
<b>Sources of operating funding</b>			
General rates, uniform annual general charge, rates penalties	204	208	362
Targeted rates	6,642	7,208	9,459
Subsidies and grants for operating purposes	-	-	-
Fees and charges	1,574	1,618	1,313
Internal charges and overheads recovered	60	67	97
Local authorities fuel tax, fines, infringement fees, and other receipts	279	297	5
<b>Total operating funding</b>	<b>8,759</b>	<b>9,398</b>	<b>11,236</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	3,072	2,745	3,913
Finance costs	-	-	-
Internal charges and overheads applied	3,713	3,864	2,634
Other operating funding applications	107	112	398
<b>Total applications of operating funding</b>	<b>6,892</b>	<b>6,721</b>	<b>6,945</b>
<b>Surplus (deficit) of operating funding</b>	<b>1,867</b>	<b>2,677</b>	<b>4,291</b>
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	1,841	1,900	2,530
Increase (decrease) in debt	2,063	4,355	1,363
Gross proceeds from the sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
<b>Total sources of capital funding</b>	<b>3,904</b>	<b>6,255</b>	<b>3,893</b>
<b>Applications of capital funding</b>			
Capital expenditure			
- to meet additional demand	564	369	962
- to improve the level of service	2,063	4,355	2,851
- to replace existing assets	2,288	2,345	1,294
Increase (decrease) in reserves	856	1,863	3,077
Increase (decrease) in investments	-	-	-
<b>Total applications of capital funding</b>	<b>5,771</b>	<b>8,932</b>	<b>8,184</b>
<b>Surplus (deficit) of capital funding</b>	<b>(1,867)</b>	<b>(2,677)</b>	<b>(4,291)</b>
<b>Funding balance for Wastewater</b>	<b>-</b>	<b>-</b>	<b>-</b>

**NOTE: Last year's statement -  
New data to come**

# 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 charted one year 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. We have invested a significant amount of time over the last year in progressing contract discussions with Watercare that will allow us to meet our LTP 2018-28 commitments.

### Security of supply

We completed a \$6.6 million project to improve the security of the Waikato District's drinking water supply by installing four new reservoirs at Ngaruawahia, Hopuhopu, Huntly and Pokeno. The additional reservoirs have increased Council's drinking water storage capacity to 9.75 million litres, or, a minimum of 24 hours of water storage across the central area of the district and Pokeno.

The reservoirs have a manufacturer's certified material warranty of 20 years and a design life of 50 years.

### 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

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 one-year of drinking water usage in our district at 240 litres per resident per year. These results tell us our network is in average condition compared with other councils in New Zealand.

## How we did

Performance measures		2017/18 result	2018/19 target	2018/19 result	Rating	Explanation
The extent to which Council's drinking water supply complies with:	Part 4 of the drinking water standards for zones (bacteria compliance criteria).	17	18	18		
	Part 4 of the drinking water standards (bacteria compliance criteria).	New	4 (no. of plants that comply out of 4)	4 (no. of plants that comply out of 4)		
	Part 5 of the drinking water standards (protozoal compliance criteria).	15	4	4		
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:	Attendance for urgent call-outs: from the time that Council receives notification to the time that service personnel reach the site.	38 minutes	60 minutes	36 minutes		Target met.
	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.	88 minutes	240 minutes	117 minutes		Target met.
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:	Attendance for non-urgent call-outs: from the time that Council receives notification to the time that service personnel reach the site.	1	5 days	1 Day		Of 444 complaints made this year, 438 met the 5 day response timeframe.
	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	5 days	1 Day		Target met.
The total number of complaints received by Council about any of the following (expressed per 1000 connections to the networked reticulation system):	Drinking water clarity	26 per 1,000 connections	25 per 1,000 connections	18.25 per 1,000 connections		Our flushing programme in Huntly appears to be helping in the number of complaints we are receiving from the Huntly area.
	Drinking water taste					
	Drinking water odour					
	Drinking water pressure or flow					
	Continuity of supply					
	The local authority's response to any of these issues					
The average consumption of drinking water per day per resident within the Waikato District.	240L per annum	270L per annum	240L per annum		Target met	

Performance measures		2017/18 result	2018/19 target	2018/19 result	Rating	Explanation
The percentage of real water loss from Council's networked reticulation system.	Tuakau	10%				
	Pokeno	44%				
	Mid Waikato	31%				
	Central Districts	27%				
	Raglan	29%				
	Huntly	22%				
	Southern & Western Districts	14%				
	Onewhero	17%				
	Port Waikato	28%				
	Te Akau	38%				
	Taupiri / Hopuhopu	Not measured				

*\*Our district-wide water metering programme should help us to track, locate and fix water loss from household and Council infrastructure and we expect to see improvements in our results each year going forward.*

## 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, 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 WSP.
Drinking water not meeting Drinking Water Standard 2005	Continue to monitor water quality and improve process if necessary as per 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

#### PIE GRAPH TO COME

TBC %	Targeted rates
TBC %	General rates
TBC %	Internal charges recovered
TBC %	Fees and charges

### Capital funding

#### PIE GRAPH TO COME

TBC %	Development and financial contributions
TBC %	Increase in debt
TBC %	Other dedicated capital funding

## Funding impact statement – Water supply

	2016/17 Long term plan \$'000	2017/18 Long term plan \$'000	2017/18 Actual \$'000
<b>Sources of operating funding</b>			
General rates, uniform annual general charge, rates penalties	186	198	375
Targeted rates	10,129	10,957	8,375
Subsidies and grants for operating purposes	-	-	-
Fees and charges	41	42	112
Internal charges and overheads recovered	274	361	196
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	24
<b>Total operating funding</b>	<b>10,630</b>	<b>11,558</b>	<b>9,082</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	3,702	3,934	4,318
Finance costs	-	-	-
Internal charges and overheads applied	3,374	3,768	2,913
Other operating funding applications	40	41	86
<b>Total applications of operating funding</b>	<b>7,116</b>	<b>7,743</b>	<b>7,317</b>
<b>Surplus (deficit) of operating funding</b>	<b>3,514</b>	<b>3,815</b>	<b>1,765</b>
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	1,841	1,875	3,075
Increase (decrease) in debt	4,573	3,201	1,720
Gross proceeds from the sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding*	93	97	137
<b>Total sources of capital funding</b>	<b>6,507</b>	<b>5,173</b>	<b>4,933</b>
<b>Applications of capital funding</b>			
Capital expenditure			
- to meet additional demand	2,472	3,232	987
- to improve the level of service	3,527	3,236	1,557
- to replace existing assets	1,890	2,022	1,513
Increase (decrease) in reserves	2,132	498	2,641
Increase (decrease) in investments	-	-	-
<b>Total applications of capital funding</b>	<b>10,021</b>	<b>8,988</b>	<b>6,698</b>
<b>Surplus (deficit) of capital funding</b>	<b>(3,514)</b>	<b>(3,815)</b>	<b>(1,765)</b>
<b>Funding balance for Water supply</b>	<b>-</b>	<b>-</b>	<b>-</b>

\*Other dedicated capital funding for the Water Supply group of activities represents capital income from fees charged to fund capital works for new connections.

**NOTE: Last year's statement -  
New data to come**

# ORGANISATIONAL SUPPORT

## What we did

### Business improvements

We completed a major project to review how our organisation operates internally and what changes we needed to make to ensure that we could continue to meet the ambitions, needs and issues of our communities. In part, this was required as a result of the significant growth that the district is experiencing.

We launched a strategic reset, co-designed the organisations structure, formed new teams, created space and reimagined our working environment, refreshed our values, recruited heavily, demanded a culture of doing things differently and launched a new organisation to our people at an event called Team Up 2019.

We also refreshed our internal strategic plan - 'Our Plan' - that gives clear guidance to areas of focus. The plan includes focus on a digital roadmap, various planning activities, culture and the growth of our people.

We launched several learning programmes for our people including project management, change management, risk management and a leadership programme.

We have been focussed on progressing the digital roadmap and working on several foundational Information Management projects;

- Analysis of staff roles and deployment of technology requirements to enable more mobile working. This includes considerable work on the firewall and other network infrastructure;
- A master data project to establish data governance and ownership for key data in preparation for more integrated and enterprise system implementations;
- Upgrades related to enabling single sign on for staff;
- Discovery and design for an intranet refresh. This project is moving into implementation;
- A significant pilot for the digitisation of property files;
- An internal programme to increase staff awareness of their record keeping responsibilities;

We have also been a major contributor to the implementation of the Local Authority Shared Services (LASS) data portal that brings together open data from the 12 Waikato LASS councils and makes it available for the public.

### Procurement and contract management

We saved more than \$732,302 through a variety of initiatives, including procurement through MBIE-led 'all of government' contracts.

### Zero Harm (health, safety and wellbeing) programme

Our Zero Harm Programme continues to focus on the following three key areas;

- Best practice health and safety management systems
- Believable and capable safety leadership
- Robustly managed health and safety risks

We have continued to focus on managing our health and safety critical risks, through the use of the disciplined "Bowtie" risk management methodology. We have also reviewed, redesigned and relaunched our wellbeing programme. A wellbeing strategy has been developed based on the Te Whare Tapa Wha model of health and a number of wellbeing initiatives have already been completed.

## How we paid for it

### Operational Funding

#### PIE GRAPH TO COME

TBC %	Internal charges recovered
TBC %	Local authorities fuel tax, fines, infringement fees and other receipts
TBC %	General rates

# Funding impact statement – Organisational support

	2016/17 Long term plan \$'000	2017/18 Long term plan \$'000	2017/18 Actual \$'000
<b>Sources of operating funding</b>			
General rates, uniform annual general charge, rates penalties	464	691	500
Targeted rates	-	-	-
Subsidies and grants for operating purposes	-	-	-
Fees and charges	11	12	6
Internal charges and overheads recovered	32,389	33,984	27,674
Local authorities fuel tax, fines, infringement fees, and other receipts	1,147	1,248	1,508
<b>Total operating funding</b>	<b>34,011</b>	<b>35,935</b>	<b>29,688</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	19,400	19,748	20,451
Finance costs	3,968	4,934	3,997
Internal charges and overheads applied	7,442	7,698	6,646
Other operating funding applications	1,630	1,814	1,570
<b>Total applications of operating funding</b>	<b>32,440</b>	<b>34,194</b>	<b>32,664</b>
<b>Surplus (deficit) of operating funding</b>	<b>1,571</b>	<b>1,741</b>	<b>(2,976)</b>
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	3,763	7,059	(5,883)
Gross proceeds from the sale of assets	217	202	328
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
<b>Total sources of capital funding</b>	<b>3,980</b>	<b>7,261</b>	<b>(5,555)</b>
<b>Applications of capital funding</b>			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	36	68	192
- to replace existing assets	2,328	3,278	1,547
Increase (decrease) in reserves	2,972	5,136	(11,623)
Increase (decrease) in investments	215	520	1,353
<b>Total applications of capital funding</b>	<b>5,551</b>	<b>9,002</b>	<b>(8,531)</b>
<b>Surplus (deficit) of capital funding</b>	<b>(1,571)</b>	<b>(1,741)</b>	<b>2,976</b>
<b>Funding balance for Organisational support</b>	<b>-</b>	<b>-</b>	<b>-</b>

**NOTE: Last year's statement -  
New data to come**

# 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
Supporting our Communities	To ensure that our diverse community is represented in a democratically accountable and respectful manner.	We reviewed our representation arrangements for the 2019 local body elections. The contact details of our elected members are available on our website and via the call centre.
Working together with you	To ensure that decisions are underpinned by sound financial governance.	All minutes of open meetings were made available to the public via our website.
Providing value for money	<b>To ensure that decisions and processes take into account both short and long term impacts on our customers and partners.</b>	Where decisions significantly impact our customers, we have sought the opinions of our communities. Consultation on Raglan foodwaste, the District Plan and Blueprints are good examples of this.

## Sustainable Communities

Community Outcomes		Progress
<b>Supporting our communities</b>	To provide our customers and partners with opportunities for engagement thereby providing input into the decision making process.	We have engaged with our communities on 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.
<b>Sustaining our environment</b>	To ensure Council and our communities are resilient and have the capability to respond, manage and recover from emergencies.	We have a total of 154 staff trained in civil defence emergency management, 69 at a foundation level, and 85 at an intermediate level.
<b>Building our economy</b>	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.
<b>Sustaining our environment</b>	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 83% of our customers are satisfied or very satisfied with the parks and reserves that we provide.
<b>Providing value for money</b>	To ensure 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, 91% of respondents are satisfied or very satisfied with their local libraries.
<b>Supporting our communities</b>	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 (65%) and that it took little or no effort to conduct business with the Council (56%). These are both slightly down on last year's figures.  We use a range of engagement methods including social media, our website, letter drops, open days and the Link newsletter.
<b>Building our economy</b>	Tourism in the district is enhanced and Council's processes and infrastructure support and facilitate new and existing business.	Tourism spending in the district was \$127 million. We continue to support Hamilton & Waikato Tourism, and the establishment of a Regional Economic Development Agency – Te Waka.
<b>Working together with you</b>	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.
<b>Sustaining our environment</b>	Restoration, protection and enhancement of natural areas in the district to increase natural habitat and biodiversity.	We continued our Lake Rotokauri restoration programme which includes fencing boundaries and planting native species. Pest control and native habitat improvements continue on a number of other reserves.

## Sustainable Environment

Community Outcomes	Progress
<b>Sustaining our environment</b>	<p>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.</p> <p>Review of the 2018 dog registration process, incorporating the new Enterprise Cash Receipting (ECR) system was completed and improvements were made for the 2019 dog registration process.</p> <p>We ran 78 education sessions in 29 schools around the district as part of our Dogsmart Education Programme, as well as 5 education sessions at 5 kindergartens.</p>
<b>Supporting our community</b>	<p>To ensure that building regulations and standards are met so that people living and working in buildings are safe.</p> <p>We have met our targets for swimming pool inspections and for auditing buildings with WOFs. We have also carried out 81 assessments on earthquake-prone buildings in the north Waikato area in line with new 2017 legislation.</p>
<b>Working together with you</b>	<p>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.</p> <p>The community had the opportunity to be engaged with us on a number of projects, key projects included consultation on the development of our District Plan and our Blueprint.</p>
<b>Sustaining our environment</b>	<p>To ensure communities are well informed about the effects of waste and opportunities they have to reduce waste.</p> <p>We have 18 Enviroschools in the district. Enviroschools aim to foster a generation of people who instinctively act and think sustainably.</p>
<b>Sustaining our environment</b>	<p>To ensure that activities are managed so that our communities are healthy and safe, legislative requirements are met and nuisance is managed.</p> <p>We successfully moved all existing food operators on to the new food regime and are now registered under the Food Act 2014. We met our statutory deadlines in processing alcohol applications under the Sale and Supply of Alcohol Act 2012. We have recruited two new fully trained Environmental Health Officers, and are in the process of training an internally recruited officer.</p>
<b>Providing value for money</b>	<p>To ensure that timely and accurate information and efficient processes are provided to people planning to build on or purchase a property.</p> <p>We introduced new digital 'back-of-house' systems to improve efficiencies in handling consent applications. Around 80 per cent of our building consents customers now use the new paperless system, saving our customers time and money.</p>
<b>Supporting our communities</b>	<p>To ensure sustainable growth is encouraged in appropriate locations supported by well-planned essential services.</p> <p>We received over 900 submissions on our Proposed Waikato District Plan, resulting in over 9,000 individual submission points. We then called for further submissions in April 2019.</p>
<b>Supporting our communities</b>	<p>To ensure that planning controls assist in protecting cultural heritage and the natural and physical environment.</p> <p>Our Proposed Waikato District Plan includes rules for protecting the district's environment and heritage. We are now working on Stage 2 of the review which covers natural hazards and climate change.</p>
<b>Sustaining our environment</b>	<p>To ensure that our waste and recycling services are efficient and effective and protect our natural environment.</p> <p>We continue to work with councils across the region to find synergy to deliver waste minimisation across the area. An inorganic collection was not rated or provided for this financial year.</p>

## Roading

Community Outcomes		Progress
Supporting our communities	To ensure that the district is easy and safe to get around and alternative transport options are available.	We re-surfaced 125.5 kilometres of sealed roads, and completed 9.8 kilometres of pavement rehabilitation and constructed 4.62 kilometres of new footpath, maintained a road safety education programme and investigated alternative transport options.
Providing value for money	To ensure that transport infrastructure is planned at a rate to consider growth and demand in a cost effective manner.	We continue to create new infrastructure in Pokeno, Te Kauwhata and Tuakau, and we are working with developers to support initiatives in roading and bridge work for the Rangitahi Peninsula development in Raglan.
Sustaining our environment	To ensure that the network is well maintained and negative environmental effects are mitigated.	During the past year we undertook 1,400 kilometres of grading on unsealed roads.

## Stormwater

Community Outcomes		Progress
Sustaining our environment	To ensure that 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.
Providing value for money	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 a schedule of minor upgrades across the district, installing new pipes to increase capacity where required.
Supporting our communities	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 oversaw development-led extensions of the stormwater network, stormwater treatment ponds and riparian planting beside streams in Pokeno to ensure that stormwater management keeps up with growth in the area. The Pokeno stormwater model has been updated to give more confidence in flood prone locations, and so we can understand the impacts of urban development and climate change.

## Wastewater

Community Outcomes		Progress
<b>Sustaining our environment</b>	To ensure that 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.
<b>Providing value for money</b>	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 replaced 5 pumped mains, cleaned 13.27 kilometres of wastewater pipes in Raglan and Huntly, completed wetland rehabilitation at our Meremere and Te Kauwhata treatment plants, and replaced 1.1 kilometres of failing asbestos cement gravity sewer in Ngaruawahia.
<b>Providing value for money</b>	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 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.

## Water Supply

Community Outcomes		Progress
<b>Providing value for money</b>	To ensure that 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 handling our drinking water supply and wastewater services in line with Ministry of Health best practice guidelines.
<b>Sustaining our Environment</b>	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.	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 completed for the installation of a new water reservoir in Matangi.
<b>Working together with you</b>	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 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 will help residents understand their usage, encourage conservation, as well as to assist us to track, locate and fix water loss from the system.

# 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  
XX CENTS**

**AREA OFFICES AND  
OTHER PROPERTIES**



**XX  
CENTS**

**COMMUNITY AND SAFETY**



**XX  
CENTS**

**CORPORATE AND  
COUNCIL LEADERSHIP**

**XX  
CENTS**



**ENVIRONMENTAL  
HEALTH  
XX CENTS**



**GRANTS AND  
DONATIONS  
XX CENTS**



**LIBRARIES  
XX  
CENTS**



**PARKS AND RESERVES**

**XX  
CENTS**



**RESOURCE MANAGEMENT**

**XX  
CENTS**



**ROADING XX  
CENTS**



**SOLID WASTE X CENT**

**STORM X CENTS  
WATER**



**WASTE  
WATER  
XX  
CENTS**

**WATER SUPPLY  
XX 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.

FINANCIAL INFORMATION TBC















### **Open Meeting**

<b>To</b>	Audit & Risk Committee
<b>From</b>	Margaret Devlin Chair Audit & Risk
<b>Date</b>	02 September 2019
<b>Chief Executive Approved</b>	Y
<b>Reference #</b>	GOV1318
<b>Report Title</b>	Audit & Risk Committee Key Achievements

## **I. EXECUTIVE SUMMARY**

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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**

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

## **3. DISCUSSION**

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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:** Performance review against agreed targets and progress toward mitigation of identified systemic issues. The programme includes an annual review of Waikato District Zero Harm Framework and Zero Harm site visits. This year the Committee attended Metro Waste Huntly.
- **Internal Audit:** Agreed internal audit programme for the next 18 months. Progress update on bylaw and policy review.
- **Post Implementation Reviews and/or Incident Debrief Reports:** Post project/incident evaluations capturing key learnings. Reports were received for the

Gearing for Growth and Greatness project, Enterprise Cash Receipting project, Office Lockdown Incident (September 2018) and the GIS Project Integration project.

- **Audit (Annual Report Programme):** Tracking progress against Audit Management Report and Internal Audit actions. Progress demonstrates 5 outstanding items (from 157 initially identified) which include:
  - Contract Management: Develop and implement a contracts management system. A project has been established. Key roles have been appointed. An existing system is currently being reviewed for suitability.
  - Contract Management: Implement a supplier performance measurement framework and strengthen supplier performance monitoring. This action has not yet commenced, however it is planned as part of the Contract Management road map.
  - Contract Management: Develop a procurement strategy and clear guidelines. Work has begun to update and align the procurement policy, procurement manual and associated processes.
  - Cyber Security: Business owners to formalise information security requirements for assets owned. The “Master Data” project is in the execution phase to deliver against this action.
  - Cyber Security: Improve security incidents review and monitoring processes. A stocktake of the PC fleet is being undertaken by the Information Management Team to create new processes. Reviewing an annual risk assessment for annual report / audit processes and maintaining governance relationship with Councils external auditor.
- **Risk:** Risk management update; strategic risks, risk management framework. During the year the Committee reviewed the effectiveness of the risk reporting and introduced an emerging risks and deep dive report, which reflects best practice risk governance, the annual programme includes Risk Appetite and Framework Review, and Review of Council Controlled Organisations Statements of Intent.
- **Procurement Update:** Regular update from the Procurement Manager aimed at enabling the Committee to examine the organisational culture in the procurement and contract management space.
- **Insurance:** Insurance Renewal Process Update, Insurance Policy / Premium Confirmation.

## **Work Programme**

### **Risk Management**

Council has in place a Risk Management Framework which includes:

- Risk Policy
- Strategic Risks Register
- Risk Appetite Statements
- Risk Tools and Guiding Documents
- Agreed Governance and Support Structures
- Risk Management Calendar

- **Agreed Reporting Structures**

As part of the annual programme reviews of the appetite statements, risk framework and strategic risks have been performed with Committee oversight. The quarterly reporting programme was also reviewed to include deep dives into key risks, providing the Committee confidence that identified strategic risks remain current and that they are appropriately managed, and progress reporting on project outcomes associated with Councils risk management practices and culture.

An updated Fraud Prevention Policy was reviewed and approved in conjunction with the Committee in December 2018.

The Committee has maintained oversight of the procurement and contract management framework review. This has included receiving progress reports against associated short, medium and long term management actions.

A workshop was facilitated by Legal Counsel who represented Tauranga City Council on the Bella Vista dispute. A number of learnings were shared.

### **Health & Safety**

Quarterly operational reporting on the Zero Harm Framework and organisational engagement continues to provide the Committee assurance that improved Health and Safety practices continue to be an organisational focus. The Committee contributes to the ongoing evaluation of the framework and delivers recommendations on its development. The Committees annual site visitation was to Metro Waste Huntly.

### **Control Framework**

The Committee has responsibility for reviewing management's commitment to the internal control framework. Key achievements this year:

- 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.

### **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. Four new issues were raised in the Audit Management Report and are updated as a standing item on the Audit & Risk Committee agenda.

### **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**

Previous audits undertaken included;

- Risk maturity
- Cyber security
- Project management
- Procurement and contract management.

The Committee supported suspension of additional audit activity over the past 2 years to allow sufficient time for staff to address the identified actions and recommendations from these audits. Significant progress has been made as a result of this strategy and internal audit activity will recommence. The Committee has supported proposed internal audits on Health & Safety Governance, Resource Consent Revenue Review and a Rates Process Review to be undertaken over the next 12-18 months.

### **External Audit**

Reflecting best practice the following are in place:

- Standing invite for Audit New Zealand to attend all Committee meetings. Audit NZ and Management continue to work together to improve external audit process.
- Committee meetings incorporate a session with Audit NZ only (excluding management) to provide the opportunity for an open discussion with Audit NZ.

## **4. CONCLUSION**

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The Audit & Risk Committee considers that good progress has been made in a number of areas in the 2018/19 financial year. The Committee will continue to monitor progress and implement measures to enhance the control, compliance and risk framework within Council.

## **5. ATTACHMENTS**

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NIL

### **Open Meeting**

<b>To</b>	Audit & Risk Committee
<b>From</b>	Roger MacCulloch Acting General Manager Service Delivery
<b>Date</b>	18 September 2019
<b>Prepared by</b>	Jackie Bishop Contracts and Partnering Manager
<b>Chief Executive Approved</b>	Y
<b>Reference #</b>	A&R2019
<b>Report Title</b>	New Zealand Transport Agency Investment Audit Report

## **1. EXECUTIVE SUMMARY**

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In May 2019, the New Zealand Transport Agency (NZTA) conducted an investment audit for Waikato District Council (WDC). This was combined with a technical audit of the Activity Management Plan (AMP) and assessment of the condition of the network. A draft report was received from the NZTA in June 2019.

The report was positive in respect of financial assurance and condition of the network, but also highlighted a number of areas for improvement. WDC were aware of the majority of these and had already initiated steps to address the matters raised. One observation regarding data quality has been disputed with the NZTA.

WDC has provided a response to the draft report and it is currently being finalised by the NZTA. Implementation of improvement actions will be ongoing over 2019/20.

## **2. RECOMMENDATION**

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

## **3. BACKGROUND**

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The investment audit by the NZTA typically occurs every three years, the last one being November 2016. The technical audit of the AMP is less frequent, the last one being conducted in December 2011 (predating the formation of the Waikato District Alliance).

The audit was undertaken over three days in May 2019 and broadly considered the following:

- previous audit outcomes
- transactions, NZTA claims and reconciliations for 2016/17 and 2017/18
- procurement procedures
- contract variations and contract management
- asset management, roading maintenance and renewals, and condition of the network
- road safety management
- reporting via Transport Investment Online (TIO); and
- data quality

A debrief workshop was held post the three days with key stakeholders in WDC and then a draft report provided to WDC in June 2019 for comment and response on the observations and recommendations made. A response has been provided by WDC and the report is now being finalised by NZTA.

A copy of the report, inclusive of WDC's responses to the observations, is attached to this report.

## 4. DISCUSSION AND ANALYSIS OF OPTIONS

### 4.1 DISCUSSION

The NZTA report was positive in respect of financial assurance and condition of the network, but also highlighted a number of areas for improvement. These are summarised in the table below, including how WDC has, or is, addressing these. Further detail is in the attached report.

Area	Rating	NZTA commentary	WDC response
Financial	Effective	WDC has effective financial processes	Agreed
Procurement	Some improvement needed	The WDC procurement strategy expired in 2016 and this requires review. Contracts reviewed complied with NZTA procedures.	Review of the procurement strategy has commenced and will be completed by the end of 2019.
Network management	Some improvement needed	Network is in good condition but network costs are high compared to peer group.	WDC has queried the peer group against which it has been assessed and the metrics used. A more detailed analysis and response back to the NZTA is currently being formulated on this matter.  WDC is undertaking a review of the performance of the Waikato District Alliance contract in the lead up to its 5yr rollover point in July 2020. This includes benchmarking of unit costs of carrying out work and some reductions have been made to these costs as a consequence.
Activity Management Plan	Effective	AMP is compliant. Next AMP for 2021-24 NLTP should consider growth; state highway revocations and use of RoadRoid to more effectively set and monitor levels of service for unsealed networks.	WDC has commenced a review and reset of its AMP which considers these and other issues in preparation for the next NLTP and LTP, with completion mid-late 2020.

Area	Rating	NZTA commentary	WDC response
Data quality	Significant improvement needed	<p>Significant errors found in RAMM database in maintenance cost tables and in the Annual Achievement Return for renewals.</p> <p>Analysis of Roothing Efficiency Group Data Quality reports showed a score of 66/100 which suggests data improvement needed</p>	<p>WDC has disputed this observation, and was able to address the anomalies during the audit. However, in order to manage the perception risk, WDC engaged an independent consultant post the audit to review the RAMM data which has since confirmed its accuracy. This report is being provided to the NZTA.</p> <p>Anomalies with the Annual Achievement Return have been addressed post the audit and verified via the independent review above.</p> <p>The 66/100 score was based on 2016-2018 data and did not account for significant improvements in data quality management implemented by the Alliance in the previous year. This score has since been re-run and found to be 99/100, likely the highest for Councils in New Zealand. This has been provided to the NZTA.</p>
Safety performance	Some improvement needed	The district has a high crash rate with an increase in deaths and serious injuries for the period 2012-2016. Some improvements to road safety management were recommended	WDC has taken on board the improvements recommended and will implement these through both its reset of the roading AMP and its holistic road safety strategy for forward years

## 5. CONSIDERATION

### 5.1 FINANCIAL

The roading programme is a significant budget item for Council and the relationship with NZTA as a subsidy/investment partner is critical to achieving it. The audit, and WDC's response and follow up actions has provided assurance in this respect.

### 5.2 LEGAL

Nil

### 5.3 STRATEGY, PLANS, POLICY AND PARTNERSHIP ALIGNMENT

The audit process has, and will be, utilised proactively by the roading team of WDC in both its reset of the roading AMP, contract rollover review of the Waikato District Alliance contract; and road safety programme. The NZTA is involved in all of these processes at both a funding and strategic level.

### 5.4 ASSESSMENT OF SIGNIFICANCE AND ENGAGEMENT POLICY AND OF EXTERNAL STAKEHOLDERS

Highest levels of engagement	Inform	Consult	Involve	Collaborate	Empower
	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Planned	In Progress	Complete	
		X	Internal
			Community Boards/Community Committees
			Waikato-Tainui/Local iwi (provide evidence / description of engagement and response)
			Households
			Business
		X	Other - NZTA

## 6. CONCLUSION

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It is recommended the Committee note the draft report and WDC's response to observations and recommendations made. A final copy of the report from the NZTA is expected in late 2019.

## 7. ATTACHMENTS

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- NZ Transport Agency Investment Audit Draft Report

June 2019

# NZ TRANSPORT AGENCY INVESTMENT AUDIT

## DRAFT REPORT

### Monitoring Investment Performance

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

<b>Approved Organisation (AO):</b>	Waikato District Council
<b>NZ Transport Agency Investment (2018 – 2021 NLTP)</b>	Budgeted programme \$61,017,600
<b>Date of investment audit:</b>	13-16 May 2019
<b>Investment Auditors:</b>	Glenn McGregor, Tony Lange. Supported by Nick Cook (NZ Transport Agency)
<b>Report No:</b>	RAGMJ-1883

#### OBJECTIVE

The objective of this audit is to provide assurance that the New Zealand Transport Agency's investment in Waikato District Council's land transport programme is being well managed and delivering value for money. We also seek assurance that the Council is appropriately managing risk associated with the Transport Agency's investment. We recommend improvements where appropriate. Refer appendix A for the audit programme.

#### EXECUTIVE SUMMARY

Waikato District Council's roading network is in good condition. However, the District has a high crash rate with an increase in the number of deaths and serious injuries for the period 2012 to 2016. The Waikato network is also a high cost network when compared with the Rural Districts peer group.

Council has effective financial processes in place to account for the Transport Agency's funding assisted expenditure.

We have low confidence in Council's data. We found significant errors in a small sample of maintenance cost transactions that seriously inflated the cost of work on the network. It is vital that all maintenance and renewal work is correctly coded and costed. Council need to confirm that data in its system is accurate, complete and timely.

Council's procurement strategy has expired and needs review.

**AUDIT RATING ASSESSMENT**

Issue		Rating Assessment*
2	Financial processes	Effective
3	Procurement procedures	Some improvement needed
4	Network management	Some improvement needed
5	Activity Management Plan	Effective
6	Data quality	Significant improvement needed
7	Safety performance	Some improvement needed
Overall rating		Some improvement needed

\* Key to rating assessment – refer appendix B

**RECOMMENDATIONS**

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

We recommend that Waikato District Council:		Implementation Date
3.	Reviews its procurement strategy and seeks endorsement from the Transport Agency when completed.	
4.1	Reviews its operating costs to understand why network cost are so high compared to the peer group.	
4.2	Reviews the decision-making process for resurfacing treatment design choice and timing.	
4.3	Investigates improving the collection of condition information on the unsealed network and review maintenance practises.	
4.4	Ensures footpaths comply with the Transport Agency's pedestrian guidelines.	
6.1	Reviews the data in the RAMM Maintenance Cost table to ensure that it is accurate for the period 2015/16 to present.	

6.2	Assesses the data gaps identified in the Data Quality reports and revises its processes to improve data quality.	
6.3	Ensures that Annual Achievement Data is accurate and actual values align with contract records.	
7.1	Ensures road safety audits are undertaken for all renewal and improvement projects.	
7.2	Ensures traffic services are well maintained and comply with standards for use and location as set in the Traffic Control Devices manual.	
7.3	Provides advance warning signs for uneven surfaces and if necessary, for safety, reduces the speed limit.	

DRAFT

## FINDINGS

1: What issues, if any, remain unresolved from the previous audit?	
Findings	<p>Recommendations arising from the November 2016 procedural investment audit have been addressed. They covered administration costs and the treatment of retentions.</p> <p>The last technical investment audit was undertaken in December 2011 and made five recommendations. Due to the long intervening period, implementation of the recommendations was not specifically assessed. However, a significant concern at the time was the integration of the data, systems and levels of service following the 2010 amalgamation of the southern part of the disestablished Franklin District Council with the Waikato district. Good progress is being made. Progress has also been made in the management and maintenance of the bridge stock.</p>
<b>Waikato District Council response</b>	<b>Agreed. This and other considerations are being incorporated in WDC's current review of its Roading AMP in the lead up to the next LTP. Refer below also.</b>

\* \* \*

2: Financial processes		Effective
Findings	<p>Waikato District Council has effective financial processes to manage the land transport disbursement account.</p> <ul style="list-style-type: none"> <li>• Funding claims were reconciled to Council's general ledger (2016/17, 2017/18)</li> <li>• Expenditure claimed is eligible for funding assistance</li> <li>• Allocation for professional services and administration overheads is supported by robust methodology</li> <li>• There are no current retentions for Transport Agency funded activities.</li> </ul>	
<b>Waikato District Council response</b>	<b>Agreed.</b>	

\* \* \*

3: Procurement procedures		Some improvement needed
Findings	<p>Council's procurement strategy expired in 2016 and needs updating to reflect the Transport Agency's changed procurement requirements. On completion the amended draft strategy should be sent to the Transport Agency for endorsement.</p> <p>Waikato DC has a district wide network management alliance contract with Downer NZ for the majority of its land transport services. This contract was reviewed as part of the November 2016 investment audit. The procurement review was therefore limited to one physical works contract and five short form agreements. All contracts reviewed complied</p>	

	with the Transport Agency's approved procurement procedures.
Recommendation	That the Waikato District Council reviews its procurement strategy and when completed seek endorsement from the Transport Agency.
<b>Waikato District Council response</b>	<p><b><i>WDC has commenced a review of the Procurement Strategy in light of the NZTA's comments.</i></b></p> <p><b><i>This is being done in the broader context of a detailed contract rollover review for the Alliance contract (rollover point is 1 July 2020 for a further 5yrs); and reset of the WDC Rooding AMP.</i></b></p> <p><b><i>The new Rooding Team Leader (Ross Bayer) who commenced in April 2019, is also an accredited NZTA procurement specialist.</i></b></p> <p><b><i>The Council has also been through a restructure over the last 8mths, which has included appointment of a dedicated Contracting and Partnering Manager (Jackie Bishop) who's role is to ensure best practice in both management of individual contracts and orgination-wide systems and processes for contracting. This is being undertaken in conjunction with the existing dedicated Procurement Manager (Sarah Quinn) with a similar focus, A joint roadmap is being developed for contracting and procurement to deliver step changes and improvements in these functions across council over the next 12-24 months.</i></b></p>

\* \* \*

<b>4. Network condition and management</b>		Some improvement needed
Findings	<p>Council's network is in good condition and matches the indices reported in the Transport Agency's Transport Data portal.</p> <p>Network management is carried out in an Alliance Contract format with Council staff working alongside Downer staff (contractor) in offsite premises. Regular meetings are held between the Alliance contractor and Council's Rooding Manager to discuss and agree forward work programmes, customer requests and contract performance.</p> <p>There is a good relationship between Council and Alliance staff with both exhibiting good knowledge.</p> <p>It is therefore a surprise to find a significant issue with data in Council's RAMM system that gives little confidence in Council reports.</p> <p>Council has the most expensive rooding network on a cost per kilometre basis when compared to its peer group of 24 other rural districts. Against each work category (for example sealed pavement maintenance) Council is consistently high based on cost per kilometre.</p> <p>It was difficult to correlate this high cost with the condition of the network and the work sighted on the field inspection.</p> <p>An analysis of resurfacing for the last 10 years found a high rate of resurfacing averaging at 7% of network length. Compared to the surface condition index and with the peer group average of 5% the rate of resurfacing is high. Further there is a marked preference to reseal with a two-coat treatment at a higher cost than other treatments. When</p>	

	<p>selecting the surface treatment, it is important to select the right option to address the need for resurfacing. A two-coat treatment is appropriate for high stress locations, not so on long straights. This surface choice suggests a low risk approach to surface selection. There is capacity to apply tension to the future resurfacing programme by extending the time between treatments and treatment choice to reduce future costs.</p> <p>Net Present Value (NPV) analysis of options was carried out and complied with the Transport Agency's Conditions of Funding for Work Category 214 Pavement Rehabilitation.</p> <p>Maintenance cost data is an input for NPV analysis for the section of road proposed for rehabilitation. We found errors with pavement records in the Maintenance Cost table. The cost for the work was inflated three times over the agreed rate. Use of this cost data in models will highlight sections of road for rehabilitation when they are not required. It is important that Council can trust data contained in the maintenance cost table that reflects the work done, the cost of the work and why it was done.</p> <p>Council has an improvement task to investigate the use of RoadRoid on the network to monitor the condition of unsealed roads. This software application has been successfully used by other councils and has over time reduced the cost of maintenance. We endorse Council's investigations of sites that require frequent grading to maintain ride quality. Often these sites are at approaches to intersections, bridges and steep grades and continual grading may not be cost effective. Undertaking a NPV analysis may show that for these sites a chip surface is the best whole of life option.</p> <p>Northern parts of the network are experiencing rapid growth. This has and will challenge Council to respond with an integrated plan to manage the growth and deliver the infrastructure required to meet each community's needs. Existing developments in Pokeno are generally well designed though we did note issues with tree placement in berms. Trees were located close to the kerb and over time root growth can damage the kerb and channel and affect the drainage path. Footpaths and vehicle crossings were well designed and constructed. We remind Council that the maintenance and renewal of footpaths is now funded by the Transport Agency. As such we expect this asset group to be managed like all other assets. This includes asset inventory, condition monitoring, maintenance activity and use. Further we remind Council that guidance on the design of footpaths, pedestrian cutdowns and vehicle crossings can be found in the Transport Agency's Pedestrian Guidelines on our website. We expect any new work to comply with this guide.</p> <p>Access to the industrial estate in Pokeno can be through a residential area. With low traffic volumes and routes fluid it would be a good opportunity to deter heavy vehicles from the residential area and standardise traffic patterns by installing a traffic control device for example, speed humps or cushions.</p> <p>The low cost / low risk programme is well managed with evidence provided showing programme development and implementation.</p>
Recommendations	<p>That the Waikato District Council:</p> <ol style="list-style-type: none"> <li>1. Reviews its operating costs to understand why network cost are at so high compared to the peer group.</li> </ol>

	<ol style="list-style-type: none"> <li>2. Reviews the decision-making process for resurfacing treatment design choice and timing.</li> <li>3. Investigates improving the collection of condition information on the unsealed network and review maintenance practises.</li> <li>4. Ensures footpaths comply with the Transport Agency's pedestrian guidelines.</li> </ol>
<p><b>Waikato District Council response</b></p>	<p><b>WDC has commenced a number of initiatives to address these concerns, most of which were underway prior to the NZTA audit being conducted, but which will now also seek to address the specific concerns being raised in this report. These include:</b></p> <ul style="list-style-type: none"> <li>• <b>Review and reset of the Roothing AMP, including strategic decision frameworks and criteria for asset management and treatment decisions across the network; and how we manage growth. This leverages the expertise within the Waikato District Alliance; and tests and aligns with council objectives and levels of service.</b></li> <li>• <b>Contract rollover review of Alliance contract (due to rollover on 1 July 2020). This review has a particular emphasis on achieving value for money and an evidentiary basis for testing this over the life of the contract; as well as reviewing the contract framework and reporting processes to ensure robust decision making, visibility and appropriate incentive/performance processes. This review is being undertaken by Council but also with the assistance of independent consultants for value for money and commercial elements. The review is underway and is expected to be complete in late 2019/early 2020.</b></li> <li>• <b>The contract rollover review is also specifically investigating the “high network costs peer to peer” finding from the NZTA with a view to a robust and detailed response being provided on that at a later date.</b></li> <li>• <b>Growth planning initiatives across council that seek to more closely align growth scenarios and infrastructure planning, and in a more dynamic manner, including spatially, and across all infrastructure types, not just roading.</b></li> </ul> <p><b>WDC acknowledges the finding of the NZTA in relation to data quality. Although WDC does not hold the same view, and were able to address the anomalies that were identified as part of the audit, WDC also acknowledges the perception risk associated with having found anomalies. To address this, immediately following the NZTA audit visit and debrief, WDC engaged Beca to undertake an independent data verification of RAMM, including of the maintenance data. A draft report has been received for this work, and will be provided to the NZTA once it has been finalised.</b></p> <p><b>In regards to RoadRoid, WDC staff have investigated this post the audit, in particular how Southland District Council has worked with the developer in evolving the app, and its ability to underpin more objective levels of service for the unsealed network. This will be further considered as part of the review and reset of the Roothing AMP.</b></p> <p><b>In relation to the finding of “high network costs peer to peer”, WDC would like to better understand the basis upon which this</b></p>

	<p><b>comparison is made to assist our investigation. In particular the graphs that were provided during the debrief presentation would seem to be using a cost/km using the whole length of network as the basis; rather than a cost/km of sealing or rehabs <u>actually</u> undertaken by the Council. The former is not a good comparison given that Councils differ in the amount of kms resealed/rehabbed in their programs. The cost per km of roads actually resealed or rehabbed would give a much better indication. Some clarification of this would be welcome, and provision of any other disaggregated (de-identified if required) would be beneficial.</b></p>
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5. Activity management planning		Effective
Findings	<p>Council has a compliant Activity Management Plan (AMP). Overall it is a clear and balanced view of the network. An independent audit of the current plan gives Council confidence in the quality of the plan.</p> <p>This report provides some improvement opportunities that along with Council's own ongoing improvements will improve the AMP. The AMP will function as the Programme Business Case for the maintenance, renewals and low cost low risk work programmes for the 2021/24 NLTP. As such, Council needs to ensure that it achieves the improvement tasks identified in the AMP Improvement Plan. Failure to make these improvements may impact on the level of funding Council receives in the next NLTP due to poor evidence and evidence on how decisions on preferred options and trade-offs are made.</p> <p>A significant change to network length will occur with the revocation of existing State Highways following the completion of the Waikato Expressway. This will add approximately 80 kilometres of road to the network. The impact of this change on current funding streams needs to be well evidenced in the AMP. Work must now proceed to gather the condition information of the State Highways that will pass to Council and the impact considered and included in the business case in the 2021 AMP.</p>	
<b>Waikato District Council response</b>	<p><b>As indicated above, WDC is undertaking a review and reset of its Roding AMP. This work is underway and is expected to be completed in early 2020. It will address the above as well as other matters identified in this report. WDC is working with REG in development of this, and its regional NZTA investment advisor/s.</b></p>	

\* \* \*

6. Data quality		Significant improvement needed

Findings	<p>We found significant errors in Council's RAMM database. The errors relate to entries in the maintenance cost table with reported cost and work classification. The cumulative effect of the errors resulted in overinflated costs by a magnitude of four. We found pavement repairs for 14 sites on Hetherington Road that had the wrong unit rate. Total cost for this work was recorded at \$330,029. The contractor commented that this was wrong and adjusted the unit rate which reduced the cost to \$113,605. Compounding this error was another where the work done was incorrectly coded. This resulted in a cost entry of \$45,927 for work at one site. This work code was adjusted with a resultant cost of \$933. These are significant changes that casts doubt over the integrity of Council to effectively manage the network due to errors from the contractor.</p> <p>Analysis of Council's Road Efficiency Groups Data Quality reports highlights that data improvements are needed for the reported measures in Asset Management. Areas of concern are the categories of Network and Maintenance Activity. Council needs to ensure that it understands the cause of any low score and addresses process gaps rather than making a change to a record. Improving the process will give Council confidence that the data it uses is complete, accurate and timely. Further it will enable a true comparison of cost when compared to its peers, something that is in doubt with the errors found.</p> <p>We reviewed data in Council's Annual Achievement Return (AAR) for renewals. Analysis showed a large variance in the unit rates reported between forecast and actual. The information contained in the AAR is used by the Transport Agency and the Road Efficiency Group to compare performance across New Zealand. Any errors can potentially show Council as a high cost performer. Again, it is important that data reported in the AAR is a true reflection of the work undertaken by Council in the past year</p>
Recommendations	<p>That the Waikato District Council:</p> <ol style="list-style-type: none"> <li>1. Reviews the data in the RAMM Maintenance Cost table to ensure that it is accurate for the period 2015/16 to present.</li> <li>2. Assesses the data gaps identified in the Data Quality reports and revise process to improve data quality.</li> <li>3. Ensures that Annual Achievement Data is accurate and actual values align with contract records.</li> </ol>
<b>Waikato District Council response</b>	<p><b><i>As indicated in regard to Item 5 above, WDC acknowledges the finding of the NZTA in relation to data quality. Although WDC does not hold the same view, and were able to address the anomalies that were identified as part of the audit, WDC also acknowledges the perception risk associated with having found anomalies. To address this, immediately following the NZTA audit visit and debrief, WDC engaged Beca to undertake an independent data verification of RAMM, including of the maintenance data. A draft report has been received for this work, and will be provided to the NZTA once it has been finalised.</i></b></p> <p><b><i>WDC acknowledges the Annual Achievement Return unit anomalies and has investigated and taken active steps to address for the 2018/19 return which has now been submitted.</i></b></p>

7. Safety performance	Some improvement needed
Findings	<p>Safety performance as reported in the Road Efficiency Group's Deaths and Serious crash reports shows an increase in crashes for the period 2012 – 2016 for all road classes. The number of crashes is notably higher for the road classes of primary and secondary collectors.</p> <p>Improving safety on the network is a key issue for Council as shown in the Activity Management Plan. So, it was good to see a dedicated road safety engineer responsible for implementing safety improvements named in the Low Cost Low Risk programme.</p> <p>During our field inspection we visited a sample of sites with safety improvements planned. A site under construction was the intersection of Highway 22 and Hetherington Road. At the site the treatment is to install a right turn bay and improve visibility of approaching traffic. The planning and delivery of this project was pragmatic with a desire to manage costs so other projects can be delivered. While on site it was obvious that minor tweaks to the layout and the removal of vegetation and bank cutting would further improve visibility. A safety audit has not been carried out. It is in this situation that the merits of the road safety audit apply. The audit provides the client with a 'fresh eyes' view of the site and identifies any issues with the current plan. It is also a condition of funding that any renewal or improvement project must have a road safety audit or have an exemption form. Lack of an audit may place Council at risk of prosecution if its actions result in injury through poor design.</p> <p>Also, we noted some inconsistency in the traffic services provided on secondary collector roads. With a high crash rate, traffic services on these roads need to be consistent. Guidance on the use and placement of chevrons, curve advisory and edge delineation can be found in the Traffic Control Devices manual. Maintenance of existing traffic services is an important first step to a safe network.</p> <p>Parts of the network are founded on peat land prone to settlement. Roads built on peat often have poor ride quality and can be unsafe at the posted speed, an example is Tenfoot Road. In these locations it is appropriate to give drivers advance warning by installing uneven surface signs and if necessary lower the speed to ensure the road is safe.</p>
Recommendations	<p>That the Waikato District Council:</p> <ol style="list-style-type: none"> <li>1. Ensures road safety audits are undertaken for all renewal and improvement projects.</li> <li>2. Ensures traffic services are well maintained and comply with standards for use and location as set in the Traffic Control Devices manual.</li> <li>3. Provides advance warning signs for uneven surfaces and if necessary, for safety, reduce the speed limit.</li> </ol>
<b>Waikato District Council response</b>	<b>WDC thanks the NZTA for its comments and has taken these on board in both its reset of its Roding AMP and development of an holistic road safety strategy for forward years.</b>

**Investment Audit Programme**

1. Previous audit outcomes - Procedural – November 2016, Technical – December 2011
2. Land Transport Disbursement Account
3. Final claims for 2016/17, 2017/18
4. Reconciliation between ledgers supporting final claim and the audited financial statements
5. Transactions (accounts payable) 2017/18
6. Retentions Account
7. Procurement Procedures
8. Contract Variations
9. Roading Maintenance (includes fieldwork inspection)
10. Roading Renewals
11. Road Safety Management
12. Contract Management
13. Asset Management
14. Professional Services
15. Transport Investment On-line (TIO) Reporting
16. Other issues that may be raised during the audit
17. Close out meeting (to be arranged)

## AUDIT RATING TABLE

Rating	Definition
Effective	<p><b>Investment management</b> – effective systems, processes and management practices used.</p> <p><b>Compliance</b> – Transport Agency and legislative requirements met.</p> <p><b>Findings/deficiencies</b> – opportunities for improvement may be identified for consideration.</p>
Some Improvement Needed	<p><b>Investment management</b> – acceptable systems, processes and management practices but opportunities for improvement.</p> <p><b>Compliance</b> – some omissions with Transport Agency requirements. No known breaches of legislative requirements.</p> <p><b>Findings/deficiencies</b> - error and omission issues identified which need to be addressed</p>
Significant Improvement Needed	<p><b>Investment management</b> – systems, processes and management practices require improvement.</p> <p><b>Compliance</b> – significant breaches of Transport Agency and/or legislative requirements.</p> <p><b>Findings/deficiencies</b> – issues and/or breaches must be addressed or on-going Transport Agency funding may be at risk.</p>
Unsatisfactory	<p><b>Investment management</b> – inadequate systems, processes and management practices.</p> <p><b>Compliance</b> – multiple and/or serious breaches of Transport Agency or legislative requirements.</p> <p><b>Findings/deficiencies</b> – systemic and/or serious issues must be urgently addressed or on-going Transport Agency funding will be at risk.</p>

(From Question 3)

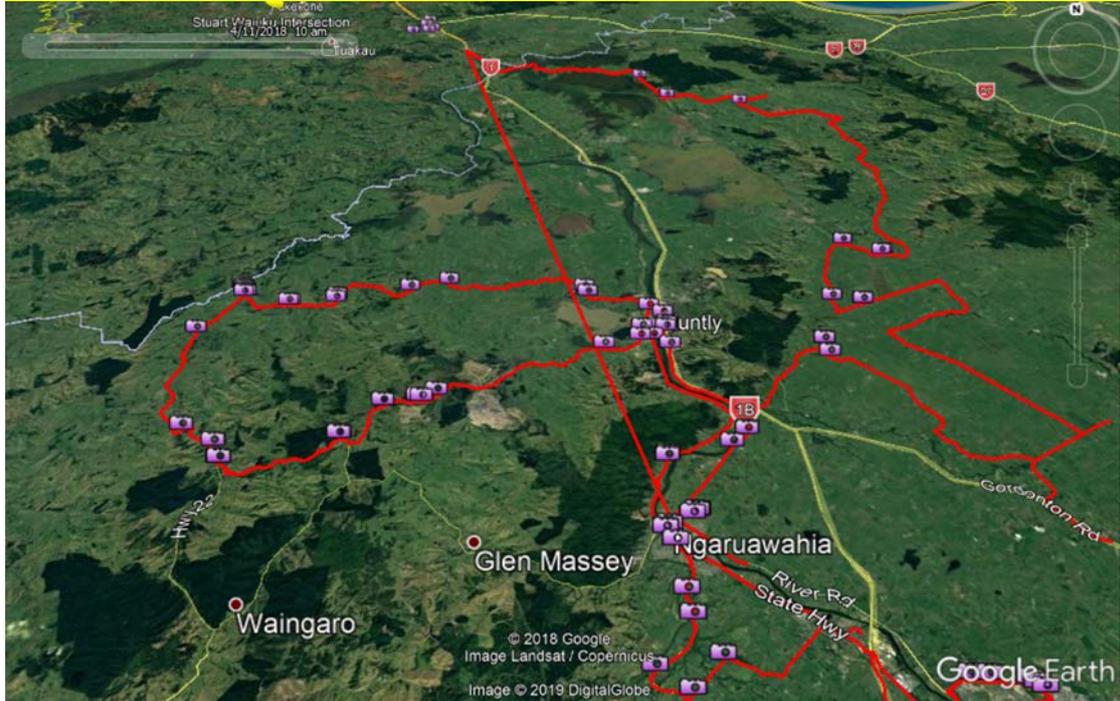
**CONTRACTS AUDITED**

Contract Number	Tenders Received	Date Let	Description	Contractor		
			<b>Physical Works</b>			
15/288	3	May 2016	Horotiu cycle bridge	Emmetts Civil Construction	Estimate Let Price Final Cost	\$1,620,985 \$1,877,500 \$1,706,743
			<b>Professional Services (Short form agreements)</b>			
15/270	1	Jun 2016	Horotiu cycle bridge construction - MSQA	AECOM	Estimate Let Price Final Cost	\$94,052 \$94,052 \$81,813
16/207	1	Mar 2017	Tamahere cycling strategy	Gray Matters	Estimate Let Price Final Cost	\$10,000 \$10,000 \$10,000
17/025	1	Sep 2017	AMP support	Beca	Estimate Let Price Final Cost	\$50,000 \$50,000 \$50,000
17/141	1	Dec 2017	Horsham Downs modelling	TDG	Estimate Let Price Final Cost	\$6,500 \$6,500 \$6,500
18/181	1	Jan 2019	Road engineering support	GHD	Estimate Let Price Final Cost	\$50,000 \$50,000 Current

Sample photos



Field visit route.



DRAFT

June 2019

**Investment Audit of Waikato District Council**

Report No: RAGMJ - 1883

Prepared by:

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Glenn McGregor, Senior Investment Auditor  
Tony Lange, Senior Investment Auditor

Approved by:

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Jenny Fildes, Practice Manager Audit and Assurance

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### ***Open Meeting***

<b>To</b>	Audit & Risk Committee
<b>From</b>	Tony Whittaker Chief Operating Officer
<b>Date</b>	05 September 2019
<b>Prepared by</b>	Sharlene Jenkins Executive Assistant
<b>Chief Executive Approved</b>	Y
<b>Reference #</b>	GOV1318
<b>Report Title</b>	Updated Future Work Plan and Action List

## **I. EXECUTIVE SUMMARY**

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The purpose of this report is to present an updated Future Work Plan and Action List for the Audit & Risk Committee's information.

## **2. RECOMMENDATION**

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**THAT** the report from the Chief Operating Officer be received.

## **3. ATTACHMENTS**

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- Updated Future Work Plan
- Action List

	18 Sept 2019	December 2019 <small>TBC</small>	March 2020 <small>TBC</small>	June 2020 <small>TBC</small>	Standing items for all meetings
<b>Risk</b>		<b>Waikato District Council Health &amp; Safety Framework Review</b> H&S Management framework <b>Risk Appetite Review</b>	<b>Review of Council Controlled Organisations Statements of Intent</b>	<b>Annual Report Risk Assessment</b> Annual Report Programme Compliance <b>Risk Management Framework Review</b>	<ul style="list-style-type: none"> <li>▪ <b>Strategic Risk Register</b> Update on key strategic risks &amp; associated management actions.</li> <li>▪ <b>Risk Framework</b> Update on direction risk framework &amp; organizational engagement.</li> <li>▪ <b>Emerging Risks</b> Opportunity to discuss emerging risks with potential for strategic impact.</li> <li>▪ <b>Risk Conversations</b> Opportunity for Committee to dialogue with key staff to obtain assurance that appropriate controls and culture are in place.</li> <li>▪ <b>Strategic Risk Deep Dive</b> Detailed inspection of a key risk for the purpose of assurance in the context, assessment &amp; mitigation space.</li> <li>▪ <b>Zero Harm Update</b> H&amp;S update on H&amp;S performance against agreed targets, systemic issues identified which can be fed into the risk control framework. To include monthly statistics.</li> <li>▪ <b>Update on Process Audit and Quality Improvement</b> Rolling review of bylaw &amp; policies – schedule to be agreed.</li> <li>▪ <b>Post Implementation Reviews and/or Incident Debrief Reports</b> Post project appraisals on key investments.</li> <li>▪ <b>Update on Progress against Audit Issues</b> Update on progress against Audit management report.</li> <li>▪ <b>Procurement Update</b> Update on procurement and contract management.</li> </ul>
<b>Internal Audit</b>	<b>Spend Analysis Update</b>			<b>Procurement and Contract Management Framework Review</b>	
<b>Insurance</b>	<b>Insurance Renewal Process Update</b> Insurance review	<b>Insurance Policy / Premium Confirmation</b>			
<b>Annual Report</b>	<b>Annual Report</b>	<b>Final Management Report</b> Audit Management Report	<b>Annual Report Project Planning</b> Annual Report Programme		
<b>Other</b>	<b>Audit &amp; Risk Committee Key Achievements</b> Review of Audit & Risk Committee performance against Terms of Reference <b>Zero Harm Site Visit</b>			<b>Zero Harm Site Visit</b>	

**Strategic Risks**

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

## Audit &amp; Risk Committee: Action List

#	Action	Owner	Date Assigned	Date Due	Status
1.	Member Training and Development	Mayor	December 2018	March 2020	A training and development plan required for relevant Councillors. To be included in 2019/20 Councillor Induction Programme.
2.	Mitigating actions against future insurance premium increases	Alison Diaz	March 2019	November 2019	Waikato Local Authority Shared Services project to be delivered at individual council level, but is a piece of work all councils would benefit from.
3.	Include risk heat map in future Strategic Risk Register reports to the Committee	Katja Jenkins	June 2019	September 2019	Completed. Included in September Strategic Risk Register report.
4.	Consider including stakeholder engagement in representation / democratic as a risk in the Risk Register.	Katja Jenkins	June 2019	September 2019	Completed. Refer September Strategic Risk Register report: <i>In response to concerns with the coverage of the 'Stakeholder Engagement' risk raised during the June Audit &amp; Risk Committee meeting, and discussion during the recent strategic risk register review, evaluation of the risk scope and definition has been scheduled (Friday, 13 September 2019). Scoping will include the following considerations:</i> <ul style="list-style-type: none"> <li>▪ Risk definition (requirement for a broader lens);</li> <li>▪ Relationship to associated operational risks;</li> <li>▪ Elections (community board representation and the skills and experience of elected members);</li> <li>▪ Political ownership of treatments;</li> <li>▪ Public view of representation;</li> <li>▪ Treatment coverage.</li> </ul> <i>This meeting will be followed by an internal workshop (01 October 2019) to examine the risk, treatments and assessment to ensure they are appropriate with consideration to the agreed scope.</i>

### **Open Meeting**

<b>To</b>	Audit & Risk Committee
<b>From</b>	Gavin Ion Chief Executive
<b>Date</b>	12 September 2019
<b>Prepared by</b>	Sharlene Jenkins Executive Assistant
<b>Chief Executive Approved</b>	Y
<b>Reference #</b>	GOV1301
<b>Report Title</b>	Exclusion of the Public

## **I. EXECUTIVE SUMMARY**

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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**

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**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 27 June 2019**

### **REPORTS**

#### **a. Fraud and Corruption Risk Management Update**

*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:**

**Section 7(2)(a),(c)(ii)**

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

**Section 48(1)(a)**

**b. 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 Ground(s) under section 48(1) for the withhold exists under:

passing of this resolution is:

Section 7(2)(a)

Section 48(1)(a)

**c. Register of Members' Interest – Elected Members and 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 Ground(s) under section 48(1) for the withhold exists under:

passing of this resolution is:

Section 7(2)(a)

Section 48(1)(a)

**d. Committee Time with Audit New Zealand**

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

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

passing of this resolution is:

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

Section 48(1)(a)

**AND FURTHER THAT Mr Pieterse and Ms Procter (Audit New Zealand) remain in the meeting after the public has been excluded to facilitate the discussion on items in PEX 6 [Public excluded items] in the public excluded section of the meeting.**