



AGENDA

Audit and Risk Committee Meeting Tuesday, 31 March 2020

Date Tuesday, 31 March 2020

Time 11am

Location Meeting Room 1
Timaru District Council
King George Place
Timaru

File Reference 1330206

Timaru District Council

Notice is hereby given that a meeting of the Audit and Risk Committee will be held in the Meeting Room 1, Timaru District Council, King George Place, Timaru, on Tuesday 31 March 2020, at 11am.

Audit and Risk Committee Members

Clrs Keiran Horne (Chairperson), Peter Burt (Deputy Chairperson), Nigel Bowen, Allan Booth and Stu Piddington

Quorum – no less than 2 members

Local Authorities (Members' Interests) Act 1968

Subcommittee members are reminded that if you have a pecuniary interest in any item on the agenda, then you must declare this interest and refrain from discussing or voting on this item, and are advised to withdraw from the meeting table.

Donna Cross

Group Manager Commercial and Strategy

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- 1 Apologies**
- 2 Identification of Items of Urgent Business**
- 3 Identification of Matters of a Minor Nature**
- 4 Declaration of Conflicts of Interest**

5 Confirmation of Minutes

5.1 Minutes of the Audit and Risk Committee Meeting held on 3 December 2019

Author: Jo Doyle, Governance Advisor

Recommendation

That the Minutes of the Audit and Risk Committee Meeting held on 3 December 2019 be confirmed as a true and correct record of that meeting.

Attachments

- 1. Minutes of the Audit and Risk Committee Meeting held on 3 December 2019**



MINUTES

Audit and Risk Committee Meeting Tuesday, 3 December 2019

Ref: 1330206

**Minutes of Timaru District Council
Audit and Risk Committee Meeting
Held in the Meeting Room 1, Timaru District Council, King George Place, Timaru
on Tuesday, 3 December 2019 at 11am**

Present: Ms Keiran Horne (Chairperson), Cr Peter Burt (Deputy Chairperson), Mayor Nigel Bowen, Cr Allan Booth and Cr Stu Piddington

In Attendance: Chief Executive (Bede Carran), Group Manager Commercial & Strategy (Donna Cross) (except for items 9.4-9.5), Group Manager People and Digital (Symon Leggett) (except for items 9.4-9.5), Group Manager Infrastructure (Ashley Harper) (except for items 9.4-9.5), Director Audit New Zealand (John Mackey), Chief Financial Officer (David Codyre) (except for items 9.4-9.5), Chief Information Officer (Justin Bagust) (except for items 9.4-9.5), Governance Advisor (Jo Doyle) (except for items 9.4-9.5)

Welcome and congrats to members

1 Apologies

No apologies were received.

2 Identification of Items of Urgent Business

No items of Urgent Business were received.

3 Identification of Matters of a Minor Nature

Verbal report from Auditor

4 Declaration of Conflicts of Interest

No declarations of conflicts of interest were received.

Minutes from Previous Meeting

The minutes are not included in this Agenda as they were ratified by the previous Subcommittee at the end of the Council term.

To keep a record of these minutes, they will be added to the next Agenda pack.

5 Reports

5.1 Public Agenda - Explanation

The current process regarding collating reports for Audit and Risk Committee, the reports are collated by Management, the recommendations are made (including as to whether an item should be public excluded) and the decision on whether they are then Public Excluded are passed on to the Committee.

The commitment has been made to have more transparency however Audit and Risk Committee does tend to have more Public Excluded items to protect privacy and commercial sensitivity. This can be reviewed.

Committee Resolution 2019/14

Moved: Ms Keiran Horne

Seconded: Cr Peter Burt

That this report be noted.

Carried

5.2 Work Programme

Within Audit and Risk Committee, there is a programme of objectives to achieve in sequence, this work programme captures those items to ensure they are listed on the agenda at the right time.

This can be discussed as a committee, and any queries are welcomed by the Chair.

There is a new Probity Report on the programme, which is a positive confirmation that there are no fraud or whistle blower reports occurring.

For clarification, the brackets in the work programme mean an indicative timeframe, that the dates are not guaranteed for those intended meetings.

Committee Resolution 2019/15

Moved: Ms Keiran Horne

Seconded: Mayor Nigel Bowen

1 That the report be received and noted.

Carried

5.3 Review of Risk Management Framework

This review is important to bring Risk to life within the entire organisation. This process was started when the Chairperson first joined this Committee and is a good start, however when integrated within whole organisation this will add value and should always be used when making decisions.

There are a number of recommendations from the Navigatus Consulting report around a refresh of the risk register, as well as questions around the processes of reporting risks, measuring and monitoring controls. All of the recommendations will be implemented with the new Risk and Assurance manager and separate guidelines will be tailored to be relevant to Timaru District Council, this will give flexibility of criteria.

Opportunities for more deep dive workshops are to be scheduled in the New Year to ensure the new Council and Senior Leadership Team are focusing on risk and to look at the framework with fresh eyes and install new strategic outcomes.

The key is how do we make sure the risk register is focused on right things, and then ensuring the register is being fed into all activities in terms of risk management, and monitoring the effectiveness of these controls.

A comparison was raised with recent Banking reviews, these stopped at the identification and analysis stage, and were not monitored as to whether the controls were effective and working.

It was discussed whether Timaru District Council has the 31000 ISO rating mentioned, and although this accreditation is not held, this is the best practice standard to be working against.

A committee member raised the issue of lack of performance, that this creates the highest risk, and whether the right people are in the right roles. This was discussed that performance can create a higher risk, this does depend on what the objectives are and this sits within the framework of the People and Performance Committee which feeds to Audit and Risk Committee. This is an opportunity to reset and reassess objectives and the risk and performance associated with those objectives.

Another risk that is recognised are the ever increasing legislative requirements placed on Local Authorities, these are at an operational level and requires extra resources to make this work. These requirements are happening across all councils and do have the potential to have major impact.

Committee Resolution 2019/16

Moved: Cr Peter Burt

Seconded: Mayor Nigel Bowen

That the Committee receives and notes the attached report in relation to the review of Timaru District Council's risk management framework.

That the Committee endorses the recommendations within the report.

Carried

5.4 Risk Register (top risks)

As discussed in the previous report, the risk register will change significantly after recommendations from the Navigatus Consulting report are implemented and the workshop in the New Year take place.

A committee member referred to Item 61 in the risk register "Failure to Deliver Capital Works Programme" and that the public perception of performance is poor, it was asked if Timaru District Council was aware of this happening, what steps were taken within the organisation to remedy the situation and why were the public not advised.

The Chairperson asked to discuss this in the next report.

It was discussed that the action points still needed to be processed while this review is happening and that assurance is required that the register won't be parked while being addressed. The Senior Leadership Team need to keep this active around the table and meet regularly for operational meetings and will provide clarity around how the register is tracking and the areas of development.

Committee Resolution 2019/17

Moved: Mayor Nigel Bowen

Seconded: Cr Allan Booth

That this report be received and noted.

Carried

5.5 Current Capital Projects - to be tabled

The prior Audit and Risk Committee requested more updates on capital projects as these were identified as major risks on the risk register.

The quarterly report is going to the Council meeting on 10 December and a verbal update will be provided today.

In regards to programme delivery, two new appointments have been made into this area. The current Group Manager Infrastructure, Ashley Harper has been appointed as the new Senior Programme Delivery Manager and the current Water Services Project Manager Lili Delwaide has been appointed as the Programme Delivery Manager. Both roles will be starting in the new year with a transition plan from current roles.

The area is of strategic and high importance area of Timaru District Council, and having these positions in place will assist them to get alongside project teams, help get them off to a good start and stay on the right pathway. End to end project processes for all projects across Timaru District Council to be developed along with the provision of other systems, resources and training, with the objective of lifting long term capability in Project Management internally.

This will also help distinguish urgency versus importance, and imperative for succession planning. Not considered an overnight fix, but will be a better system going forward with a capital programme that is double what it was 3 years ago.

A committee member asked whether anything has been learnt from the performance of not achieving these projects in the past. Discussion ensued that this issue has been identified as a key risk to the organisation which is a good start, the community is concerned, and the new focus with new team and resource will provide better outcomes in this area. Key initiatives have been put in place by the Chief Executive and this has been worked towards for some time.

Timaru District Council is not alone in this problem and all have escalating capex programmes, in this case a programme that has almost doubled and the systems and resources need to be able to keep pace with this. It is not for this committee to be involved with management of staff, this committee oversees the correct processes and systems to give assurance the performance will come out correctly at the other end. Recourses are in place, and working on systems and processes to ensure a robust process going forward . This Key risk will be continually monitored.

Going forward there are new learnings from last LTP and with the next LTP there will be many wants and needs but a better balance on what can be delivered and the preliminary stages of projects is imperative. The newly elected members can be a part of the solution and this is a great opportunity to move forward.

Group Manager Infrastructure advised that engagement with contractors in the sector is imperative and that an annual contractors meeting is held and the work programme is published, updates are then given twice a year. This insures transparency around what the expectations are, and is an early chance to set and undertake resources for upcoming tenders.

Timaru District Council has an approved Infrastructure contractors list for different types of work, all of whom are on board with our requirements and pre-approval process.

Committee Resolution 2019/18

Moved: Ms Keiran Horne

Seconded: Mayor Nigel Bowen

That this report be received and noted.

Carried

5.6 Probiity Update

This is an important report to provide the community comfort that we take this issue seriously and will report on it.

Timaru District Council understands and appreciates the high standard required and every staff will attend training around what it means to work to a public standard.

Audit New Zealand Director confirmed they had no concerns in 2019 with probiity issues.

Committee Resolution 2019/19

Moved: Ms Keiran Horne

Seconded: Cr Peter Burt

That the report be received and noted.

Carried

5.7 Tax Risk Management Report

Chief Financial Officer provided an overview of tax risk management, the current policy was adopted in 2015 and is due to be reviewed by PWC as part of the agreement for best practice today.

No tax risk over year, expect for taxable bonus, however imputation credits has mitigated this and we have applied to IRD for a binding ruling which is used to protect all parties and is a prudent approach with large sums. PWC will carry out a group tax assessment and indirect tax review to identify any tax risks.

The key issues have been properly dealt with and PWC will be reviewing them.

It was queried why a consultant, PWC, was required for the Binding Ruling process. It was explained that the Income Tax Act is a very large complicated piece of legislatoin, it needs to be correct and is a specialised area.

Committee Resolution 2019/20

Moved: Mayor Nigel Bowen

Seconded: Cr Allan Booth

That this report be received and noted.

Carried

5.8 Health and Safety Update

The annual Health and Safety week was well attended by teams across organisation. The feedback received was that the visiting fire and emergency team was beneficial.

There were two medical treatment injuries reported during this period, one was classed as a staff member feeling overwhelmed, it was queried as to whether this was to do with work stress, and if so, how is the organisation supporting this staff member.

Group Manager People and Digital explained that over the year there has been a lot of time spent looking at health and wellness and the ability to cope with roles. It is important to build resiliency with providers, and staff members, this incident was not purely work related, and the internal mechanisms and support was accessed.

Committee Resolution 2019/21

Moved: Cr Peter Burt

Seconded: Mayor Nigel Bowen

That the report be received and noted.

Carried

5 Consideration of Urgent Business Items

No items of Urgent Business were received.

6 Consideration of Minor Nature Matters

7.1 Verbal Report from Audit New Zealand Director John Mackey

Audit New Zealand Director John Mackey provided a verbal report, he advised there would usually be a management report, however the timing has not worked for this meeting as the draft report is running late from Audit New Zealand. The draft report was sent to Timaru District Council management late last week.

The issues that have been highlighted will be in the report and nothing that regular updates have not been provided for.

From a governance perspective and risks, there are areas for improvement in capital processes, and the systems and processes are all being worked on. The report will be presented at the next meeting.

There will be audit areas of focus for the coming year that feed into the LTP process, these will be the same as previous years but there are 3 areas of specific focus.

- 1 Review the revaluation of the three waters as at 1 July 2019, checking the process is has been completed in a robust manner and then how this information is feeding into the LTP. This also covers the Land Transport department and Buildings, Lands and Parks assets (subsequent phases).
- 2 Downlands water scheme is a joint committee of council, but also a joint committee of 3 councils with McKenzie District Council and Waimate District Council. This will be looked at in terms of accounting purposes and changes in accounting standards. A final decision is yet to be made around how this combined committee is to be accounted for. 82% of assets belong with Timaru District Council, 5% with McKenzie District Council and the remaining balance is with Waimate District Council.

When discussed with management, if money was to be borrowed for the scheme, how would this impact the other Councils. This needs to be resolved, and it appears all the borrowing power sits with Timaru and is then universally distributed through the Council.

- 3 Suite of 5 PBE standards relating to treatment and presentation of associates. Lease accounting standards for profit entities changing. The same accounting policies will have to be applied, this won't be significant for Timaru District Council, but Primeport and Alpine Energy lease treatments need to be reviewed to see if there are any adjustments that need to be made at group level.

Expectations for Local Authorities this year are that Councils have independent audit chairs, and also to have two independent members on the audit committee. Based on feedback, those that have only one independent member can find that a challenge to be heard, it is also good for succession planning.

Provincial Growth Fund, the auditor will want to see any amount received from this fund is appropriately spent.

Wellbeing is also a change for this year, a report has been restored on the 4 wellbeings, and this requires thought on what has been done over the year and how that has contributed to wellbeing. It was discussed that the auditor does not provide best practice templates for this, but a template that could provide focus and what outcomes are required could be helpful.

The processes around the revaluation of assets was discussed, the importance of the valuers assessment and level of detail is important to reconcile with the fixed asset register. The valuer needs to understand from the Council about impairment and how they are assessing in regards to areas such as Earthquake damaged buildings.

When moving accounting valuations from a system where relying on valuations from July 2005, the new system will mean more regular valuations on a revolving basis. This will help to make decisions on replacing assets and the correct insurance value. This will also assist Councillors to make decisions in terms of replacing major assets.

7 Exclusion of the Public

Committee Resolution 2019/22

Moved: Ms Keiran Horne

Seconded: Cr Peter Burt

That the public be excluded from the following parts of the proceedings of this meeting on the grounds under section 48 of the Local Government Official Information and Meetings Act 1987 as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Plain English Reason
9.1 - Legal update	s7(2)(b)(ii) - The withholding of the information is necessary to protect information where the making available of the information would be likely	Commercial sensitivity To protect all communications between a legal adviser and clients from being disclosed

	<p>unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information</p> <p>s7(2)(g) - The withholding of the information is necessary to maintain legal professional privilege</p> <p>s7(2)(i) - The withholding of the information is necessary to enable the Council to carry out, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)</p>	<p>without the permission of the client.</p> <p>To enable commercial or industrial negotiations</p>
<p>9.2 - Outstanding Items From Audit</p>	<p>s7(2)(b)(ii) - The withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information</p> <p>s7(2)(h) - The withholding of the information is necessary to enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities</p>	<p>Commercial sensitivity</p> <p>To enable commercial activities</p>
<p>9.3 - Cyber Security Report</p>	<p>s7(2)(b)(ii) - The withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information</p>	<p>Commercial sensitivity</p>
<p>9.4 - Committee and Auditor only time (agenda placeholder)</p>	<p>s7(2)(c)(ii) - The withholding of the information is necessary to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely</p>	<p>Due to an obligation of confidence and to protect the public interest</p>

	otherwise to damage the public interest	
9.5 - Committee and Chief Executive only time (agenda placeholder)	s7(2)(c)(ii) - The withholding of the information is necessary to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely otherwise to damage the public interest	Due to an obligation of confidence and to protect the public interest

Carried

Recommendation

That Council moves out of Closed Council into Open Council.

Carried

8 Public Excluded Reports

9.1 Legal update

9.2 Outstanding Items From Audit

9.3 Cyber Security Report

9.4 Committee and Auditor only time (agenda placeholder)

9.5 Committee and Chief Executive only time (agenda placeholder)

9 Readmittance of the Public

The meeting moved into Auditor only time followed by Chief Executive only time at 12.55pm

The meeting closed at 1.35pm.

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Chairperson

6 Reports

6.1 Authorised Minutes of 2 October 2019

Author: Jo Doyle, Governance Advisor

Authoriser: Donna Cross, Group Manager Commercial and Strategy

Recommendation

That the minutes of the Audit and Risk Committee from 2 October 2019 be received and noted.

Purpose of Report

- 1 The attached minutes were authorised at the conclusion of the triennium by the Chief Executive and Chairperson of the Audit and Risk Committee as a true and correct record of the 2 October 2019 meeting.
- 2 The minutes are attached for the committee's reference.

Attachments

1. **Audit and Risk Subcommittee Minutes 2 October 2019**  



MINUTES

Audit and Risk Subcommittee Meeting Wednesday, 2 October 2019

Ref: 1330206

**Minutes of Timaru District Council
Audit and Risk Subcommittee Meeting
Held in the Meeting Room 1, Timaru District Council, King George Place, Timaru
on Wednesday, 2 October 2019 at 11am**

Present: Clr Peter Burt (Chairperson), Mayor Damon Odey (via Zoom), Clr Andrea Leslie (until 1.57pm), Clr Nigel Bowen and Keiran Horne

In Attendance: Chief Executive (Bede Carran), Group Manager Commercial and Strategy (Donna Cross) (except for items 10.11-10.13), Group Manager People and Digital (Symon Leggett) (except for items 10.11-10.13), Chief Financial Officer (David Codyre) (except for items 10.3, and 10.11-10.13); Chief Information Officer (Justin Bagust) (except for items 10.3, and 10.11-10.13); Health and Safety Committee Chair (Tracey Bell) (for items 1 - 6.2); Auditor (Andrew Timlin); Minute Taker (Fabia Fox) (except for items 10.3, and 10.11-10.13).

1 Apologies

Nil

2 Identification of Items of Urgent Business

Nil

3 Identification of Matters of a Minor Nature

Nil

4 Declaration of Conflicts of Interest

Keiran Horne declared an interest in relation to general Subcommittee business due to a her appointment to the Quayside Holdings Ltd Board – the investment arm of Bay of Plenty Regional Council, and which is a major shareholder in Prime Port. The member did not foresee any conflict arising from this interest. The Chief Executive noted he had been informed of this and the interest register had been updated accordingly.

5 Confirmation of Minutes

5.1 Minutes of the Audit and Risk Subcommittee Meeting held on 4 December 2018

Committee Resolution 2019/3

Moved: Clr Nigel Bowen

Seconded: Keiran Horne

“That the corrected minutes of the Audit and Risk Subcommittee Meeting held on 4 December 2018 be confirmed as a true and correct record of the discussion on the public reports for 4 December 2018 (replacing those included in the agenda for April/June 2019). The public excluded

minutes of the Audit and Risk Subcommittee meeting held on 4 December 2018, included in the agenda for April 2019, are unchanged.”

Carried

5.2 Minutes of the Audit and Risk Subcommittee Meeting held on 18 June 2019

Committee Resolution 2019/4

Moved: Clr Nigel Bowen

Seconded: Clr Andrea Leslie

“That the Minutes of the Audit and Risk Subcommittee Meeting held on 18 June 2019 be confirmed as a true and correct record of that meeting.”

Carried

6 Reports

6.1 Work Programme

- 1 This report is to update and outline the programme of work for the Subcommittee for the next 12 months. Attachment 1 outlines the proposed 12 month work programme.
- 2 This will be updated on a 12 month rolling basis and included with every agenda.

Updates to the work programme, incorporating the changes requested at the meeting held on 18 June 2019, and which appeared in red, were noted. A risk report on capital projects had been included for December 2019.

Committee Resolution 2019/5

Moved: Clr Andrea Leslie

Seconded: Clr Nigel Bowen

“That the report be received and noted.”

Carried

Motion

Committee Resolution 2019/6

Moved: Keiran Horne

Seconded: Clr Nigel Bowen

“That an update on protected disclosers and fraud issues be included as a public excluded standing agenda item for all subcommittee meetings in the future.”

Carried

6.2 Health and Safety Update

- 1 This report is to provide an update on health and safety activity since the last report to the Audit and Risk Subcommittee in June 2019.
- 2 The health and safety of staff, contractors and members of the public who use our facilities is a constant focus for the organisation. Continuous improvement is a key theme to ensure we're always striving for a stronger safety culture.

A subcommittee member asked for a status update in relation to the procurement of the new vehicle tracking system. Trialling of a product has been undertaken. This product provides:

- Global Positioning Systems (GPS tracking);
- Monitoring of speed;
- Monitoring of driver habits/behaviour;
- Crash and roll detection;
- Instantaneous alerts;
- The ability to monitor on desktop, tablet or mobile;
- Panic button capabilities;
- Instantaneous alert systems; and
- Features to assist fleet management.

Market research, through a 'request for information' process, has been undertaken to give a view of available products in the market. Once the procurement process is completed, the vehicle tracking tools will be well integrated with corporate driving, working alone, and other health and safety policies.

A subcommittee member asked how policies relating to driving and working long hours affected Council contractors. It was confirmed that approved Council contractors were required to have health and safety policies, with fatigue management forming part of their H&S suite as appropriate.

The physical security review of external customer facing sites has been completed.

Fire extinguisher training was coming up. Tools that are now accessible to enhance training, specifically virtual reality, were discussed. The team was intending to incorporate this technology into this training.

The Chair of the Health and Safety Committee was present and provided an overview of how the Committee operated. The Health and Safety Committee has now been in place in its new structure for 12 months. Safety issues were well addressed and managed by the Committee and Senior

Leadership Team, and staff were actively encouraged to raise all concerns as they arise. Wellbeing is an area of increased focus, as it was nationally across many sectors.

Committee Resolution 2019/7

Moved: Cllr Andrea Leslie

Seconded: Keiran Horne

“That the report be received and noted.”

Carried

Tracey Bell left the meeting.

6.3 Corporate Risk Register Update (All Risks)

Following a risk workshop with the Senior Leadership Team, the Risk Register has undergone a full review and update, as highlighted in the report.

Group Manager Commercial and Strategy told the Subcommittee that the Risk Register was seen by senior leadership as a living document and would be regularly reviewed. It was agreed that risk needs to be examined with the same weight and visibility as budget and health and safety considerations across the organisation. The Subcommittee noted that colour coding the whole register would enhance the readability of the document.

Work continues on reviewing the risk management framework and on key policies including the Delegations, Procurement and Carbon Liability Policies. These reviews are expected to be completed, and updated policies ready for adoption, in the next quarter, with updated policies ready for adoption.

The embedding of InfoCouncil (software package for managing council agendas and minutes) over the last quarter has improved efficiency for report, agenda and minute production, and enhances quality through the inclusion of guidelines for report writers.

The elected member induction programme, following the election in October, will provide an opportunity to continue the risk conversation and discuss the risk register and risk framework review with the new Council.

A subcommittee member noted item 10 (dividend revenue) as an area of risk for Council with matters such as DPP3 (market regulation affecting electricity companies) being noted. Emerging risks that could impact dividends to TDHL and Council, and mitigations, was suggested as a matter to be considered further by the Senior Leadership Team.

Item 24, particularly as it could relate to overlapping PCBU duties (for health and safety), with the risk to Council arising from contractor acts and omissions, was discussed with a subcommittee member questioning whether this risk should be revised from moderate to high.

The critical risk of the failure to deliver the capital works programme as set out in the Long Term Plan and Annual Plan was discussed. The Chief Executive explained that the critical nature of this risk related to a limited number of large projects, particularly water supply upgrades, and provided a good overview of the progress that is being made, the risks and the mitigations. The CE remained comfortable with it remaining as a critical risk as it kept it visible with the leadership team. Council will have a greater understanding of the progress of these projects in the next quarter.

A member of the subcommittee queried the risk mitigation framework for these projects. It was explained that robust project management and planning were key to this framework. Peer review of project design and pricing was also essential. The Chief Executive noted that both project and contract management was strong within Council. Also, teams endeavour to take industry learnings from other organisations when they have proposed projects that haven't proceeded. Also, when projects were running behind time, it's natural (in any organisation) for people to want to hurry it but it is important to make sure that good practice still prevails.

With regards to water projects, in particular Pareora, the secondary risks, beyond timing, for instance the risk of the failure in the water supply (including meeting levels of service) as a result

of the failure to complete such capital projects was highlighted by a member of the subcommittee. This is considered in item 25 on the register – failure of water supply systems – with a high residual risk. The Chief Executive explained that the continuity of water supply was frequently discussed with the Group Manager Infrastructure. While upgrades to are essential, no imminent failure is this pipeline has been identified. Further, Council is not dependant on one source (Pareora pipeline) and has a parallel supply through the Opihi River intake. In response to a question from a member of the subcommittee, some of the reasons for the delays with the Pareora pipeline project were outlined. Because it’s a gravity fed system, this makes the design of the hydrology quite complex. There has also been investigation of alternative technology such as resin coating of the pipes which increases the resilience of the pipes. The focus is on make sure the system is well designed and engineered. Landowner access agreements are also required and we have wanted to take a collaborative approach to this.

The subcommittee agreed that the Risk Register needs to be recognised as a risk register, not an issues register – it’s not a register of current or pending issues, rather a register of all things that could possibly go wrong and impact Council.

Committee Resolution 2019/8

Moved: Mayor Damon Odey

Seconded: Clr Nigel Bowen

“That this report be received and noted.”

Carried

7 Consideration of Urgent Business Items

8 Consideration of Minor Nature Matters

9 Exclusion of the Public

Committee Resolution 2019/9

Moved: Clr Nigel Bowen

Seconded: Keiran Horne

That the public be excluded from the following parts of the proceedings of this meeting on the grounds under section 48 of the Local Government Official Information and Meetings Act 1987 as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Plain English Reason
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<p>10.1 - Public Excluded Minutes of the Audit and Risk Subcommittee Meeting held on 18 June 2019</p>	<p>s7(2)(a) - The withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons</p> <p>s7(2)(b)(ii) - The withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information</p> <p>s7(2)(c)(i) - The withholding of the information is necessary to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely to prejudice the supply of similar information, or information from the same source and is in the public interest that such information should continue to be supplied</p> <p>s7(2)(g) - The withholding of the information is necessary to maintain legal professional privilege</p> <p>s7(2)(h) - The withholding of the information is necessary to enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities</p> <p>s7(2)(i) - The withholding of the information is necessary to enable the Council to carry out, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)</p>	<p>To protect a person’s privacy</p> <p>Commercial sensitivity</p> <p>Due to an obligation of confidence and to ensure the information avenue remains open, when it is in the public interest for it to do so</p> <p>To protect all communications between a legal adviser and clients from being disclosed without the permission of the client.</p> <p>To enable commercial activities</p> <p>To enable commercial or industrial negotiations</p>
<p>10.2 - Health and Safety Update</p>	<p>s7(2)(a) - The withholding of the information is necessary to</p>	<p>To protect a person’s privacy</p>

	protect the privacy of natural persons, including that of deceased natural persons	
10.3 - Employee Matters	s7(2)(a) - The withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons	To protect a person’s privacy
10.4 - Cyber Security Report	s7(2)(b)(ii) - The withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information	Commercial sensitivity
10.5 - LGOIMA Requests - Previous 12 Months	<p>s7(2)(a) - The withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons</p> <p>s7(2)(b)(ii) - The withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information</p> <p>s7(2)(c)(i) - The withholding of the information is necessary to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely to prejudice the supply of similar information, or information from the same source and is in the public interest that such information should continue to be supplied</p> <p>s7(2)(h) - The withholding of the information is necessary to enable any local authority</p>	<p>To protect a person’s privacy</p> <p>Commercial sensitivity</p> <p>Due to an obligation of confidence and to ensure the information avenue remains open, when it is in the public interest for it to do so</p> <p>To enable commercial activities</p>

	holding the information to carry out, without prejudice or disadvantage, commercial activities	
10.6 - Legal update	<p>s7(2)(b)(ii) - The withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information</p> <p>s7(2)(g) - The withholding of the information is necessary to maintain legal professional privilege</p> <p>s7(2)(i) - The withholding of the information is necessary to enable the Council to carry out, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)</p>	<p>Commercial sensitivity</p> <p>To protect all communications between a legal adviser and clients from being disclosed without the permission of the client.</p> <p>To enable commercial or industrial negotiations</p>
10.7 - EY Procure to Pay Report	s7(2)(b)(ii) - The withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information	Commercial sensitivity
10.8 - Outstanding Items From Audit	s7(2)(h) - The withholding of the information is necessary to enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities	To enable commercial activities
10.9 - Letter of Representation	s7(2)(h) - The withholding of the information is necessary to enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities	To enable commercial activities
10.10 - Timaru District Council 2018/19 Draft Annual Report	s7(2)(h) - The withholding of the information is necessary to enable any local authority	To enable commercial activities

	holding the information to carry out, without prejudice or disadvantage, commercial activities	
10.11 - Auditor only session	s7(2)(c)(ii) - The withholding of the information is necessary to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely otherwise to damage the public interest	Due to an obligation of confidence and to protect the public interest
10.12 - 2018 Annual Report Timeframe	s7(2)(a) - The withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons	To protect a person's privacy
10.13 - Chief Executive only session	s7(2)(c)(ii) - The withholding of the information is necessary to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely otherwise to damage the public interest	Due to an obligation of confidence and to protect the public interest

Carried

Recommendation

That Council moves out of Closed Council into Open Council.

- 10 Public Excluded Reports**
- 10.1 Public Excluded Minutes of the Audit and Risk Subcommittee Meeting held on 18 June 2019**
- 10.2 Health and Safety Update**
- 10.3 Employee Matters**
- 10.4 Cyber Security Report**
- 10.5 LGOIMA Requests - Previous 12 Months**
- 10.6 Legal update**
- 10.7 EY Procure to Pay Report**
- 10.8 Outstanding Items From Audit**
- 10.9 Letter of Representation**
- 10.10 Timaru District Council 2018/19 Draft Annual Report**
- 10.11 Auditor only session**
- 10.12 2018 Annual Report Timeframe**
- 10.13 Chief Executive only session**
- 11 Readmittance of the Public**

The meeting closed at 2.35pm.

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Chairperson

6.2 Work Programme**Author:** Ernest Bernard, Risk and Assurance Manager**Authoriser:** Donna Cross, Group Manager Commercial and Strategy**Recommendation**

- 1 That the report be received and noted.

Purpose of Report

- 1 This report is to update and outline the programme of work (attached) for the Committee. This will be updated on a 12 month rolling basis and included with every agenda.

Assessment of Significance

This matter has been assessed as having low significance under the Council's Significance and Engagement Policy.

Attachments**Nil**

Work Programme					
Regular or specific tasks		June 2019	October 2019	December 2019	March 2020
<i>Public items</i>					
Regular	Risk register – top risks (6 monthly)	X	X	X	X
Regular	Risk register – all risks (annually)		X		
Regular	Health and safety update (quarterly)	X	X	X	X
Regular	Tax risk management report (annually)			X	
Regular	Internal audit and assurance programme (annually)				✗
Regular	Audit engagement letters (annually)				{X}
Regular	Interim audit management report (annually)		X		
Regular	Audit management report (annually)			X summary	X detailed
Regular	Accounting policy review (annually)	X			
Regular	Probity update	X	X	X	✗
<i>Public excluded items</i>					
Regular	Health and safety update (quarterly)	X	X	X	X
Regular	Legal update (quarterly)	X	X	X	X
Regular	Cyber Security Report	X	X	X	X
Regular	Outstanding items raised by audits	X	X	X	✗
Regular	Draft annual report review (annually)		X		
Regular	Review audit representation letters (annually)		X		
Regular	Insurance renewal (annually)	X (endorse)			[X] (strategy)
Regular	Auditor only time	X	X	X	✗
Regular	CE only time	X	X	X	✗
Specific	Credit rating review				X

6.3 Health and Safety Update

Author: Symon Leggett, Group Manager People and Digital

Authoriser: Symon Leggett, Group Manager People and Digital

Recommendation

That the report be received and noted.

Purpose of Report

- 1 This report is to provide an update on health and safety activity since the last report to the Audit and Risk Subcommittee in December 2019.
- 2 The health and safety of staff, contractors and members of the public who use our facilities is a constant focus for the organisation. Continuous improvement is a key theme to ensure we're always striving for a stronger safety culture.

Assessment of Significance

- 3 Very low

Coronavirus

- 4 The Coronavirus, Covid-19 is top of mind for everyone at the moment and has featured highly in our Health & Safety (H&S) planning in recent months.
- 5 The Council is following the advice and guidelines issued from the Ministry of Health (MOH) and applying this to our preparedness and business continuity planning (BCP). An example of the activity includes the following (at time of writing 10 March 2020):
 - 5.1 Updating our BCP's to reflect the MOH guidelines and best practice response.
 - 5.2 Establishing a response plan to cover off key topics, such as when to apply self-isolation and the application of normal pay verse the use of paid leave. The application of this will be determined on a case by case basis.
 - 5.3 Ensuring remote access to our computer system is available to applicable roles if the need arises. Obviously we have a number of functions where working from home will not work, such as lifeguards, parking officers and waste water treatment operators.
 - 5.3.1 We are considering running a test of staff working from home to ensure the validity of this as an option during a pandemic containment phase.
 - 5.4 Collating a list of planned air travel for staff, domestically and internationally. At the time of writing, our approach is to follow the MOH guidelines and not restrict travel at this stage. However, we are aware that a number of organisations are proactively limiting travel of their staff.
 - 5.4.1 There are two staff who are due to travel to Orange City in Australia as an exchange with our Sister City. We will continue to monitor this situation and the associated risk, before making a decision to proceed or not.

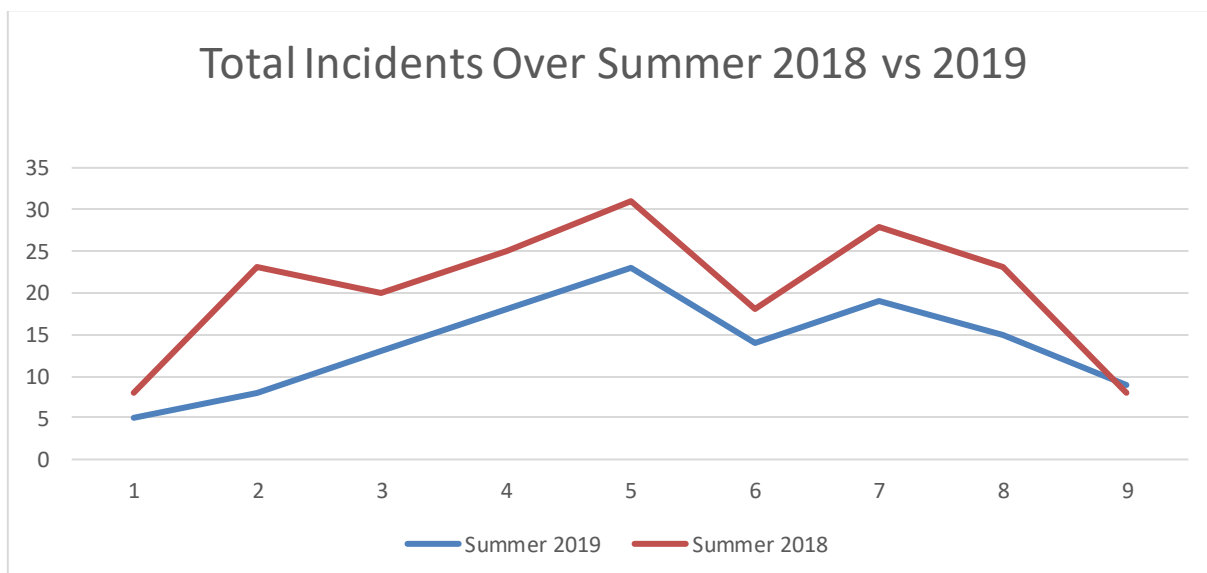
- 5.5 The number of sanitisation stations have been increased, including public access areas.
- 5.6 Increased communication and signage with staff. However, due to the nature of this issue, staff are incredibly well informed.
- 6 As the Council operates an Emergency Management function under the Civil Defence guidelines, we have a team of people working on a district wide response with other agencies if the need arises.
 - 6.1 There are a number of 'moving parts' to this scenario that differ from our existing emergency management response plans. For example, a coordinated Welfare response is typically based on a model where the community congregate at key locations to access the support, services and care they require. A pandemic scenario will require the opposite to this, challenging local resources and logistics.
- 7 The National Emergency Management Agency (NEMA) are working closely with the MOH on a response plan. Several local Emergency Management staff across the region have been approached to assist with this.

Health and Safety Officer

- 8 Our H&S Officer has resigned from her role and will be leaving the organisation in the coming weeks. We're in the process of going to market to recruit a replacement for this position.

Update on Activity

- 9 You'll recall that previous reports have noted an increased focus on training staff to identify hazards and strategies for managing risk. We continue to have a focus on re-assessing those risks and ensuring operating procedures are effective.
- 10 Historically we've seen a gradual increase in the number of incidents occurring across the organisation, with the majority of these coming from members of the public using our CBay aquatic facility. This increase has reflected the increased focus on reporting incidents from our staff.
- 11 This 2019/2020 summer period is the first time we've seen a drop of incidents occurring across the organisation and is directly linked to the increased activity of our lifeguards working poolside to identify and mitigate risk before incidents occur. Please see the below graph as a comparison of incidents from the 2018 and 2019 summer period.



- 12 The annual review of our Unit Plans have been completed and are currently being reviewed by the Health & Safety Officer. The purpose of the review is to ensure all hazards are accounted for and risks are accurately assessed. If gaps are identified, these will be remedied.
- 13 As previously noted, work continues in updating our standard operating procedures (SOP's), making these available and ensuring staff are trained in their use. This is a regular ongoing activity.
- 14 A summary of staff training completed within the last three months, includes the following:
- 14.1 Basic First Aid Training
 - 14.2 Working at heights
 - 14.3 Certified handler certificate
 - 14.4 Workstation assessments
- 15 As you will be aware our annual health and safety week is a time when we bring staff together, highlighting a range of topics related to safety or wellbeing, including difficult topics such as mental health, suicide prevention and domestic violence. Planning is underway for this year's H&S event. Some suggested ideas include recreational drug awareness when dealing with the public, situational awareness when in public spaces, healthy eating and cooking on a budget and UV radiation/ being sun smart.
- 16 The revitalised permit to work procedure continues to work effectively for the high risk activity of working at heights and confined space entry.
- 17 Consideration is still being given to the assessment of the possible risks associated with social media and cyber bullying. While there haven't been any incidents in this area, we're aware that this may be an area that could require consideration.
- 18 A new vehicle tracking GPS tool is being implemented across our fleet and the initial feedback is that it is easy to use and provides the team on the ground with more effective information. There is still further training to be delivered in the use of the web platform and mobile app.

Health and Safety Statistics

- 19 The table below and attached graphs are based on the data for the reporting year, April 2019 to March 2020.
- 20 This reporting period aligns with our pay periods and provides us with actual hours worked in each fortnight, allowing us to create accurate Incident & Injury Frequency Rates .

Incident Type	Year to Date Total (to 28th February)	Change since last report	Full Year 2018/2019	Full Year 2017/2018	Full Year 2016/2017
Incident Only	99	15	59	43	21
First Aid	14	2	27	23	27
Medical Treatment	4	1	0	4	8

Lost Time	2	0	1	0	5
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Incident Detail

21 The Subcommittee has requested extra detail for incidents resulting in ‘lost time’ and ‘medical treatment’.

21.1 There was one medical treatment event and no losttime injuries to report in this period.

21.1.1 There is some debate about if the medical treatment incident should have been recorded as it occurred after work hours. A staff member was riding home on a bicycle and their tyre lost traction as they went over a manhole cover in a roundabout. The question was, could fatigue have played a role in this incident. It occurred on a Monday after 5pm, the staff members shift is a standard 8 hours and the role is not physically demanding in nature. While fatigue doesn’t appear to be a factor it was agreed to leave the incident in our statistics.

21.2 Notable ‘incident only’ events include the following:

21.2.1 There are a couple of notable incidents relating to verbal abuse of Parking Officers while issuing infringements to cars on Stafford Street and verbal abuse towards Animal Control Officers.

21.2.2 There was a report of an electrical burning smell in an office area which resulted in an activation of the fire alarm and a Fire and Emergency New Zealand response.

22 The total recordable injury frequency rate (TRIFR) has dropped to 0.96 against an industry norm of 5.40.

Conclusion

23 The health and safety of our staff, contractors and customers remains a high priority for the organisation. While there are still many opportunities for improvement, our progress adds to a positive health and safety culture.

Attachments

Nil

6.4 Corporate Risk Register

Author: Ernest Bernard, Risk and Assurance Manager

Authoriser: Donna Cross, Group Manager Commercial and Strategy

Recommendation

That the report be received and noted.

Purpose of Report

- 1 This report is to provide an update on the Corporate Risk Register (top risks).

Background

- 2 The Corporate Risk Register has been populated through discussions between Tier 1, 2 & 3 Managers.
- 3 The Corporate Risk Register was populated prior to the review that was carried out on the Risk Management Policy and practice at Timaru District Council (TDC). A risk workshop is planned, attended by Council, the Audit & Risk Committee, and Senior Leadership Team, to review and agree key risks. The risk register will be updated further as part of this. There is also a programme of work in relation to Council's wider Risk Management Framework.

Attachments

1. Corporate Risk Register  

Register of Corporate Risks							
Risk Number	Specific Risks Identified	Possible Effects	Mitigation measures currently in place	Likelihood	Consequence	Residual Risk	Areas for development
Achievement of the Vision and Community Outcomes							
61	Failure to deliver capital works programme set out in the Long Term Plan/Annual Plan	Not meeting service levels, not aligning rates funding with project delivery, project complexities and dependencies leading to cost escalation, expected timeframes not being met	Specific accountabilities introduced into Group Manager role and additional resource for new unit manager roles for capital delivery, risk and assurance and business systems improvement to ensure best project management practices are embedded and observed. Finance capability to assist with budgeting and cost management. Building Programme delivery function to improve project planning and project management, risk management function to ensure effective risk management within projects. Dedicated and skilled project manager (with construction experience) in place for Art Gallery strengthening project and	4	4	Extreme	Lifting organisation wide project management capability (people and systems). Ensure project performance through good project management, risk management and cost management. Robust planning, budgeting and cost management. Review resource requirements within key projects.

			<p>Library Roof project. Internal project managers in place for other current capital projects and district plan project. Project control group in place for Pareora pipeline renewal. Appointment of external project manager for external project manager for Theatre Royal/Heritage Centre project imminent through current open procurement process.</p> <p>Better scheduling of project delivery to align with resource availability.</p> <p>Factor in/account for the impact of historical non-delivery and carry forwards</p> <p>Set realistic goals and expectations with Governance</p> <p>Working through projects and project risks with newly elected Councillors to assist with progression of the committed capital projects.</p>				
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2	Ineffective organisation planning and budgeting processes (LTP/Annual Plan/Activity Management Plans/Projects/District Plan)	Difficulties in maintaining levels of service and delivering LTP/Annual work programme, increased costs/financial loss, loss of reputation, community dissatisfaction, staff morale/turnover	<p>Good LTP and Annual Plan expertise and development processes – highly skilled Corporate Planning team. Regular reporting against LTP and Annual Plan, review of capital projects. Monitoring of AMP work improvement plan delivery. Recruiting for Programme Delivery Manager.</p> <p>Review planning, maturity, processes and effectiveness</p> <p>Identify areas for development, and develop programme for improvement</p> <p>Review major understanding and use of these tools, knowledge and ability to deliver</p>	3	2	High	<p>Develop improved financial systems /processes for LTP and Annual Plan.</p> <p>Deliver capex plan. Project management training and support. Development of improvement programmes yet to be completed</p> <p>See 61 below regarding key LTP projects.</p>
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5	Physical disasters and pandemics	Inability to deal with a major incident, difficulties in maintaining levels of service, financial loss, injuries/death, damage to property and infrastructure, ineffective emergency management	<p>Lifelines project (being led by Group CDEM), Civil defence and Emergency Management team, ongoing staff training, insurance, physical means (such as fire fighting equipment), specialised and trained technical staff and volunteers, health & safety policy</p> <p>Business Continuity Plans/Disaster Recovery</p> <p>Staff training and backup tutorials</p> <p>Preparedness</p> <p>“Live” test on work from home</p>	2	4	High	<p>Robust business continuity planning</p> <p>CD staffing to be reviewed.</p> <p>CD Recovery Plan</p> <p>Recommendations from CD Controller training to be implemented.</p> <p>Work within Canterbury Group to be reviewed.</p> <p>Communication plans/or a Welfare Plan (80%).</p> <p>Resilience planning for people and assets at TDC.</p> <p>STEC as lead welfare centre now well established.</p> <p>Obtaining EPB assessments for STEC and Civic.</p> <p>Review resource requirements (starting to train external volunteers to backup our EOC).</p>
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7	Climate change	Change in or loss of infrastructure development, economic impacts, increased compliance costs or restrictions on operations [impact on local industries and economy also noted]	Monitoring of inundation projections, overland flow paths, network capacity, rising sea levels and their impact on coastal settlement, communication with Ecan, monitoring zoning	3	4	High	Activity management plans (AMPs) to continue to be developed to identify how to enhance resilience in networked and community infrastructure Climate change strategy work initiated. Factor into next LTP. Mitigation through District Plan.
Financial							
16	Insufficient and/or ineffective insurance cover	Financial loss, loss of reputation, possible impacts on ability to provide expected levels of service	Use of insurance broker, valuations for insurance purposes, regular reviews of assets insured, participant in LAPP, Local Government Risk Agency being considered, staff training on obligations to insurer to observe terms of the policy.	2	4	High	Council workshop to strategically review future property/insurance requirements
Health and Safety (Customers, public, staff, contractors and elected members)							

20	Death or serious injury to public, staff, volunteers, contractors or elected members	Injury, Death, legal action, financial loss, reputational damage, major disruption at facilities	<p>Health and Safety policies and procedures, Health and Safety Committee, Health and Safety advisor, external advisors, staff and volunteer training, contractor engagement procedures, risk registers, relevant controls, internal audits and verification</p> <p>Driving and vehicle monitoring policy in place.</p> <p>Site specific risk plans as appropriate.</p> <p>Increased membership of Health and Safety Committee and increased training and task allocation across the wider business.</p> <p>Standard Operating Procedures (SOP's)</p> <p>Improve due diligence and notification of activity – shift culture to have a greater focus on behavior instead of the paper.</p>	2 3	5 4	High	<p>To review the structure of the current Health and Safety Committee to better align with Act? Done</p> <p>Currently updating the H&S manual to the NZS45001 standard. This includes revitalising policies, procedures, permits to work, standard operating procedures and verification activity.</p> <p>Confirmation of new supplier of vehicle monitoring systems imminent. Manual H&S processes in place in interim.</p>
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21	Physical attacks against staff	Abuse, Injury, death	Physical security measures, staff training (ongoing), security cameras, panic alarms, office lockdown procedures, regular checks of at risk staff and procedures, debrief in case of near miss. Case by case risk assessment.	3	3	High	Sites outside of TDC main office still need reviews/upgrades. The key sites outside of the main building have been assessed and security measures implemented. Further site assessments are ongoing. Security cameras and updated processes in place at Timaru Library.
22	Minor Public injuries at Council facilities	Injury, legal action, financial loss, reputational damage, loss of ACC accreditation	Health and Safety policies and procedures, by-laws, "Pool Safe" policy, staff and volunteer training, contractor engagement procedures, hazard registers, monitoring, signage, external reviews, auditing of facilities, building and facility maintenance programmes, defibrillators, access to specialised services, updated hire agreements	5	2	High	On site H and S team being implemented at CBAY as a higher risk facility.

Service Delivery to the Community							
25	Failure of water supply systems, including inability to obtain sufficient water or provide safe drinking water	Illnesses, death, loss of reputation, financial loss, difficulties in meeting level of service, Government inquiries	Activity Management Plan, Infrastructure Strategy, Documented procedures, qualified staff, testing programmes, physical security, industry standards, Water Safety Plans, contract specifications, telemetry systems, insurance, public education, monitoring possible water sources, water restrictions, liaison with high water users, Business Continuity Planning, Health and Safety Policy, Bylaws	2	5	High	
26	Failure of sewerage systems	Illnesses, death, abatement notices, prosecution, loss of reputation, financial loss, difficulties in meeting level of service, adverse environmental impact	Activity Management Plan, Infrastructure Strategy, Documented procedures, qualified staff, testing and monitoring programmes, physical security, industry standards, contract specifications, telemetry systems, insurance, public education, Business Continuity Planning, Health and Safety Policy, Bylaws	1	5	High	

27	Inadequacy of stormwater systems	Illness, death, abatement notices, prosecution, loss of reputation, financial loss, difficulties in meeting level of service, flooding	Activity Management Plan, Infrastructure Strategy, Documented procedures, qualified staff, testing and monitoring programmes, physical security, industry standards, contract specifications, telemetry systems, insurance, public education, Business Continuity Planning Significant investment through LTP in relation to stormwater systems.	2	4	High	
32	Sabotage or vandalism at multiple locations or severe in nature	Death, Injury, Financial loss, loss of services, difficulties in maintaining level of service, loss of reputation	Physical security, surveillance cameras in some locations, physical deterrents/locking of some facilities, staff monitoring, zero tolerance approach, insurance	2 4	4 2	High	Further security improvements at critical sites.
33	Power and/or telecommunication failures	Difficulties in maintaining level of service, financial loss	Generators at critical sites, UPS for critical IT equipment, cellphones, landline and wireless networks, engagement with key suppliers	3	3	High	Generator being added at STEC. Generator in place, instructions on use in place, training conducted with staff at STEC and Welfare team. Looking at diesel storage onsite. Strengthening of

							<p>Civic Building - EOC to IL4.</p> <p>Be active members of Lifelines project. Create business continuity plans to ensure sufficient power generation for at least 5 days.</p> <p>Develop 'capability' list at various sites (where do we have backup)</p>
34	IT failures (including on line applications used and cyber attacks)	Difficulties in maintaining levels of service, financial loss, loss of data and information, altered or corrupted records, privacy breach, reputational loss	<p>Regular backups and off site storage of backups, passwords, external reviews, IT policies, Business Continuity Plan, discussions with suppliers, regular maintenance of equipment including upgrades, multiple redundancies, latest cyber security suites, firewalls, staff security requirements, staff training and awareness</p> <p>Information breach or loss of data – Information management strategy</p> <p>Cyber security review and actions</p>	2	5	High	<p>Review business continuity plans. Ongoing maintenance of cyber security measures, including regular updates, patches and training. Ongoing awareness of international trends and threats. Ongoing review of internal compliance measures.</p>

			Maturity with cyber security Staff training ongoing				
Organisational Capability and Capacity							
37	Staff mistakes or staff providing incorrect advice	Legal challenge, financial loss, damage to Council reputation	Staff training, Corporate Policies, Delegations, insurance, legal advice sought where appropriate. Peer/management review of outputs and reports. Performance framework, coaching and staff development Assessment, monitor, review, discuss and develop	3	3	High	Documented procedures in high risk areas. Continuous improvement culture development process at debrief following poor decision making to share learnings and update processes. Quality assurance framework to be developed under Risk and Assurance function.
39	Loss of institutional knowledge	Failure to meet statutory obligations or key Council accountabilities as set out in performance measures due to the loss of knowledge and know-how from departure of key staff. Reduced engagement could be an affect that increases churn rate of staff.	Documenting processes and systems, mentoring and training and development for all staff, increased substantially the accountability and capability within the finance team	3	3	High	Documented procedures in high risk areas as a priority. Managers have implemented succession and retention planning activity as required. Completed a Talent Matrix assessment to identify key staff.

42	Council buildings deemed to be unusable	Difficulties in meeting levels of service, financial loss, low staff morale	Assessments being undertaken, remediation plans being developed, additional resource engaged, ability to relocate services if needed, remote access availability, budget included within 2018-28 draft LTP for structural work on known Earthquake Prone buildings	3	3	High	Ongoing strengthening programme to be considered in next LTP. EPB strategy and programme for TDC owned buildings to be finalised, including for IL3 and IL4, EOC buildings.
Legislative/Regulatory Compliance							
48	Failure to comply with Legislation	Prosecution, financial loss, loss of reputation, modified audit opinions, requirement for rectifying legislation	Legal and other specialist advice sought as required, use of SOLGM Legislative Compliance programme, Tax Policies and procedures, qualified staff, staff and elected member training, external reviews	3	3	High	Activity and Reserve Management Plans (including legislative compliance obligations), Ongoing legislative training, Documentation of critical processes, Use of software such as ComplyWith Development statutory compliance framework under Risk and Assurance

							programme (for implementation across the organisation), subject to approval of business case.
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7 Consideration of Urgent Business Items

8 Consideration of Minor Nature Matters

9 Exclusion of the Public

Recommendation

That the public be excluded from the following parts of the proceedings of this meeting on the grounds under section 48 of the Local Government Official Information and Meetings Act 1987 as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Plain English Reason
<p>10.1 - Public Excluded Minutes of the Audit and Risk Committee Meeting held on 3 December 2019</p>	<p>s7(2)(b)(ii) - The withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information</p> <p>s7(2)(g) - The withholding of the information is necessary to maintain legal professional privilege</p> <p>s7(2)(i) - The withholding of the information is necessary to enable the Council to carry out, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)</p>	<p>Commercial sensitivity</p> <p>To protect all communications between a legal adviser and clients from being disclosed without the permission of the client.</p> <p>To enable commercial or industrial negotiations</p>
<p>10.2 - Authorised Public Excluded Minutes of 2 October 2019</p>	<p>s7(2)(a) - The withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons</p> <p>s7(2)(b)(ii) - The withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information</p> <p>s7(2)(c)(i) - The withholding of the information is necessary to protect information which is subject to an obligation of confidence or which any person</p>	<p>To protect a person's privacy</p> <p>Commercial sensitivity</p> <p>Due to an obligation of confidence and to ensure the information avenue remains open, when it is in the public interest for it to do so</p> <p>Due to an obligation of confidence and to protect the public interest</p> <p>To protect all communications between a legal adviser and clients from being disclosed without the permission of the client.</p> <p>To enable commercial activities</p>

	<p>has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely to prejudice the supply of similar information, or information from the same source and is in the public interest that such information should continue to be supplied</p> <p>s7(2)(c)(ii) - The withholding of the information is necessary to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely otherwise to damage the public interest</p> <p>s7(2)(g) - The withholding of the information is necessary to maintain legal professional privilege</p> <p>s7(2)(h) - The withholding of the information is necessary to enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities</p> <p>s7(2)(i) - The withholding of the information is necessary to enable the Council to carry out, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)</p>	<p>To enable commercial or industrial negotiations</p>
<p>10.3 - Upcoming insurance renewal (to be tabled)</p>	<p>s7(2)(c)(i) - The withholding of the information is necessary to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely to</p>	<p>Due to an obligation of confidence and to ensure the information avenue remains open, when it is in the public interest for it to do so</p> <p>To enable commercial activities</p>

	<p>prejudice the supply of similar information, or information from the same source and is in the public interest that such information should continue to be supplied</p> <p>s7(2)(h) - The withholding of the information is necessary to enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities</p>	
10.4 - Legal update	<p>s7(2)(b)(ii) - The withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information</p> <p>s7(2)(g) - The withholding of the information is necessary to maintain legal professional privilege</p> <p>s7(2)(i) - The withholding of the information is necessary to enable the Council to carry out, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)</p>	<p>Commercial sensitivity</p> <p>To protect all communications between a legal adviser and clients from being disclosed without the permission of the client.</p> <p>To enable commercial or industrial negotiations</p>
10.5 - Cyber Security Report	<p>s7(2)(b)(ii) - The withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information</p>	<p>Commercial sensitivity</p>
10.6 - Employee Matters	<p>s7(2)(a) - The withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons</p>	<p>To protect a person's privacy</p>

<p>10.7 - AuditNZ - draft management report from 2018/19 Annual Report Audit</p>	<p>s7(2)(h) - The withholding of the information is necessary to enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities</p>	<p>To enable commercial activities</p>
<p>10.8 - Credit Rating Review</p>	<p>s7(2)(h) - The withholding of the information is necessary to enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities</p>	<p>To enable commercial activities</p>

10 Public Excluded Reports

- 10.1 Public Excluded Minutes of the Audit and Risk Committee Meeting held on 3 December 2019**
- 10.2 Authorised Public Excluded Minutes of 2 October 2019**
- 10.3 Upcoming insurance renewal (to be tabled)**
- 10.4 Legal update**
- 10.5 Cyber Security Report**
- 10.6 Employee Matters**
- 10.7 AuditNZ - draft management report from 2018/19 Annual Report Audit**
- 10.8 Credit Rating Review**

11 Readmittance of the Public