

Audit & Risk Committee Public Agenda 20 September 2021

Audio Visual Meeting

Chairperson
Bruce Robertson

Members

His Worship the Mayor JB Mylchreest, Councillors AW Brown, RDB Gordon, SC O'Regan and CS St Pierre.



20 September 2021 10:00 AM - 02:35 PM

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AUDIT AND RISK COMMITTEE AGENDA



APOLOGIES

There are no apologies



2. DISCLOSURE OF MEMBERS' INTERESTS

Members are reminded to declare and stand aside from decision making when a conflict arises between their role as an elected member and any private or other external interest they may have.



3. LATE ITEMS

Items not on the agenda for the meeting require a resolution under section 46A of the Local Government Official Information and Meetings Act 1987 stating the reasons why the item was not on the agenda and why it cannot be dealt with at a subsequent meeting on the basis of a full agenda item. It is important to note that late items can only be dealt with when special circumstances exist and not as a means of avoiding or frustrating the requirements in the Act relating to notice, agendas, agenda format and content.



4. CONFIRMATION OF ORDER OF MEETING

Recommendation

That the order of the meeting be confirmed.



To: The Chairperson and Members of the Audit and Risk Committee
From: Governance
Subject: **CONFIRMATION OF MINUTES**
Meeting Date: 20 September 2021

1 EXECUTIVE SUMMARY

To confirm the minutes of the Audit and Risk Committee meeting held on 14 June 2021.

2 RECOMMENDATION

That the open minutes of the Audit and Risk Committee meeting held on 14 June 2021, having been circulated, be taken as read and confirmed as a true and correct record of that meeting.

3 ATTACHMENTS

- Audit and Risk Committee Minutes – 14 June 2021

AUDIT AND RISK COMMITTEE MINUTES



Time: 10:40am
Date: Monday 14 June 2021
Venue: Council Chambers
101 Bank Street, Te Awamutu

PRESENT

Chairperson

Bruce Robertson

Members in Chambers

His Worship the Mayor JB Mylchreest, Councillors AW Brown, RDB Gordon, SC O'Regan, CS St Pierre.

[the meeting opened and was adjourned at 10.44am and reconvened at 11am]

1 APOLOGIES

RESOLVED

14/21/14

That Garry Dyet is an apology for the meeting.

Chairperson Robertson /Councillor Brown

2 DISCLOSURE OF MEMBERS' INTERESTS

Clare St Pierre expressed a generic interest if the recent flood mapping letters issued by Council arose in discussions.

Bruce Robertson advised the Committee that his work with the Audit and Risk Committee at Tauranga City Council has recommenced.

3 LATE ITEMS

There were no late items.



4 CONFIRMATION OF ORDER OF MEETING

RESOLVED

14/21/15

That the order of the meeting be confirmed noting the removal of Public Excluded Item 19 'Deep Dive Risk Discussion' and Item 20 'Risk Discussion with the Group Manager Strategy and Community Services' due to staff unavailability.

Chairperson Robertson/Councillor St Pierre

5 CONFIRMATION OF MINUTES

RESOLVED

14/21/16

That the open minutes of the Audit and Risk Committee meeting held on 8 March 2021, having been circulated, be taken as read and confirmed as a true and correct record of that meeting.

Chairperson Robertson/Councillor Gordon

6 INTERNAL AUDIT REPORTING - FRAUD RISK MANAGEMENT GAP ANALYSIS

Procurement Advisor, Adele Bird and Business Resilience and Risk Advisor, Genny Wilson introduced their report.

Council's Internal Auditors, KPMG Partner Bineeta Nand and Senior Manager Investigations Lead Matt Preece, presented the Fraud Risk Management Gap Analysis report which looked at the Council's Fraud Risk Management Framework and practices. Ms Nand noted it was a very strong and positive report, with Council achieving a rating of 4 'approaching better practice', which equates to the Internal Audit rating of 'Good'.

Mr Preece commented that overall it was a very good result, it was evident that Council took fraud management seriously and the fact that Council was dealing with public funds came through very strongly in all the conversations.



A small number of areas for improvement have been identified and a workplan to implement these changes has been agreed and will largely be implemented over the next two years.

Mr Preece observed that the fraud training delivered to senior management was a good programme, but it was considered that this should be formalised with training across the organisation. There was also a request from Councillors that this training be rolled out to Elected Members.

Mr Preece also discussed formalising a fraud risk register and putting a programme in place for data analysis.

RESOLVED

14/21/17

That the 'Internal Audit Reporting – Fraud Risk Management Gap Analysis' report (document number 10611065), of Genny Wilson, Business Resilience and Risk Advisor and Adele Bird, Procurement Advisor, be received.

Councillor St Pierre /Councillor Gordon

7 KPMG SAFEPLUS HEALTH AND SAFETY FOLLOW UP ASSESSMENT

Manager Human Resources, Stephanie Shores, and Health and Safety Advisor, Bev Taylor, presented the results from the completed KPMG SafePlus health and safety follow-up assessment. They noted the findings of the assessment and full report were shared and discussed with elected members at the Finance & Corporate Committee meeting on 18 May 2021, as part of the four-month health and safety reporting.

The results of this assessment have rated Waipā District Council (WDC) as 'Effective'. 'Effective' is defined as "even though some improvements or weaknesses were identified, the policies, processes and practices are adequate, appropriate and effective."

Ms Shores commented that she was very pleased with the effective rating which is a recognised improvement from March 2018, and she noted that from an internal perspective, staff are rating health and safety extremely highly in the staff engagement survey report.

AUDIT AND RISK COMMITTEE MINUTES



External Presenter, KPMG Senior Manager, Garth Gully gave an overview of the KPMG Safeplus Health and Safety follow up assessment and advised the committee it should be considered part assessment and part advisory. Mr Gully noted the committed leadership within various levels of council and indicated he had detected a good sense of pride across the organisation in doing a good job for the community and colleagues.

Mr Gully discussed with the committee the need to develop indicators in order to be aware of issues before they occurred to reduce risk.

When the recommendation was put to receive the information a special acknowledgement was made of the 'effective' rating in the KPMG SafePlus health and safety follow-up assessment, which is a significant achievement.

RESOLVED

14/21/18

That the information contained in the 'KPMG SafePlus Health and Safety follow-up assessment' (document number 10624508), report of Manager HR, Stephanie Shores and Bev Taylor, H&S Advisor; be received.

Councillor Brown/Mayor Brown

8 RISK MANAGEMENT UPDATE

Business Resilience and Risk Advisor, Genny Wilson presented her Risk Management Report as read with some items highlighted to the committee.

There is a new emerging risk in relation to customer behaviour. The response plans identified through the business impact analysis have been reviewed, noting some gaps in particular to bomb threats, which had transpired in some other organisations recently. Training will be provided to staff testing response plans, with an update provided to the Audit and Risk Committee in September.

Ms Wilson discussed COVID-19 and the lowering of risks, however with the latest information from Infometrics she noted the economic uncertainty remains, and the supply chain issues further limit economic recovery. The slow vaccine rollout relative to other countries means a risk to New Zealand that the rest of the world moves faster with global recovery reducing New Zealand's ability to bounce back.

AUDIT AND RISK COMMITTEE MINUTES



Ms Wilson raised the risk of Cyber Security and the recent ransomware attack on the Waikato District Health Board, which demonstrates impact, and the need to consider the vulnerability of all systems. The risk assessment of the security of systems not managed by Information Services is being completed, ensuring council has the appropriate controls. A further update will be provided to the Audit and Risk Committee in September on the controls in the workplace that are being put in place.

A discussion was had around the challenges of growth in particular with resource consents and volume versus capacity.

RESOLVED

14/21/19

That the 'Risk Management Update' report (document number 10611048), including the Quarterly Risk Report for March to May 2021 (document number 10622710), of Genny Wilson, Business Resilience and Risk Advisor, be received.

Chairperson Robertson /Councillor Brown

9 MONITORING OF PSP IMPROVEMENT PROGRAMME

Procurement Advisor, Adele Bird presented her report. Ms Bird advised the committee that the implementation of the contract's module has greatly assisted with implementing a number of improvements suggested through the audit. In addition, review work in progress with Local Authority Shared Services Limited (LASS) will provide some further improvements in utilisation processes for the PSP. Further work is on-going in conjunction with other participating councils ensuring consistency across how the PSP is managed.

RESOLVED

14/21/20

That the 'Monitoring of PSP Improvement Programme' report (document number 10613633) of Adele Bird, Procurement Advisor be received.

Councillor O'Regan/Councillor Gordon

AUDIT AND RISK COMMITTEE MINUTES



10 LONG TERM PLAN 2021-31 PROJECT UPDATE

The purpose of this report was to provide the Committee with a quarterly update on the preparation of the 2021-31 LTP and the associated risk register.

Strategics Projects Driver, Haven Walsh took the report as read, noting the revaluation impact which was discussed with councillors at the LTP hearings and deliberations meeting. The revaluation was for both three waters and transport infrastructure, which would normally occur on alternate years, and has significantly impacted depreciation cost. In order to reduce the impact on rates the approach has been to use infrastructure operating reserves; not fund depreciation for some assets that are unlikely to be replaced; and to realign work in progress capitalisation figures in line with the likely capitalisation of assets. After these strategies were applied the rates impact reduced to an additional 0.4% per year over 10 years of the plan. Mr Walsh informed the committee this approach was discussed with elected members and a formal resolution agreed.

Mr Walsh also noted that Waka Kotahi funding has been reduced by \$500 million per year for the first three years of the Long Term Plan and this will impact on some projects. The funding cut is small enough to realign work programmes without significantly compromising levels of service.

Audit New Zealand Director, Leon Pieterse had joined the meeting by Zoom and participated in the discussion. Mr Pieterse spoke about the Hot Review process, which will look specifically at the impact of growth. Audit New Zealand are working through the final aspects of their audit work and hope to have the Hot Review completed by the end of the current week.

RESOLVED

14/21/21

That the 'Long Term Plan 2021-31 Project Update' report (document number 10622920) of Haven Walsh, Strategic Projects Driver, be received.

Councillor Brown /Councillor St Pierre

11 REVIEW OF ACCOUNTING POLICIES, KEY ACCOUNTING ESTIMATES AND PROPOSED REVALUATION APPROACH

Manager Finance, Sarah Davies presented her report.

AUDIT AND RISK COMMITTEE MINUTES



Ms Davies discussed the infrastructure revaluation and details of the process for infrastructure revaluations. The Asset data base is now considered reliable as a result of the focused program of work completed since the introduction of the Asset Accountant. Ms Davies advised that Council was hoping to rely on a fair value assessment for 2021/2022, however, this may not be possible with the implications of Three Waters.

Audit New Zealand Director, Leon Pieterse joined the discussion by Zoom and advised there is an international shortage of auditors and New Zealand is impacted by this with a lack of staff in New Zealand available to ensure all entities can be audited in their preferred timeframes. In conjunction with the Auditor General, Audit New Zealand have drafted a priority plan of which audits need to be prioritised based on what is important to the market, for example financial statements of government. The Long Term Plan Audits are a high priority and will be completed by the end of June, unless a specific council requests it is not done by then (Waipā is not one of these).

RESOLVED

14/21/22

That the information contained in the 'Review of Accounting Policies, Key Accounting Estimates and Proposed Revaluation Approach' report (document number 10614386), of Sarah Davies, Manager Finance; be received.

Chairperson Robertson / Mayor Mylchreest

12 OUTSTANDING MANAGEMENT REPORT ITEMS

Manager of Finance, Sarah Davies presented her report.

Ms Davies advised there is only one item considered by Waipa staff to remain outstanding, this related to the Contracts Register and is being managed by the Information Technology team. This will be completed when resource is available.

Deputy Chief Executive Ken Morris noted the work done by Ms Davies and her team to eliminate the number of items in the outstanding management report, as many of these had been long outstanding. He noted her focus on getting these matters addressed, the amount of work involved in them and that she could be proud of her achievements in this and other regards as she shortly leaves Council for another position. Committee members reinforced Mr Morris's comments.

AUDIT AND RISK COMMITTEE MINUTES



RESOLVED

14/21/23

That the information contained in the 'Outstanding Management Report Items' report (document number 10615623), of Sarah Davies, Manager Finance, be received.

Councillor Brown/Councillor St Pierre

13 CAPITAL PROGRAMME UPDATE TO 30 APRIL 2021

Manger Projects Delivery, Peter Thomson presented the Capital Programme Update to 30 April 2021.

The delivery of the projects is progressing well, with \$72.6 million spent (65.7% of the current 2020/21 forecast), and a further \$31.3 million committed (28.3% of the forecast). There is currently \$6.6 million (6% of the forecast), that is not yet committed.

The Renewal projects currently have 63% spent against the Annual Plan budget, and are expected to fall short of the KPI goal of 100% at year end. This is largely due to \$2.9M of renewal expenditure at the Cambridge waste water treatment plant being deferred, due to Council needing to substantially upgrade the facility in the next few years for long term operations.

The Level of Service (LOS) projects are at 86% spent, and have already exceeded the KPI goal of 80%. The spend should approach 100% by the end of the financial year.

The Growth projects are only 18% spent and are well behind the KPI goal due to developer led, and development agreement dependent projects being deferred to 2021/22. Timing of these Growth projects is largely outside of Council's influence and control. Significant Growth budgets have been re-cast and carried forward into the new LTP.

RESOLVED

14/21/24

That the report titled 'Capital Programme Update to 30 April 2021' (document number 10609584), of Peter Thomson, Manager Project Delivery, be received.

Mayor Mylchreest Jim /Councillor Brown

AUDIT AND RISK COMMITTEE MINUTES



14 RESOLUTION TO EXCLUDE THE PUBLIC

(Section 48, Local Government Official Information and Meetings Act 1987)

Chairperson Bruce Robertson noted Items 19 and 20 had been removed from the agenda and therefore removed from table 1 and 2 in the recommendation to move into Public Excluded.

RESOLVED

14/21/25

THAT the public be excluded from the following parts of the proceedings of this meeting.

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

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
16. Confirmation of PE Minutes 17. Capital Programme Risks to 30 April 2021 18. Litigation Update 21. Organisational Risk Discussion with the Deputy Chief Executive	Good reason to withhold exists under section 7 Local Government Official Information and Meetings Act 1987	Section 48(1)(a)

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

AUDIT AND RISK COMMITTEE MINUTES



Item No.	Section	Interest
16, 21	Section 7(2)(a) and Section 7 (2)(b)	<i>To protect the privacy of natural persons, including that of deceased natural persons; and</i> <i>To protect the information which if public would;</i> i. <i>disclose a trade secret; or</i> ii. <i>unreasonably prejudice the commercial position of the person who supplied or who is the subject of the information.</i>
18	Section 7(2)(g)	<i>To maintain legal professional privilege</i>
17	Section 7(2)(h)	<i>To enable the council to carry out, without prejudice or disadvantage, commercial activities</i>

Chairperson Robertson/Councillor Gordon

CONFIRMED AS A TRUE AND CORRECT RECORD

CHAIRPERSON:

DATE:

AUDIT AND RISK COMMITTEE REPORT



INFORMATION ONLY

To: The Chairperson and Members of the Audit and Risk Committee
From: Asset Accountant
Subject: **INSURANCE RENEWAL AND INSURANCE UPDATE**
Meeting Date: 20 September 2021

1 EXECUTIVE SUMMARY

The main purpose of this report is to update the Committee on the Council's 2021 insurance renewal arrangements.

This includes the policies taken out under the Waikato Local Authority Shared Services Limited's (WLASS) collective arrangement with AON New Zealand (AON) as broker, which are due for renewal on 31 October 2021, and the public liability and professional indemnity policies which are also due for renewal with AON on 31 October 2021.

We are hoping that representatives from AON will be in attendance at the meeting to provide further information and comment.

2 RECOMMENDATION

That the information contained in the 'Insurance Renewal and Insurance Update' report (document number 10685151) of Aimee Turner, Asset Accountant, be received.

3 STAFF COMMENTS

Council has been part of an insurance collective under the umbrella of Waikato Local Authority Shared Services Limited (WLASS) since 2012.

There have been many benefits from the insurance collective both in terms of reduced premiums through greater buying power; and continued strategic re-assessment of Council's insurance requirements for both building and underground assets, and public liability and professional indemnity, together with the introduction of innovative approaches in some aspects of this.

Council's Deputy Chief Executive, Ken Morris, is the Chair of the WCLASS Insurance Advisory Group, which has responsibility for the WCLASS insurance collective.

AON is insurance broker for the WCLASS insurance collective with a three year contract ending 1 July 2023, and the right to extend for two further terms of two years after that.

The policies taken out under AON including public liability and professional indemnity policies are due for renewal on 31 October 2021.

There is currently no change to the type of policies being renewed for the 2021/22 year, however council is reviewing the possibility of taking out a policy to provide staff and Councillors with life cover up to \$100k as a paid benefit by Council. We are currently awaiting a confirmed quote from AON for this, before a final decision is made.

The table below shows the AON brokered insurance policies that Council has in place currently, their coverage and respective excess arrangements:

Policy	Coverage
Material Damage	Covers all Council buildings; contents, such as computers, books, furniture; and some paintings. Also covers above ground infrastructural assets such as pump stations and reservoirs; and playgrounds, skate rinks and statues such as the Horse and Foal in Cambridge. <i>Excess for each claim is \$10,000</i>
Commercial Motor Vehicle	All vehicles and mobile plant such as tractors and mowers. <i>Excess 1% of vehicle sum insured, subject to minimum of \$500</i>
Infrastructure Insurance Primary Layer	The current arrangement with the Crown provides for a 60-40 split between the Crown and a Council insurance arrangement for significant losses of infrastructure. Council, under the WCLASS collective purchases a primary layer which provides 100% of the cover up to \$10 million with the Crown arrangement only relied upon above that limit.
Infrastructure Insurance	This covers above and below ground infrastructural assets such as pipes, connections, manholes and ponds. Coverage is for natural catastrophic events such as, earthquake, landslip, flood and volcanic eruptions. This policy meets Central Government's requirements for Council to meet a 40% share of natural disaster recovery.

Policy	Coverage
	<i>Excess \$500,000</i>
Cyber Liability Policy	Provides cover for Council's loss and third party claims arising out of 'cyber' events. The most common cyber events are attacks, such as hacking, ransomware, viruses; system damage as a result of software corruption, sabotage and human error; and privacy breaches involving the loss and unauthorised disclosure of personal information. <i>Limit of liability \$1,000,000 Excess \$25,000</i>
Business Interruption Policy	Consequential loss resulting from physical loss or damage to any Council owned property, such as loss of rental income if a residential house burns down.
Combined Employers & Statutory Liability	Statutory - Covers defence costs, fines and penalties arising from unintentional breaches of applicable legislation. <i>Limit of liability \$1,000,000 for fines and \$1,000,000 for defence costs</i> <i>Excess \$10,000, but \$25,000 for health and safety or resource management claim.</i> Employers Liability arising out of claims made by employees for injuries outside the scope of the Accident Compensation Corporation <i>Limit of liability \$1,000,000 and \$1,000,000 for defence costs Excess \$1,000</i>
Crime Policy	Provides cover for fraudulent acts of employees and other parties. This is normally around the misappropriation of funds and/or theft of money through electronic means. <i>Limit of liability \$2,000,000 Excess \$50,000</i>
Forestry Cover	Provides cover for fire including fire-fighting costs, re-establishment costs and damage from hail <i>Excess \$22,900</i>
Corporate Travel Policy	Overseas travel insurance for staff and elected members travelling on Council business outside of New Zealand
Accident & Health Policy	Covers the 14 elected members and the 6 Executive members for accidental death with the pay-out used to fund by-elections in the case of an elected member and recruitment costs for Executive replacements.

The assets on the infrastructural insurance schedule were valued by Beca as at 30/06/2021, using market rates specific to waters infrastructure. The replacement value of the schedule increased by 3.6% which also includes the additional assets capitalised during the year.

The value of the assets included in the material damage schedule were adjusted in-house using an inflation rate specific to residential and commercial buildings. A full insurance valuation for councils buildings is expected to be carried out in the 2021/22 financial year. The buildings replacement cost has increased on average 5%.

Current Market Update - Overview

This update has been provided by AON:

Global Property Market

Severe weather-related losses are still the main driver for premium rating on a global basis, with markets seeing between 10%-30% increases on property programmes. There is currently an increase in capital available in the market, which is mitigating some of these premium increases, however this new capital is only being deployed in what are seen as relatively low risk territories. Insurers are also looking to increase deductible levels and limit overall exposure by applying programme loss limits.

New Zealand Property Market

Whilst the global market drivers still have an impact on the New Zealand market, we are currently seeing a slowdown in rating increases, from previous years. Expectations are that rating increases will be in the region of 5% to 10%. It should be noted that the these increases are rating increases. If there has also been an increase in values declared, this will also have an impact on the final premium calculated.

Liability programme

Insurers are still paying close attention to the Council sector with particular emphasis on building consenting related claims. However, the large premium adjustments that were seen last year are not expected to be repeated this year. The Cyber Liability market is contracting as there have been a high number of significant claims. Premium increases will be expected and also insurers may look to apply higher excesses than previously.

Motor Markets

The motor market is stable and premium rating is driven by individual council loss histories. Good performing accounts have seen rating reductions.

Public Indemnity and Professional Liability

Council's public liability and professional indemnity insurance was renewed at 30 June 2021 through AON. Cover is for an initial four month period from 30 June 2021 to 1 November 2021, before further cover is put in place from 1 November 2021 to 1 November 2022. The four month cover period was provided to align all councils insurance policies with the period of 1 November to 1 November.

Council's public liability and professional indemnity insurance was previously placed by Marsh and the policy was up for renewal from 30 June 2020. After careful consideration it was decided it would be in the best interests of Council to renew the public liability and professional indemnity insurance policy with AON, and this aligns all our policies under AON as would be expected with their contestable win of the Waikato collective business last year.



Aimee Turner
ASSET ACCOUNTANT



Reviewed by Deborah Frederick
FINANCIAL PLANNER



Approved by Ken Morris
DEPUTY CHIEF EXECUTIVE / GROUP MANAGER BUSINESS SUPPORT

AUDIT AND RISK COMMITTEE REPORT



INFORMATION ONLY

To: The Chairperson and Members of the Audit and Risk Committee
From: Business Resilience and Risk Advisor
Subject: **ANNUAL REFRESH OF TOP RISKS AND RISK APPETITE STATEMENT**
Meeting Date: 20 September 2021

1 EXECUTIVE SUMMARY

The annual refresh of the Top Risks for the 2021/22 year has been completed following the workshop held with the Audit and Risk Committee (ARC) and key staff prior to the June meeting.

This year a risk network diagram that identifies ‘emitter’ and ‘receiver’ risks has been developed to better inform the inter-relationships between the Top Risks and the overall impact on the organisation.

The information from the workshop has also been utilised to update the annual Risk Appetite Statement. Both documents are now presented for approval.

The following appendix/appendices accompanies this report:

- Appendix 1 – Top Risks 2021/22 (document number 10649439)
- Appendix 2 – Risk Appetite Statement 2021/22 (document number 10665880)

2 RECOMMENDATION

That –

- a) The ‘Annual Refresh of Top Risks and Risk Appetite Statement’ report (document number 10679119) of Genny Wilson, Business Resilience and Risk Advisor, be received;*
- b) The ‘Top Risks 2021/22’ (document number 10649439) be approved; and*
- c) The ‘Risk Appetite Statement 2021/22’ (document number 10665880) be approved.*

2 STAFF COMMENT

A refresh of the 'Top Risks' and 'Risk Appetite Statement' for the 2021/22 year has been completed following a workshop session held in conjunction with the June meeting of ARC. The 'Top Risks' by definition, are the risks that may prevent achievement of Council's strategic objectives. The drivers and impact for each top risk are identified and an Executive owner allocated to each risk. The inherent risk and residual risk for each risk are evaluated and the mitigants currently in place listed.

The document also records the target risk level that Council aims for in relation to each top risk and the additional mitigant actions identified to move the residual risk level closer to target. The mitigant actions have been sourced from the 2021/22 business plans. The progress against these actions will be reported by exception in the quarterly risk management report from December 2021.

This year a risk network diagram that identifies 'emitter' and 'receiver' risks has been developed and added to better inform the inter-relationships between the Top Risks and the overall impact on the organisation.

The document outlining the 2021/22 Top Risks, there are 14 of these, is attached as Appendix 1 of this report.

Key deletions and additions from this year's review are identified in Table 1. Some top risks which were retained through the review have been expanded or narrowed, and this is reflected in the relevant risk descriptors within the full document.

Table 1. Key Top Risks removed and added through the review

Top Risk Description	Commentary
Changes in Central Government policy or legislation.	Removed. Specific reforms identified in the top risk list.
Failure to respond to Customer Demand.	Replaced. Focus on the management of the response in contrast to meeting customer demand.
Failure to prioritise and develop future projects that meet community expectations.	Removed. Project selection managed through the development of the 2021-31 LTP.
Failure to manage the response of the Community to Council decisions.	Added. See comment above.
Failure to forecast and manage growth.	Added.
Failure to prepare for future of local government review and impacts.	Added.
Failure to realise asset sales.	Added.

The Risk Appetite Statement refresh was informed by the discussion at the workshop and the document updated to reflect the increased appetite. In addition, following the Fraud Risk Management Gap Analysis Internal Audit the Risk Appetite Statement

has been updated to include a specific fraud risk appetite statement. The Risk Appetite Statement 2021/22 is attached as Appendix 2.



Genny Wilson

BUSINESS RESILIENCE AND RISK ADVISOR



Reviewed by Georgina Knapp

MANAGER BUSINESS IMPROVEMENT AND RISK MANAGEMENT



Approved by Ken Morris

DEPUTY CHIEF EXECUTIVE / GROUP MANAGER BUSINESS SUPPORT

APPENDIX 1

Top Risks 2021/22 (document number 10649439)

WAIPA DISTRICT COUNCIL 2021/22 YEAR TOP RISKS

September 2021



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SUMMARY OF TOP RISKS

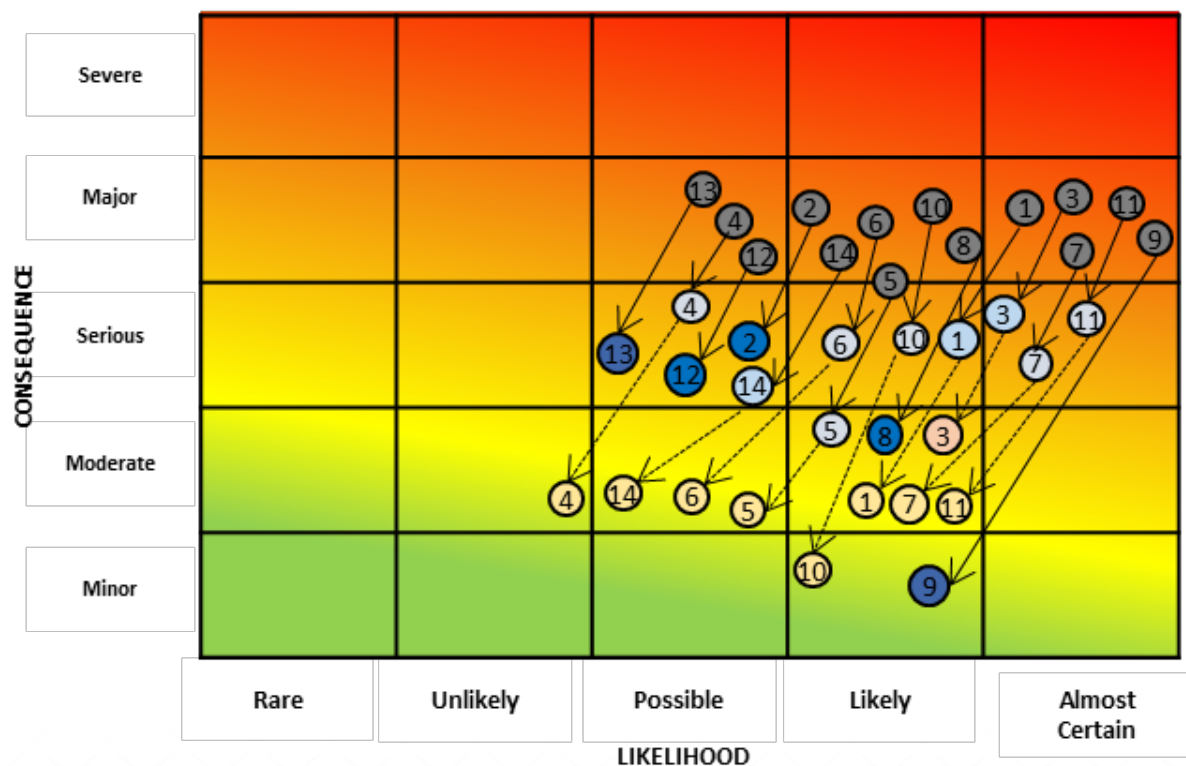
The following are the top risks to the achievement of Waipa District Council's 2021/22 strategic priorities.

Detail on each risk is set out on subsequent pages.

Monitoring and Review:

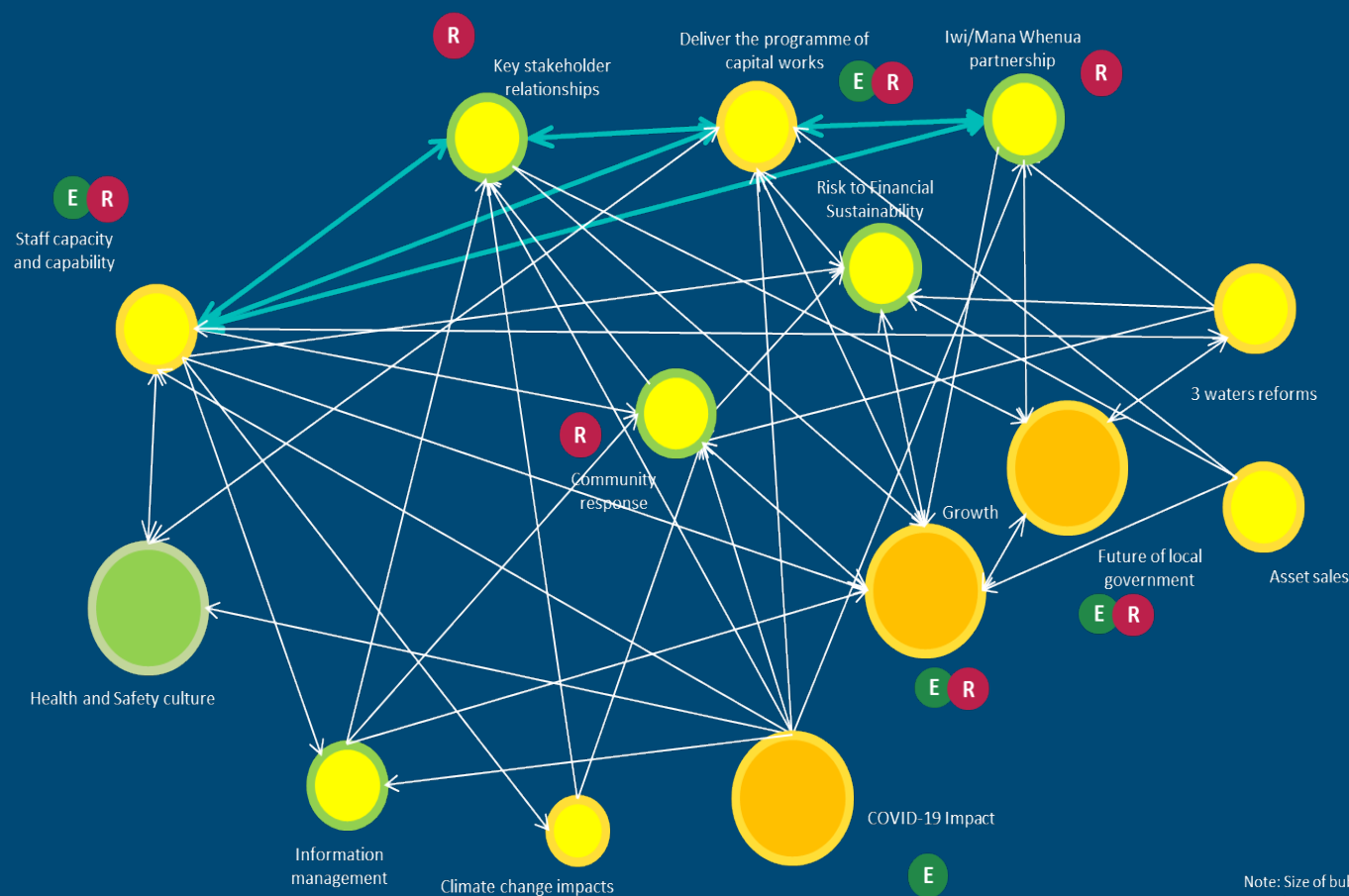
- Planned activity monitoring will occur through the existing business plan monitoring mechanism.
- Quarterly Executive Team and Audit and Risk Committee reporting on risk management.

Note: that the Target Risk Level for the majority of risks has been raised compared to last year's Top Risk profile to more accurately and realistically state Council's risk appetite rather than an aspirational target. This appetite is driven by the prudent management of funding as the costs to further lower the target risk can not be justified in the current economic environment.



#	Risk Area and Statement	Residual (current) level
1	Inadequate staffing capacity and capability to deliver Council's objectives: If Council is not adequately resourced, both in terms of capacity and capability, then this under resourcing may contribute to failure and/or significantly increased costs to deliver service levels and key projects.	Very High
2	Failure to deliver the programme of capital works: If Council fails to plan and deliver the proposed programme of capital works then this will impact the overall delivery of infrastructure to support growth, level of service improvements and asset replacement.	High
3	Failure to respond to COVID-19 Impact: If Council fails to adequately respond and recover from the ongoing impacts of COVID-19 then there will be a negative impact on both the organisation and District.	Very High
4	Failure to protect information management assets: If information management assets are compromised through actions of staff or other parties including cyber-security attacks, privacy breaches, data loss or corruption, or non-compliance of legislated obligations then Council's delivery of services and reputation will be negatively impacted.	High
5	Failure of relationships with key stakeholders: If Council has a breakdown in relationships with key stakeholders then Council's ability to operate and deliver services and projects effectively and within reasonable timeframes will be significantly impacted with negative flow on impacts to the community.	High
6	Failure of Iwi/Mana Whenua partnerships: If Council's partnerships with Iwi/Mana Whenua are not sustained and developed, including developing capacity and capability within Mana Whenua, then Council's ability to operate and deliver key projects will be significantly impacted and it may also fail to meet its post Treaty settlement obligations.	High
7	Risk to Financial Sustainability: If Council does not have sufficient liquidity and/or funding or debt levels are at limit, or if an unforeseen event such as a disaster requires funding then delivery of service levels and key projects may be significantly impacted.	Very High
8	Failure to manage the response of the Community to Council decisions: If Council does not effectively manage the response of customers and the community to Council decisions and they do not understand and trust the decisions made by Council then Council's reputation will be negatively impacted.	High
9	Failure to embed a Health and Safety culture: If Council does not have a strong Health and Safety culture and commitment to keeping staff, contractors and members of the public safe for Council controlled activities then there will be unacceptable injuries and potentially fatalities with legal consequences.	Medium
10	Failure to prepare for climate change impacts: If Council does not understand and/or adequately prepare for climate change impacts then the lack of knowledge and forward planning may have significant financial and reputational effects as well as adverse economic and social impacts on the community.	Very High
11	Failure to prepare for 3 waters reforms: If Council does not understand and/or adequately prepare for the proposed 3 waters changes from Central Government then there may be adverse financial and reputational impacts as well as the economic and social wellbeing of the community being negatively impacted.	Very High
12	Failure to forecast and manage growth: If Council fails to adequately forecast and manage medium term growth then there will be adverse impacts on finances and reputation and potential negative impacts on community wellbeing.	High
13	Failure to prepare for future of local government review and impacts: If Council fails to adequately understand and/or prepare for the impact of the future of local government review and reforms then there will be adverse impacts on the organisation, reputation and potential negative impacts on community wellbeing.	High
14	Failure to realise asset sales: If Council fails to effectively realise the planned asset sales then there will be underfunding and inability to deliver some projects in the LTP with negative impacts on reputation and community wellbeing.	High

Waipā's risk network



KEYS



Emitter risk



Receiver risk

- Covid-19
- Staff capacity and capability
- Growth
- Deliver the programme of capital works
- Risk to Financial Sustainability
- Iwi/Mana Whenua partnership
- Key stakeholder relationships

Higher velocity Risk Pathways

Information management – Community response

Note: Size of bubbles indicate the individual risk impact and probability prior to considering the “domino” effect of the risk cluster.



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Supporting comments:

Risk networks assists with more holistic risk management by illuminating an additional dimension which shows the impact risks have on each other. Groups of strongly related risks are called risk “clusters. These are relevant because key failures are seldom the result of a single risk event but are more typically the consequence of a number of related risks materialising at the same time. Whilst individual risks may not be regarded as significant due to their assessed likelihood and impact, it may change when the risks are considered in combination considering clusters. Identifying and understanding these risk clusters drives the prioritisation and actions for risk mitigation measures to be implemented. Emitter risks are critical risks to be managed as these could trigger some of the other risks within a risk cluster. Therefore, adequate assurance should be obtained to ensure these risks are managed in an effective manner.



TOP RISK 1 Inadequate staffing capacity and capability to deliver Council's objectives

1 RISK DESCRIPTION

If Council is not adequately resourced, both in terms of capacity and capability, then this under resourcing may contribute to failure and/or significantly increased costs to deliver service levels and key projects.

2 KEY RISK DRIVER(S)

People

- Staff turnover
- Workload imbalances – perceptions of inequity
- Remuneration challenges for technical roles
- Uncertainty of 3 Waters/WLASS/LG reform
- Calibre and volume of applicants

Process

- Time taken to recruit, particularly to leadership positions
- Workflow and workload balancing
- Right sizing of workforce
- Recruitment options and mix of internal and external appointments e.g. fixed term contracts for specific projects
- Alternative benefits to attract and retain staff

External

- Establishment of new water agencies
- Volatile labour market
- Very low unemployment rate
- Movement between Councils in Waikato Region

3 IMPACT

- Staff wellbeing, health and safety
- Non delivery of services, and/or projects
- Decreased staff engagement levels
- Dependence on external contractor support
- Negative financial outcome
- Reputational damage

4 ENTERPRISE RISK OWNER

Manager Human Resources

Document Set ID: 10649439
Version: 21, Version Date: 15/09/2021

5 RISK APPETITE

WDC appreciates the challenge of attracting and retaining the right employees to Council, consequently it is willing to accept a **high** level of target residual risk. Retention is more important in the current environment. There are some specific roles that have been identified that have a lower appetite due to their significance to the organisation which are an exception.

Effort is currently underway to reinforce the existing alternative strategies to attract new staff and retain existing talent as part of Council's employee value proposition to mitigate this risk.

The risk appetite is driven by the potential for non-delivery and reputational damage of Council's objectives as well as the potential financial impacts.

6 RISK ASSESSMENT

Inherent Risk

Extreme

Current Assessed Residual Risk

Very High

Council Target Residual Risk

High

7 MITIGATIONS AND CONTROLS

Current Key Mitigations in place on an ongoing basis: TBC based on business plan

- Current business model takes an account management approach for HR; each business unit is allocated an HR advisor to support addressing capacity and capability challenges, including workforce planning considerations: impending retirements, exits, cadetships, interns, identifying successors/leaders, and development and/or career progression needs.
- Ongoing conversations focused on staffing through the regular Executive Team and Managers' meeting forums.
- The organisation ensures department redesigns are based on the most appropriate department structure to achieve respective workloads.
- Where required external resource is contracted in when internal resourcing is inadequate to deliver key outcomes.
- Alternative remuneration and benefits for employees as part of Council's employee value proposition.
- Values feeding into policy rationalisation for managing staff behaviours and decision making.
- Leadership team using PDR to identify personal development for staff.

Significant Planned Additional Mitigations TBC based on business plan

The following actions from the 2021/22 Business Plans will provide additional mitigation:

Action	Owner/s	Timing
Develop and implement an employee value proposition that reinforces our values-led culture, staff wellbeing, professional growth and recognition.	Mgr HR	Feb-2022
Continue to embed values across all staff.	Mgr HR	Jun-2022
Advance flexible working arrangements.	Mgr HR	Jun-2022
Complete survey of managers to determine cause of staff leaving and develop strategy to respond	Mgr HR	Jan-2022
Continued evolution and implementation of Council's Leadership Development Program	Mgr HR	Jun 2022

8 KEY RISK INDICATORS

The Key Risk Indicators identified are trends in the following measures:

- Staff turnover: Turnover remains at or under target (13%).
- Percentage of recruitment internal appointments: 50% of recruitment reflects internal appointments made.
- Staff engagement level (69% baseline)



TOP RISK 2

Failure to deliver the programme of capital works.

1 RISK DESCRIPTION

If Council fails to plan and deliver the proposed programme of capital works then this will impact the overall delivery of infrastructure to support growth, level of service improvements and asset replacement.

2 KEY RISK DRIVER(S)

People

- Specialist role shortages
- Capacity gaps

Process

- Timing of projects
- Resourcing to deliver within planned timeframes
- Adequacy of planning
- Quality of business cases and application of project management framework
- Ambition vs quantum that can be delivered – capacity constraints

External

- Market constraints
- Growth of district – rate and quantum
- Development timing or failure resulting in unnecessary expenditure
- Limited pool of specialist resources due to border closures
- Supply chain impacts of COVID

3 IMPACT

- Non delivery of projects as planned
- Negative financial outcome
- Reputation damage
- Community outcomes not delivered

4 ENTERPRISE RISK OWNER

Group Manager Service Delivery

5 RISK APPETITE

WDC appreciates the challenge of delivering the aggressive capital works programme in the current Long Term Plan and is willing to accept a **high** level of risk. There are capacity and supply chain constraints that may impact the quantum that can be delivered versus the programme planned.

The level of uncertainty for delivery of projects in the current environment given the impacts of COVID on the economy, supply chain, labour market, and overall work programme also leads to an acceptance of a high level of residual risk. A number of risk drivers are out of Council's direct control.

The risk appetite is driven by the potential for non-delivery and reputational damage.

6 RISK ASSESSMENT

Inherent Risk

Very High

Current Assessed Residual Risk

High

Council Target Residual Risk

High

7 MITIGATIONS AND CONTROLS

Current Key Mitigations in place on an ongoing basis:

- Clear key capital project programme governance structure and reporting has been implemented to support best practice project delivery.
- Planning across financial years to provide more certainty of resource requirements.
- Where required external resource is contracted in where internal resourcing is inadequate to deliver key outcomes.
- Monthly reporting to the Executive, and quarterly reporting to ARC, on capital project delivery including tracking of spend against the Annual Plan/LTP and approved reforecast.
- BI PCG established to provide governance of digital change projects.

Significant Planned Additional Mitigations TBC based on business plan

The following actions from the 2021/22 Business Plans will provide additional mitigation:

Action	Owner/s	Timing
Strategic Activity Management Planning and Activity Management Policy – adopted	GM SD	Jun-2022
Monitoring of the LTP assumptions and highlighting subsequent actions as required	GM BS	Jun-2022
Progress the development of the Community Plan, including best practice community consultation, to inform the development of the 2024-34 LTP.	Mgr Strategy	Jun-2022

8 KEY RISK INDICATORS

The Key Risk Indicators identified are trends in the following measures:

- Monitoring of assumptions used in preparing LTP as year progresses
- The 21/22 Plan is delivered within budget, capex projects targets (70%, 80%, 100%) and 75% of level of service measures reach target.



TOP RISK 3 Failure to respond to COVID-19 Impact

1 RISK DESCRIPTION

If Council fails to adequately respond and recover from the ongoing impacts of COVID-19 then there will be a negative impact on both the organisation and District.

2 KEY RISK DRIVER(S)

People

- Capacity and resilience within teams
- Ongoing resourcing of recovery programme
- Capability gaps
- Impact of an ongoing response on staff capacity
- Staff stress

Process

- Ability to respond to COVID events
- Must have work programmes
- Financial management
- Don't capitalise on things learned from COVID
- Governance environment

External

- COVID-19 risk continues for foreseeable future
- Further incident that compounds crisis and response required.
- Global economic factors
- Central Government recovery programme

3 IMPACT

- Non delivery of essential services and work programmes
- Reputation damage
- Negative financial outcome – organisation and District
- Social and economic wellbeing reduced for Community and other impacts
- Negative impact on staff culture and morale
- Governance effectiveness
- Staff stress

4 ENTERPRISE RISK OWNER

Chief Executive

5 RISK APPETITE

WDC has a strong and proven response model and has implemented an effective recovery programme to COVID through the Community Advisors.

WDC has a **high** appetite for the COVID-19 impact risk as control of the risk is largely externally driven. The ongoing impact on new variants globally confirms that the response and impact will be ongoing for the foreseeable future. It affects the organisation as a whole and the community.

The risk appetite is also driven by the uncertainty of the recovery programme and its long-term future. It does also provide opportunities for both Council and the District.

6 RISK ASSESSMENT

Inherent Risk

Extreme

Current Assessed
Residual Risk

Very High

Council Target
Residual Risk

High

7 MITIGATIONS AND CONTROLS

Current Key Mitigations in place on an ongoing basis:

- WDC has a recovery programme in place that will drive the response for the organisation and wider District
- Western Waikato Civil Defence Emergency Management arrangements secured and provide ongoing capability and management through their Business Plan.
- Supporting and monitoring the COVID-19 resurgence response through the Waikato Group Emergency Co-ordinating Centre (GECC) and a Western Waikato Control Point (ICP) with staff, mainly working remotely.
- Effective and proven Crisis Management model. CMT monitoring of COVID intel.
- Regular economic updates and commentary through Infometrics on trends and forecasts.
- Capacity and capability challenges being addressed as Top Risk 1

Significant Planned Additional Mitigations

The following actions from the 2021/22 Business Plans will provide additional mitigation:

Action	Owner/s	Timing
Progress the development of the Community Plan, including best practice community consultation, to inform the development of the 2024-34 LTP	Mgr Strategy	Jun-2022
Complete the review of the Economic Development Strategy and commence implementation	Mgr Strategy	Jun-2022
Community Advisors continue to build strategic alliances with key stakeholders and deliver projects to enhance community resilience and well-being.	GM S&CS	Ongoing
Report on Social Procurement outcomes from DIA Delivery Plan reported on by May 2022	GM SD	May 2022
Actively engage and respond to the call for submissions by the MfE in respect of the RMA reforms, DIA in respect of Water Reforms, the Future of Local Government Panel in respect of the FOL Inquiry, and the Productivity Commission in respect of Community Outcome with its Fair Deal for All Inquiry.	CE	Ongoing

8 KEY RISK INDICATORS

The Key Risk Indicators identified are trends in the following measures:

- Event funds have been strategically used to enable economic development opportunities in our district, as measured through visitor numbers and spend
- Negative trends and commentary in Infometrics supplied data



TOP RISK 4

Failure to protect information management assets

1 RISK DESCRIPTION

If information management assets are compromised through actions of staff or other parties including cyber-security attacks, privacy breaches, data loss or corruption, or non-compliance of legislated obligations then Council's delivery of services and reputation will be negatively impacted.

2 KEY RISK DRIVER(S)

People

- Human error or other actions of staff
- Privacy breach
- Non-compliance with process and policy

Process

- Insufficient controls
- Outdated controls

System

- Data loss or corruption
- Access compromised

External

- Third party
- Cyber security attacks

3 IMPACT

- Theft, ransom demands
- Loss of data or intellectual property
- Compromised service delivery
- Property Loss
- Legal repercussions
- Reputational damage

4 ENTERPRISE RISK OWNER

Group Manager Business Support

5 RISK APPETITE

WDC manages a range of information and data pertaining to its own activities and that of its stakeholders which is one of its most valuable assets. Investment in technology is ongoing and strategically driven by the digital roadmap. This investment is also a critical component of organisational resilience. Having secure and robust systems are critical to this.

Although it is deemed to be an unlikely target for information management breaches and cyber risk (compared to other organisations) Council has an aspirational low to medium appetite for cyber risks and compliance. However the level of investment required to drive this risk down further drives acceptance of this risk at a target residual risk of **medium**.

6 RISK ASSESSMENT

Inherent Risk

Very High

Current Assessed Residual Risk

High

Council Target Residual Risk

Medium

7 MITIGATIONS AND CONTROLS

Council actively mitigates against information management risk on an ongoing basis. These mitigants include:

- The implementation of up to date firewalls, anti-virus software and operating system patching
- Organisational internal and external policies aligned with best practice security controls
- Policy awareness and education campaigns
- Auditing and monitoring of systems and controls
- Regular hardware, software and network renewal programme reduces the risk of vulnerability to attack.
- Active testing programme in place with critical security vulnerabilities closed as identified
- Security consulting partner contract in place
- Cyber security improvement programme rolled out in conjunction with WLASS
- Privacy impact assessments completed as part of each digital project
- Training in Privacy and LGOIMA obligations with staff

Significant Planned Additional Mitigations

The following actions from the 2021/22 Business Plans will provide additional mitigation:

Action	Owner/s	Timing
Delivery of the Digital Roadmap and continued focus on improving existing systems	GM BS	Jun-2022
Progression of the cyber security improvement program	Mgr IS	June 2022
Progression of the initiative Everything In Its Place	Mgr IS	June 2022

8 KEY RISK INDICATORS

The Key Risk Indicators identified are trends in the following measures:

- Number of security incidents and corrective actions identified
- Trends in security risks and vulnerabilities as per quarterly compliance reporting (internal and external)
- Continue phishing training and testing



TOP RISK 5 Failure of relationships with key stakeholders

1 RISK DESCRIPTION

If Council has a breakdown in relationships with key stakeholders then Council's ability to operate and deliver services and projects effectively and within reasonable timeframes will be significantly impacted with negative flow on impacts to the community.

2 KEY RISK DRIVER(S)

People

- Lack of understanding of who key stakeholders and partners are
- Capacity and capability of staff to respond
- Availability of key stakeholders to engage

Process

- Time taken to build relationships
- Lack of visibility of all interactions with key stakeholders across the organisation
- Lack of engagement with key stakeholders across Council
- Resourcing and affordability to collaborate
- Lack of communication and engagement strategy

External

- Key stakeholders commitment to relationship

3 IMPACT

- Delivery of projects and services that don't meet stakeholder expectations
- Negative financial outcome
- Reputation damaged
- Decision making is inappropriate

4 ENTERPRISE RISK OWNER

Group Manager Strategy and Community Services

5 RISK APPETITE

Council's relationships are so critical WDC has an aspirational low appetite for the impacts of this risk.

However the time and cost of managing and sustaining these relationships mean that the target residual risk level is more realistically **medium**.

6 RISK ASSESSMENT

Inherent Risk	Current Assessed Residual Risk	Council Target Residual Risk
Very High	High	Medium

7 MITIGATIONS AND CONTROLS

Current Key Mitigations in place on an ongoing basis:

- Council has a dedicated role and staff focusing on building and maintaining effective relationships with key stakeholders and partners.
- Te Ara Wai Governance Committee has been established supported by an engagement programme (in abeyance until funding secured).
- At risk projects identified and planned for appropriately.
- Council's adopted Significance and Engagement policy guides Council as to the level of engagement required for different scenarios
- Input into WLASS services and performance, including invite to WLASS CE to visit Executive Team every six months to build relationship
- Business Development Manager role focused on building relationships for economic growth initiatives.
- Community Advisors have been recruited to develop deep, lasting community relationships

Significant Planned Additional Mitigations

The following actions from the 2021/22 Business Plans will provide additional mitigation:

Action	Owner/s	Timing
Development and implementation underway of a customer experience strategy.	GM S&CS	Jun-2022
External communication plan developed focused on Council's brand and reputation.	GM S&CS	Jun-2022
Community Advisors continue to build strategic alliances with key stakeholders and deliver projects to enhance community resilience and well-being.	GM S&CS	Ongoing
Representation review (post Māori Ward decision) completed.	GM BS	Jun 2022

8 KEY RISK INDICATORS

The Key Risk Indicators identified are trends in the following measures:

- Resident perception survey indicators.
- Ad hoc sentiment.
- Engagement plans for high risk projects identified and adopted.



TOP RISK 6 Failure of Iwi/Mana Whenua partnerships

1 RISK DESCRIPTION

If Council's partnerships with Iwi/Mana Whenua are not sustained and developed, including developing capacity and capability within Mana Whenua, then Council's ability to operate and deliver key projects will be significantly impacted and it may also fail to meet its post Treaty settlement obligations.

2 KEY RISK DRIVER(S)

People

- Capacity and capability of staff to engage
- Limited understanding by staff of Iwi/Mana Whenua
- Resourcing and affordability to engage
- Capacity and capability of Mana Whenua

Process

- Time taken to build relationships
- Inclusion/Omission of Iwi/Mana Whenua in planning of projects
- Resource consent requirements

External

- Treaty Settlements
- 3 Waters reform
- COVID-19 recovery disproportionately impacting Iwi

3 IMPACT

- Non delivery or delayed delivery of projects
- Reputation damage
- Judicial challenge

4 ENTERPRISE RISK OWNER

Group Manager Strategy and Community Services

5 RISK APPETITE

As Council's Iwi partnerships are so critical WDC has a low appetite for the impacts of this risk but acknowledges that this an aspirational target residual risk level that may not be obtained.

The mitigations are based on strengthening the relationships with Iwi within current resourcing/environment which will equate to a Council Target Residual Risk level of **medium** as being more realistically achievable.

Building capacity and capability within Mana Whenua is required for sustainable partnerships that also drive a medium target risk level.

6 RISK ASSESSMENT

Inherent Risk

Very High

Current Assessed Residual Risk

High

Council Target Residual Risk

Medium

7 MITIGATIONS AND CONTROLS

Current Key Mitigations in place on an ongoing basis: TBC

- Council has a dedicated role and staff focusing on building and maintaining effective relationships with key partners including Iwi.
- Council has established a number of partnership forums including NITOW and the Iwi Consultative Committee and also has ongoing involvement (as an interested party) with Treaty negotiations.
- Engagement with Iwi incorporated into Council's communication plan for key projects where the project is of interest to Iwi.
- Te Ara Wai Governance Committee representation (in abeyance until funding secured) .
- At risk projects identified and planned for appropriately.
- Council's adopted Significance and Engagement policy guides Council as to the level of engagement required for different scenarios.
- Active partner in JMAs with Waikato Tainui, Raukawa and Maniapoto
- Te Kanohe are appointed and participate in all major committees
- Maori Ward representation from 2022

Significant Planned Additional Mitigations

The following actions from the 2021/22 Business Plans will provide additional mitigation:

Action	Owner/s	Timing
Tāngata Whenua partnership model progressed and capability building requirements identified.	GM S&CS	Jun-2022
Further roll out of the Tikanga training programme.	GM S&CS	Ongoing

8 KEY RISK INDICATORS

The Key Risk Indicators identified are trends in the following measures:

- Resident perception survey indicators.
- Ad hoc sentiment.
- Targeted surveying.



TOP RISK 7 Risk to Financial Sustainability

1 RISK DESCRIPTION

If Council does not have sufficient liquidity and/or funding or debt levels are at limit, or if an unforeseen event such as a disaster requires funding then delivery of service levels and key projects may be significantly impacted.

2 KEY RISK DRIVER(S)

People

- Capacity gaps
- Levels of stress
- Workload imbalances and overload

Process

- Rates remission levels
- Rates collection levels
- Debt levels
- Cash flow

External

- Economic and market factors
- Developer financial viability
- Growth of district – rate and quantum
- Development timing or failure resulting in unnecessary expenditure
- Unforeseen event

3 IMPACT

- Non delivery of projects
- Negative financial outcome
- Reputation damage
- Lowered levels of service
- Staffing reduced

4 ENTERPRISE RISK OWNER

Group Manager Business Support

5 RISK APPETITE

WDC appreciates the challenge of delivering services and projects in a time of growth but also in a time of uncertainty due to COVID.

As per the Long Term Plan Council's debt levels are steadily increasing therefore there are less financial contingencies in place. There is limited control by Council of the financial impacts of COVID.

Council is willing to accept a **high** level of risk as reinforced by the financial parameters approved through the 2021-31 LTP. Focus is on ensuring council services are run prudently.

6 RISK ASSESSMENT

Inherent Risk

Extreme

Current Assessed Residual Risk

Very High

Council Target Residual Risk

High

7 MITIGATIONS AND CONTROLS

Current Key Mitigations in place on an ongoing basis:

- Robust discussion and assessment of the assumptions contained within the Annual and 10-Year plans.
- Monitoring and reporting of assumptions for LTP
- Financial policies adopted during LTP inform decision making
- Modular design for expansion of treatment plants
- Improved financial reporting through technology investments
- Monthly KRI reporting to the Finance and Corporate Committee

Significant Planned Additional Mitigations

The following actions from the 2021/22 Business Plans will provide additional mitigation:

Action	Owner/s	Timing
Monitoring of the LTP assumptions and highlighting subsequent actions as required	GM BS	Jun-2022
Internal audit programme completed as per the audit plan; and improvement plan / strategies implementation monitored and reported	GM BS	Jun-2022

8 KEY RISK INDICATORS

The Key Risk Indicators identified are trends in the following measures:

- Actual against debt benchmark
- Budget vs actual variance for operations and capex
- Expected Revenue drops by 15% or more to trigger activation of Business Continuity Plan – monitored through
 - number of building and resource consents
 - rates collection rates
 - development contributions actual vs budget variance
- Monitoring that 80% of growth cell is full before next cell opened



TOP RISK 8 Failure to manage the response of the Community to Council decisions

1 RISK DESCRIPTION

If Council does not effectively manage the response of customers and the community to Council decisions and they do not understand and trust the decisions made by Council then Council's reputation will be negatively impacted.

2 KEY RISK DRIVER(S)

People

- Customers' knowledge of and engagement with Council
- Staff response to customers – timeliness and quality of interaction
- Customer is not front of mind
- Capacity and capability of staff
- Bad behaviour by some customers

Process

- Inconsistent customer experience
- Transparency of decision making
- Communication channels and uptake of messaging

System

- Increased use of social media, including spread of misinformation

External

- Market constraints
- Vendor constraints for rolling out digital projects
- Changes by third parties blamed on Council e.g. removal of cheques

3 IMPACT

- Reputation damage and trust in the organisation
- Dissatisfied residents/customers

4 ENTERPRISE RISK OWNER

Group Manager Strategy and Community Services

Document Set ID: 10649439
Version: 21, Version Date: 15/09/2021

5 RISK APPETITE

WDC recognises it needs to take a proactive approach to understand customer and community requirements and issues and include diverse views in decision making. Council also understands the importance of leadership and the need to assess the future impacts of decisions being made, even if unpopular.

Council recognises the challenge of effective community engagement including explaining what Council provides and being transparent with decision making. It accepts a **high** target residual level for this risk given the need to make strategic decisions sometimes in the absence of full agreement by the community.

6 RISK ASSESSMENT

Inherent Risk

Very High

Current Assessed Residual Risk

High

Council Target Residual Risk

High

7 MITIGATIONS AND CONTROLS

Current Key Mitigations in place on an ongoing basis:

- Ongoing resident satisfaction surveying.
- One-off customer surveying where further information is sought e.g. communication styles, post transaction surveying.
- Community vision, outcomes and external strategic priorities confirmed with community consultation
- Ongoing investment in Community engagement activity for key activities and decisions.
- Multiple avenues for the Community to engage with Council on an ongoing basis
- Community concept plans developed with communities.

Significant Planned Additional Mitigations

The following actions from the 2021/22 Business Plans will provide additional mitigation:

Action	Owner/s	Timing
Representation review (post Maori Ward decision) completed	GM BS	Oct 21/Apr 22
Managing Council's response to the proposed RMA reforms and understanding the impact on the organisation.	GM DG&R	Jun-2022
Development and implementation underway of a customer experience strategy.	GM S&CS	Jun-2022
External communication plan developed focused on Council's brand and reputation	GM S&CS	Jun-2022

8 KEY RISK INDICATORS

The Key Risk Indicators identified are trends in the following measures:

- Resident perception survey indicators.
- Number of views of streamed meetings



TOP RISK 9

Failure to embed a Health and Safety culture

1 RISK DESCRIPTION

If Council does not have a strong Health and Safety culture and commitment to keeping staff, contractors and members of the public safe for Council controlled activities then there will be unacceptable injuries and potentially fatalities with legal consequences.

2 KEY RISK DRIVER(S)

People

- Human error
- Lack of training
- Inadequate management/leadership
- Ineffective H&S committee

Process

- Inconsistent or poor SoPs and documented processes
- Inadequate H&S plans
- Extensive number of customised risk registers per department/activity
- Contractor pre-qualification process

External

- WorkSafe requirements
- Contractors – inadequate safety protocols in place

3 IMPACT

- Reputational damage
- Prosecution if serious injury/fatality
- Social and economic consequence to injured

4 ENTERPRISE RISK OWNER

Manager Human Resources

5 RISK APPETITE

WDC has an objective to minimize the risk that may result in serious injury or harm any staff member or Council controlled activity.

Minimizing harm is part of Council's culture, due to the impact of serious injury or a fatality the target residual risk is **medium**. Whilst Council supports a zero harm goal it recognises that the cost of driving the target risk to low is not sustainable.

Current strategies and efforts are implemented to embed and sustain a Health and Safety culture.

6 RISK ASSESSMENT

Inherent Risk

Extreme

Current Assessed Residual Risk

Medium

Council Target Residual Risk

Medium

7 MITIGATIONS AND CONTROLS

Current Key Mitigations in place on an ongoing basis:

- Due Diligence Plan in place – monitoring through Executive Team meetings and reported on at Finance & Corporate Committee meetings
- Two experienced H&S advisors; each aligned to respective business units
- "Garry's Health and Safety Commitment" and "H&S, it's Vital" brand
- Annual H&S Committee objectives; Committee meetings held on a quarterly basis with representation from across the organisation
- H&S electronic reporting and recording system (TRAX)
- Staff health monitoring programme in place
- Formal H&S reporting to the Executive Team (monthly), Finance & Corporate Committee (four-month report)
- Staff H&S pulse assessed through the annual staff engagement survey
- H&S related policies, training and implementation
- WCLASS Health & Safety Management Framework adopted
- Organisation-wide top health and safety risks identified; mitigation measures incorporated into H&S business plan
- Updated internal audit shows improvement to overall rating

Significant Planned Additional Mitigations

The following actions from the 2021/22 Business Plans will provide additional mitigation:

Action	Owner/s	Timing
Wellbeing – WorkSafe developing flexible working at home document, incorporation into WDC guidelines.	Mgr HR	Dec 2021
Wellbeing Programme – plan programme initiatives for twelve months incorporating HFG Workplace Wellbeing Platform	Mgr HR	Mar 2022
Initiatives to raise the profile of VITAL	Mgr HR	June 2022

8 KEY RISK INDICATORS

The Key Risk Indicators identified are trends in the following measures:

- Lead and Lag indicators reported in Health and Safety report to Council
- KPMG SafePlus Recommendations – Actions progressed as per workplan and reported to Council



TOP RISK 10

Failure to prepare for climate change impacts

1 RISK DESCRIPTION

If Council does not understand and/or adequately prepare for climate change impacts then the lack of knowledge and forward planning may have significant financial and reputational effects as well as adverse economic and social impacts on the community.

2 KEY RISK DRIVER(S)

People

- Lack of understanding of impacts of climate change on the organisation and the district
- Capacity and capability to analyse impacts of climate change when planning

Process

- Requires significant cross organisational collaboration
- Assessing WDC carbon footprint
- Legislative compliance with risk reporting
- Financial pressures resulting from Covid-19 impact on ability to complete climate change projects
- Clarity of governance

External

- Highlighted as an issue by the community – increasing expectations
- Central Government response and requirements increasing
- Peer Councils response and planning
- Expert opinions and global knowledge of impacts
- Projected growth and developments

3 IMPACT

- Negative financial outcome
- Reputation damage
- Social and economic, cultural and environmental wellbeing reduced
- Legislative non-compliance

4 ENTERPRISE RISK OWNER

5 RISK APPETITE

Climate change events could have a substantial effect on WDC and its community. With increasing expectations from central government and community the option of delaying preparations for climate change is no longer viable.

Council will include climate change in planning for infrastructure and the community and make some investment and resource to start lowering the appetite over the next year. This includes responding to reporting requirements.

The activity to mitigate against climate change is increasing within Council who has an aspirational target residual risk level of **medium**.

6 RISK ASSESSMENT

Inherent Risk

Very High

Current Assessed Residual Risk

Very High

Council Target Residual Risk

Medium

7 MITIGATIONS AND CONTROLS

Current Key Mitigations in place on an ongoing basis:

- Monitoring reputable available information and collaborating with other Councils and Local Government organisations to provide an informed response.
- Assess impact of risk reporting requirements from the Climate Change Response (Zero Carbon) Amendment Act 2019 (CCRA)
- Flood view finder released to allow residents to understand potential flooding impacts.
- Carbon emission baselining and monitoring in place.
- Carbon monitoring working group is in place and actively researching ideas for future implementation.
- Workstreams established to progress workplans.

Significant Planned Additional Mitigations

The following actions from the 2021/22 Business Plans will provide additional mitigation:

Action	Owner/s	Timing
Review of the Environment Strategy is completed	Mgr Strategy	Jun-2022
Continue carbon monitoring and begin to develop plans targeting zero net emissions.	GM SD	Jun-2022
Food waste collection feasibility study completed by 30 June 2022	GM SD	Jun-2022
Flood hazard viewer available to the community by February 2022. Flood hazard letters sent to properties confirmed as at risk of flooding by February 2022	GM SD	Feb-2022

8 KEY RISK INDICATORS

The Key Risk Indicators identified are trends in the following measures:

- Changes in baseline carbon footprint
- Projects delivering climate change response or future proofing
- Climate change reporting requests from Ministry for Environment



TOP RISK 11

Failure to prepare for 3 waters reforms

1 RISK DESCRIPTION

If Council does not understand and/or adequately prepare for the proposed 3 waters changes from Central Government then there may be adverse financial and reputational impacts as well as the economic and social wellbeing of the community being negatively impacted.

2 KEY RISK DRIVER(S)

People

- Specialist role shortages
- Capacity gaps
- Uncertainty may affect staff

Process

- Roles and responsibilities not clear
- Financial impacts not clear
- Aggressive time frames for changes to be implemented
- Lack of clarity over transfer of water assets
- Larger programme of work to be delivered

External

- New Water Entity
- New Water Regulator (Taumata Arowai)
- Central Government policy
- Other Local Government organisations
- Diverse community expectations

3 IMPACT

- Negative financial outcome
- Reputation damage
- Projects not delivered
- Social and economic wellbeing reduced
- External relationships affected

4 ENTERPRISE RISK OWNER

Group Manager Service Delivery

5 RISK APPETITE

The level of uncertainty around the 3 waters reforms is very high with limited information provided for effective decision making. Until further clarity is received from Central Government the risk appetite remains high.

Council will undertake ongoing monitoring of the situation and be proactive in planning for any changes.

Delivery of required infrastructure projects will be completed as planned as are necessary for the continued delivery of services which also contributes to the **high** risk appetite. This will be reviewed as further clarity of the reforms is received.

6 RISK ASSESSMENT

Inherent Risk

Extreme

Current Assessed Residual Risk

Very High

Council Target Residual Risk

High

7 MITIGATIONS AND CONTROLS

Current Key Mitigations in place on an ongoing basis:

- Council maintains a watching brief and will proactively monitor and analyse any changes proposed.
- Key staff will also participate in any forums about the changes.
- Advocacy with regional partners
- Council committed to 'opt in' at August 2020 meeting and Council MOU signed.
- Funding a sub-regional study for the provision of water and wastewater services across the Future Proof Council area.
- Collaboration of Waikato and Bay of Plenty Council on stage 1 of the water reforms.

Significant Planned Additional Mitigations

The following actions from the 2021/22 Business Plans will provide additional mitigation:

Action	Owner/s	Timing
Managing Council's response to the proposed water reforms and understanding the impact on the organisation.	GM SD	Jun-2022
All DIA Delivery Plan projects completed by March 2022	GM SD	Mar 2022

8 KEY RISK INDICATORS

The Key Risk Indicators identified are trends in the following measures:

- Advocacy with peer Councils (proactive) – active participation by Waipā DC Staff
- Delivery plan milestones are actively managed and reported to Service Delivery Committee



TOP RISK 12

Failure to forecast and manage growth

1 RISK DESCRIPTION

If Council fails to adequately forecast and manage medium term growth then there will be adverse impacts on finances and reputation and potential negative impacts on community wellbeing.

2 KEY RISK DRIVER(S)

People

- Lack of understanding of impacts of growth on the organisation and the district
- Capacity and capability to analyse impacts of growth when planning

Process

- Adequacy of assumptions and validations of assumptions
- Adequacy of Developer contribution agreements

System

- Quality of data and models for forecasting

External

- Third party data and inputs
- Reliance on external advice
- Developers' timing and projects largely outside of Council control

3 IMPACT

- Negative financial outcome
- Reputation damage
- Social and economic, cultural and environmental wellbeing reduced
- Lowered levels of service
- Overcapitalising

4 ENTERPRISE RISK OWNER

5 RISK APPETITE

WDC recognises the rate and quantum of growth can have a significant impact on the organisation and community. Whilst the drivers of the rate of growth are largely outside of Council's control it understands the importance of forecasting, planning for and managing medium term growth.

Council recognises the challenge of accurate and timely forecasting of growth within the District and the subsequent decisions to manage this growth. Council accepts a **high** target residual level for this risk.

6 RISK ASSESSMENT

Inherent Risk

Very High

Current Assessed Residual Risk

High

Council Target Residual Risk

High

7 MITIGATIONS AND CONTROLS

Current Key Mitigations in place on an ongoing basis:

- Robust discussion and assessment of the assumptions contained within the Annual and 10-Year plans.
- Monitoring and reporting of assumptions for LTP
- Regular economic updates and commentary through Infometrics on trends and forecasts.
- Planning across financial years to provide more certainty of resource requirements.
- Modular design for expansion of treatment plants
- Policy that 80% of growth cell is full before next cell opened

Significant Planned Additional Mitigations

The following actions from the 2021/22 Business Plans will provide additional mitigation:

Action	Owner/s	Timing
Progress the development of the Community Plan, including best practice community consultation, to inform the development of the 2024-34 LTP	Mgr Strategy	Jun-2022
Transport Strategy is formally adopted by December 2021	Mgr Strategy	Dec-2021
Progressing and enabling the urban development of the following growth cells: <ul style="list-style-type: none"> Cambridge – CB Nth, C1,C2,C3,C8,C9, Te Awamutu - T1,T2,T9,T11 Kihikihi township - stormwater enabling works. 	GM DG&R	Jun-2022
Western Arterial designation review completed by February 2022	GM SD	Feb-22
Implement the Council approved work programme for the Waipā District Plan Changes	GM DG&R	Jun-2022

8 KEY RISK INDICATORS

The Key Risk Indicators identified are trends in the following measures:

- Monitoring of assumptions used in preparing LTP as year progresses
- Monitoring that 80% of growth cell is full before next cell opened



TOP RISK 13

Failure to prepare for future of local government review and impacts

1 RISK DESCRIPTION

If Council fails to adequately understand and/or prepare for the impact of the future of local government review and reforms then there will be adverse impacts on the organisation, reputation and potential negative impacts on community wellbeing.

2 KEY RISK DRIVER(S)

People

- Lack of understanding of impacts of local government review and proposed reforms on the organisation and the district
- Capacity and capability to analyse impacts of review
- Uncertainty for staff

Process

- Requires significant cross organisational collaboration
- Uncertainty for strategy and plan development

External

- Increased emphasis on 4 well beings
- Community expectations
- Central Government response and requirements increasing
- Peer Councils response and planning
- Expert opinions and sector knowledge of impacts
- Projected growth and developments

3 IMPACT

- Negative financial outcome
- Reputation damage
- Community wellbeing reduced (4 well beings)
- External relationships affected
- Staff reduction or redeployment

4 ENTERPRISE RISK OWNER

5 RISK APPETITE

The level of uncertainty around future of local government once 3-waters is removed is very high with the current review timed to take two years. WDC recognises the challenges facing the sector with these changes and will proactively manage what this means for the organisation and district..

Council will undertake ongoing monitoring of the situation and be proactive in planning for any changes.

Due to the level of uncertainty and that the changes are largely outside of Council's control it will accept a **high** risk appetite. This will be reviewed as further clarity of the reforms is received.

6 RISK ASSESSMENT

Inherent Risk

Very High

Current Assessed Residual Risk

High

Council Target Residual Risk

High

7 MITIGATIONS AND CONTROLS

Current Key Mitigations in place on an ongoing basis:

- Agreement to be part of response unit to manage Council's response to reforms and inform decision making
- Stranded asset identification and response management with WLASS

Significant Planned Additional Mitigations

The following actions from the 2021/22 Business Plans will provide additional mitigation:

Action	Owner/s	Timing
Working with Council to develop a position on the future of Local Government and champion Waipā through the 'Future of Local Government Review'	CE	Jun-2022

8 KEY RISK INDICATORS

The Key Risk Indicators identified are trends in the following measures:

- Monitoring of stranded asset progress with WLASS



TOP RISK 14 Failure to realise asset sales

1 RISK DESCRIPTION

If Council fails to effectively realise the planned asset sales then there will be underfunding and inability to deliver some projects in the LTP with negative impacts on reputation and community wellbeing.

2 KEY RISK DRIVER(S)

People

- Capacity and capability of staff to realise sales
- Availability of key stakeholders to engage

Process

- Lack of clear agreed strategy for which assets are being sold
- Timing of decision making for effective sales
- Budgeted value of assets may not be realised leaving underfunding of projects

External

- Market conditions
- Community expectations not met

3 IMPACT

- Negative financial outcome
- Reputation damage
- Social and economic, cultural and environmental wellbeing reduced
- Projects delayed or not delivered
- Dissatisfied communities

4 ENTERPRISE RISK OWNER

5 RISK APPETITE

WDC has an agreed 2021-2031 Long Term Plan that requires a significant level of planned asset sales to deliver on key community projects that improve the amenity for residents and ratepayers. Failure to deliver these projects would have significant negative effects on Council's reputation and the trust of the community.

Because of these potential impacts to reputation and trust Council has accepted a **medium** risk appetite. This is also driven by the ability of Council to manage and control this risk, particularly if the market drops off. Then sales may not realise necessary funds.

6 RISK ASSESSMENT

Inherent Risk

Very High

Current Assessed Residual Risk

High

Council Target Residual Risk

Medium

7 MITIGATIONS AND CONTROLS

Current Key Mitigations in place on an ongoing basis:

- Establishment of Manager Property Projects role, including oversight of the asset sales
- Ongoing review of resourcing requirements to effect aggressive sales programme and property strategy

Significant Planned Additional Mitigations

The following actions from the 2021/22 Business Plans will provide additional mitigation:

Action	Owner/s	Timing
Confirm accommodation strategy; the next 12 months and signalling the longer term direction	GM BS	Jun-2022
Property Strategy adopted which sets the course for realising asset sales revenue and ensuring the highest and best use and optimised returns from Council owned properties	GM BS	Aug-2021

8 KEY RISK INDICATORS

The Key Risk Indicators identified are trends in the following measures:

- Level of actual sales (volume and revenue) vs planned sales
- Resourcing needs

APPENDIX 1: RISK ASSESSMENT AT WAIPA

Likelihood Assessment

LIKELIHOOD RATING		LIKELIHOOD PERCENTAGE	STRATEGIC	OPERATIONAL	PROJECT
			Probability of the risk occurring	Probability of the risk occurring	Probability of the risk occurring
Almost certain	AC	>95%	It is almost certain to occur in most circumstances in the next three years.	It is almost certain to occur in most circumstances in the next year. In relation to Health and Safety risks, definite probability, very limited or no controls. Has happened in the past and no compensating controls were implemented. Without additional controls the event is expected to occur in most circumstances. Is expected to occur again within a short period of time (likely to occur at least once in the next 3 months).	It is almost certain to occur in most circumstances during the life of the project.
Likely	L	75% - 95%	The event will likely occur sometime in the next three years	The event will likely occur sometime in the next year. In relation to Health and Safety risks, event will probably occur in most circumstances. Weak controls e.g. be careful. No auditing carried out to provide assurances. With existing controls in place this event will probably still occur with some certainty.	The event will likely occur sometime during the life of the project.

LIKELIHOOD RATING		LIKELIHOOD PERCENTAGE	STRATEGIC	OPERATIONAL	PROJECT
			Probability of the risk occurring	Probability of the risk occurring	Probability of the risk occurring
Possible	P	25% - 75%	Possibly occur sometime in the next three years.	Possibly occur sometime in the next year. In relation to Health and Safety risks, event could occur in some circumstances. Minimal controls. Event has occurred in other Councils or industries with similar levels of controls in place. Is expected to occur within the next 1 - 2 years.	Possibly occur sometime during the life of the project.
Unlikely	U	5% - 25%	Unlikely to occur in the next three years	Unlikely to occur in the next year. In relation to Health and Safety risks, event could occur in some circumstances, however more likely through human error by not following the controls. Event has not occurred in the business, but could in some circumstances in the next 2 - 5 years.	Unlikely to occur during the life of the project.
Rare	R	0% – 5%	Would occur only in rare circumstances in the next three years	Would occur only in rare circumstances in the next year. In relation to Health and Safety risks, event may occur in some exceptional circumstances e.g. serious assault. Improbably: a very small chance of events occurring that may be caused by events not previously seen or certain conditions. Despite effective controls being used an external event or uncontrollable event could occur.	Would occur only in rare circumstances during the life of the project

Consequence Rating

SOURCE OF RISK	CONSEQUENCE RATING				
	Minor	Moderate	Serious	Major	Severe
	1	2	3	4	5
High level rating definitions	Manageable through routine procedures, unlikely to require specific application of resources	Event with consequences which can be readily absorbed, but which require management effort to minimise the impact	Significant event which can be managed under normal circumstances	Critical event which can be endured with proper management	Disaster with potential to lead to business failure
Health and Safety	First Aid injury. Injury not requiring medical treatment. Health - Infrequent contact with the hazard at low concentration.	Medical Treatment injury. Injury requiring short term medical treatment with some lost time. Health - Frequent (daily) contact with the hazard at low concentration.	Restricted duties injury. Injuries requiring extended treatment. Health - Moderate (weekly) contact with the hazard at moderate concentration.	Lost Time injury or illness. Health - Infrequent (monthly) contact with the hazard at very high concentration. Frequent contact with the hazard at moderate concentration.	Fatality or Permanent Disability. Health - Frequent (daily) contact with the hazard at very high concentration.
Governance, reputation, legislative compliance and control	No impact on public confidence or media attention	Minor impact on public confidence and media attention. May be some local coverage - not front page.	Some impact on public confidence, reflected by local media and community interest in the Council's performance	Major impact on public confidence resulting in some national media coverage	Critical impact on public confidence, resulting in significant national media and Central Government attention e.g. through an inquiry and/or appointment of a Commissioner
Environment	Little or no impact on the environment	Short-term or minor impact on the environment	Serious damage of local importance with possible regulatory intervention	Serious damage of regional importance with possible regulatory intervention	Permanent damage requiring ongoing remediation and monitoring with regulatory involvement
Planning and strategy	Negligible impact on outcomes and handled within normal operations	Temporary impact on long- term levels of service, with limited community interest and media attention	Noticeable impact on long- term levels of service, being consistently below expectations in one or more outcome categories. Some community interest and media attention.	Levels of service significantly below expectations in one or more outcome categories, bringing significant negative community and media attention	Levels of service in significant decline across all outcome categories. Widespread negative commentary attracts Central Government attention e.g. through an inquiry and/or appointment of a Commissioner.



SOURCE OF RISK	CONSEQUENCE RATING				
	Minor	Moderate	Serious	Major	Severe
	1	2	3	4	5
Financial Organisation	Loss or overrun of less than \$100k	Loss or overrun of between \$100-250k	Loss or overrun of between \$250-500k	Loss or overrun of between \$500k-\$1m	Loss or overrun of over \$1m
Projects	1% project budget overrun	2-5% project budget overrun	5-10% project budget overrun	>10% project budget overrun	>30% project budget overrun
Information management	Isolated equipment failure	Compromise of user password impacting the confidentiality and integrity of data	Exploitation of application security flaws compromising the confidentiality and integrity of data	Loss or theft of USB/laptop/other device compromising confidentiality. Loss of a core system for an extended period.	Loss of infrastructure for an extended period
Operations and service delivery	Temporary disruption in servicing a small number of customers	Disruption affecting some areas for less than a day	Disruption to a community for more than two hours or some areas for more than a day	Disruption to a community for more than a day or some areas for more than two weeks	Disruption to a community for more than a week
Property and assets	Insignificant incident that causes no disruption to services	Isolated damage not requiring relocation of services to an alternative site	Damage to property that requires the relocation of some services to an alternative site	Damage to property that requires the relocation of all services for a short period	Damage to property that requires the relocation of all services for an extended period



Risk Matrix and Risk Significance Levels

		CONSEQUENCE				
		Minor	Moderate	Serious	Major	Severe
LIKELIHOOD	Almost certain	High	High	Very High	Extreme	Extreme
	Likely	Medium	High	Very High	Very High	Extreme
	Possible	Low	Medium	High	Very High	Very High
	Unlikely	Low	Medium	Medium	High	Very High
	Rare	Low	Low	Low	Medium	High

APPENDIX 2

Risk Appetite Statement 2021/22 (document number 10665880)

Waipa District Council Year 2021/22 Risk Appetite Statement

July / 2021



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Issue	Reason for Issue	Author	Reviewer	Date
1	Draft for Review after refresh from ARC annual risk workshop	Genny Wilson	Georgina Knapp	28 July 2021
2	Draft for approval by Executive and ARC	Genny Wilson	Executive and ARC	2 September 2021

PART 1 - RISK APPETITE STATEMENT

1.1 Purpose

Risk appetite is the conscious decision about the amount and type of risk that Waipa District Council (WDC) is willing to take in pursuit of its organisational objectives. Its purpose is to define and communicate to the organisation expectations regarding various risk types, and where it is to be pursued and where it will be avoided.

Council's risk appetite reflects its:

- Business model
- Risk maturity
- Internal risk management capabilities
- Culture.

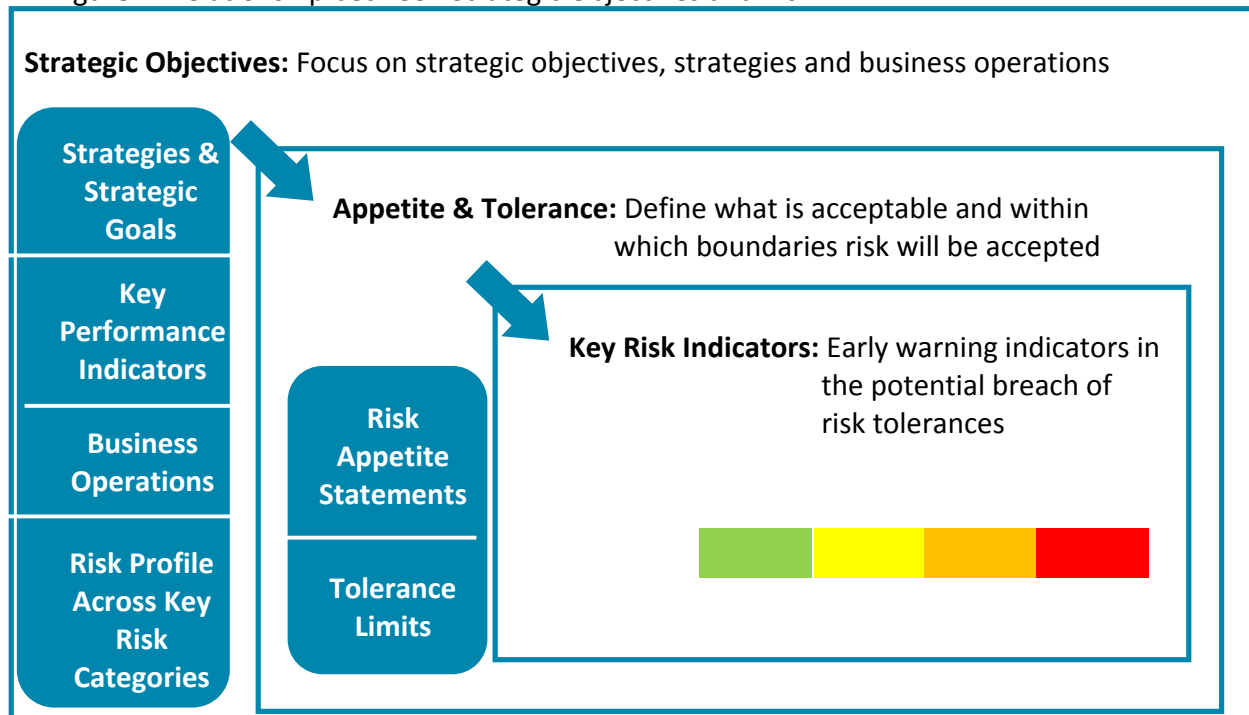
The appetite for risk is influenced by a number of factors including (but not limited to) the:

- Business environment
- People (employees)
- Community needs and wants
- Business systems
- Legislation and policies.

Having a clearly defined risk appetite gives clarity to the wider organisation about the nature and degree of risks that can be taken with our strategic, operational and project work. It is closely linked to defining the overall strategy of WDC therefore setting risk appetite is defined by the Executive Team and Council through the Audit and Risk Committee.

Appetite levels have been determined at the collective level of risk profile as opposed to the individual risk level. The portfolios are aligned with the WDC sources of risk as outlined in the Risk Management Policy. Where the level of appetite are different for different parts of the same portfolio e.g. people and health and safety the portfolio is split. Likewise where the risk portfolio covers more than one source of the risk but the appetite is aligned they are consolidated e.g. resilience.

Figure 1: Relationship between Strategic Objectives and Risk¹



1.2 Target Risk Level/Risk Appetite

WDC employs the concept of **target risk level**; to describe the level of risk (as defined by likelihood and consequence) that WDC intends to attain. This level of risk is analogous to the more widely practiced concept of **risk appetite**. Both measures provide an indication of the amount and type of risk WDC is willing to take in pursuit of organisational objectives.

Target risk levels will differ across risk types; in some instances being very low/conservative where risk is to be avoided (e.g. health and safety) and higher/more open where an organisation needs to take on risk (e.g. financial returns). Consequently the measure can be used in decision making, monitoring, and building risk culture across an organisation.

At present the target risk level is illustrated as a position on the organisation's risk matrix/heat-map (relative to inherent and residual risk levels²), but as WDC's risk management matures it is

¹ Diagram courtesy of Waikato District Council

² Refer to risk definitions in Appendix 1.

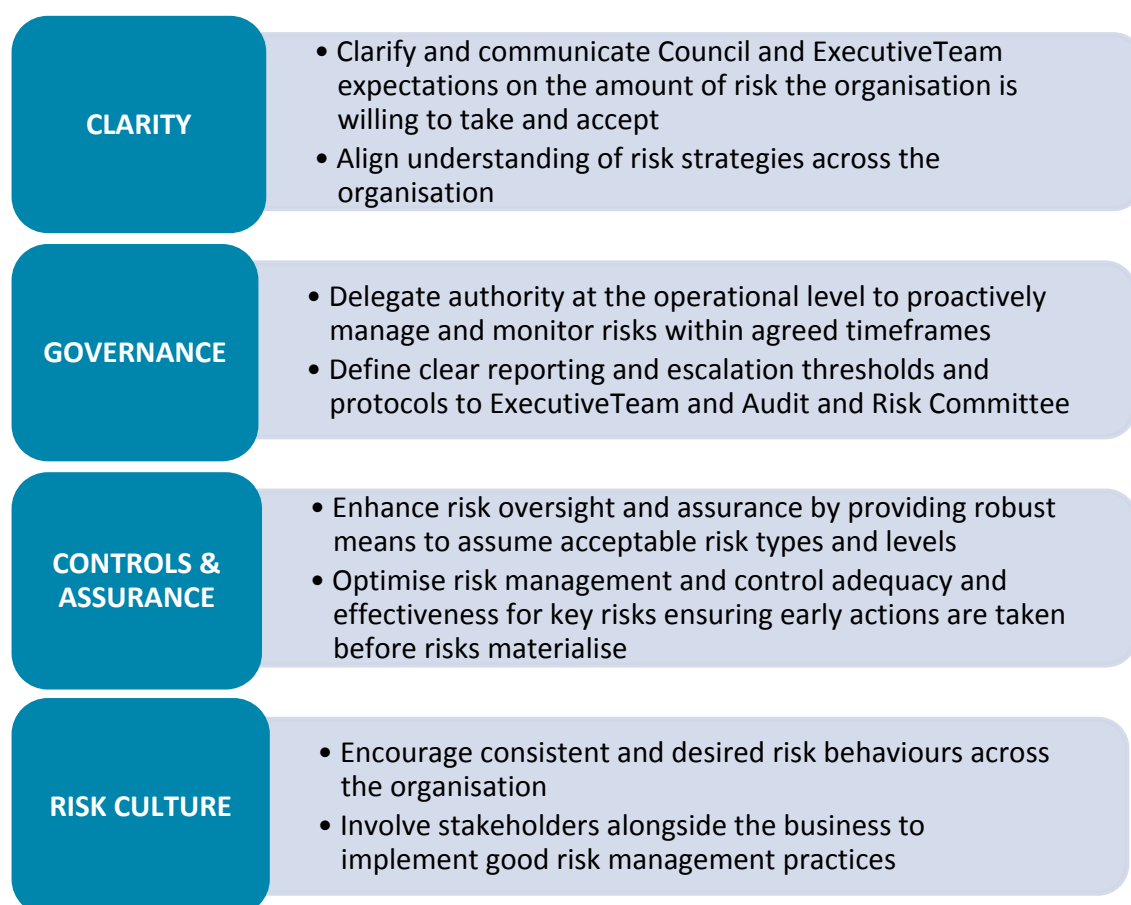
anticipated that it will be supported by this risk appetite statement; which provides an explanatory narrative to provide guidance to staff of where risk is to be avoided or pursued.

Therefore the risk appetite will also inform the targeted residual risk level for the Council's Top Risks.

1.3 Communicating Organisational Risk Appetite

The benefits of communicating the organisation's risk appetite are detailed in the diagram below.

Figure 3: Benefits of Communicating Risk Appetite³



Discrepancies between WDC's agreed risk appetite and residual risk level determine whether more controls are required to appropriately manage a risk or whether there is room to exploit more opportunities.

³ Diagram courtesy of Waikato District Council

Risk Appetite Statement 2021/22

1.4 Context

The WDC strategic framework is detailed in the diagram below.

Figure 3: Waipa District Council Strategic Framework



The revised Council vision and community outcomes were adopted as part of the 2021/31 Long Term Plan process.

The four community outcomes drive Council's Strategic Priorities:

- Socially resilient
- Cultural champions
- Environmental champions
- Economically Progressive

Risk appetite is the conscious decision about the amount and type of risk that Waipa District Council (WDC) is willing to take in pursuit of the Council's vision and Community Outcomes.

1.5 Overall Risk Statement

WDC accepts that it is willing to take well defined risks at a moderate to high level where it will result in the achievement of strategic objectives and provide opportunities. It also understands that the successful achievement of these objectives is significantly supported by its perceived reputation with its customers and stakeholders. Accordingly WDC is not willing to accept risks that would significantly adversely impact its reputation, nor where employee or customer wellbeing is compromised.

Where the adoption of strategies, initiatives or actions may exceed the stated risk appetite, the Executive Team and Council, through the Audit and Risk Committee, will be consulted prior to those activities commencing.





The risk statements in this document are for employees and elected officers of WDC and any partners, contractors or participating associates.


The risk appetite has been developed for the following risk portfolios that align with the risk sources within the risk management policy:

- People, including health and safety
- Governance, reputation, legislative compliance and control
- Environment
- Planning and Strategy
- Financial Organisation (including Projects)
- Information Management
- Resilience including Operations and service delivery and Property and assets
- Fraud



Further detail on risk portfolios are set out subsequently in this document.

The risk appetite tolerance range is defined as:



Range	Definition	Gauge
Low	Acceptable level is no risk to little residual risk. Controls in place to mitigate risks to as low as reasonably practicable.	
Moderate	Acceptable level of medium residual risk so that innovation and opportunities can be maximised to provide value and threats are reduced to a safe level appropriately and cost effectively.	
High	Acceptable level of residual risk is high as it is either outside Council's control, provides opportunities that will result in rewards and value higher than the overall risk, or the investment required to mitigate the risk further is not prudent.	
Extreme	Acceptable level of residual risk is at a maximum.	


Risk Portfolio	Risk Portfolio Description	Risk Appetite and Tolerance	Risk Appetite Statement	Potential Key Risk Indicator ⁴
People and Culture	<p>Risks associated with health and safety and wellbeing; or the capacity and capability of staff, elected members, contractors and partners; ability to attract and retain skilled staff; behavior and/or performance of leaders and staff. Behaviour being guided by the values of the organisation.</p> <p>People risks typically result from staff constraints (not being able to fill key positions with skilled staff); incompetence</p>	 <p>High</p>	<p>WDC accepts that there is significant competition for talent and resource shortages for key skills required to deliver our services. Council also accepts that strong leadership and investment in staff is necessary to achieve its strategic objectives.</p> <p>WDC appreciates the challenge of attracting and retaining the right employees and building capable leadership and strong governance. Overall WDC accepts an appetite risk level of high. By exception there are some specific roles that will be identified where there is a lower appetite.</p> <p>The risk appetite is driven by the</p>	


⁴ Please note that these are a work in progress

Risk Portfolio	Risk Portfolio Description	Risk Appetite and Tolerance	Risk Appetite Statement	Potential Key Risk Indicator ⁴
	(lack skills and knowledge to do job correctly); or a corporate culture that does not cultivate risk awareness (lack of health and safety culture and/or risk awareness).		potential for non-delivery of Council's objectives and reputational damage.	
People Health and Safety and Wellbeing		 Low	WDC has a low appetite for risk resulting in serious injury or death related to any Council controlled activity.	Lead and Lag indicators reported in Health and Safety report to Council
Governance, reputation, legislative compliance and control	<p>Risks associated with significant adverse or damaging perception of the Council by the general public and Waipa residents.</p> <p>This risk portfolio also includes risks associated with relationships and the engagement and trust of key stakeholders,</p>	 Moderate	<p>Relationships with stakeholders including Council's Iwi / Mana Whenua partnerships are critical to WDC. This includes building capacity and capability within our partners.</p> <p>A significant component of Council operations is the obligation to comply with externally set regulations and statutory requirements. In addition staff are</p>	<p>Resident satisfaction survey results</p> <p>Number of non-compliances identified through audit programmes</p> <p>Instance of non-compliance raised by regulatory body</p>


Risk Portfolio	Risk Portfolio Description	Risk Appetite and Tolerance	Risk Appetite Statement	Potential Key Risk Indicator ⁴
	<p>including Iwi/Mana Whenua, and community.</p> <p>Risks related to Council's exposure to liability and/or breaches of legislation and policy.</p>		<p>required to follow Council's internal policies and procedures.</p> <p>Non-compliance can introduce financial and reputational damage.</p> <p>In summary: A primary mandate of the WDC is to effectively serve its communities. WDC must comply with legislation. However due to the breadth of the risk a moderate level of risk will be tolerated. In some instances the consequence is low or realistically mitigating the risk lower is not economically feasible.</p> <p>Council has a moderate appetite for the risks associated with relationships with Iwi/Mana Whenua and other key stakeholders as it accepts that there</p>	


Risk Portfolio	Risk Portfolio Description	Risk Appetite and Tolerance	Risk Appetite Statement	Potential Key Risk Indicator ⁴
			are challenges in building and sustaining effective relationships and constraints with the capacity and capability of Iwi partners.	
Environment	Risks associated with significant adverse or damaging effects on the environment.	 Low	<p>Adverse impact made on the environment by Council operations, including non-compliance with resource consent conditions, may introduce financial and reputational damage.</p> <p>WDC has a low appetite for the impacts of this risk portfolio.</p>	Number of instances of reported non-compliance with resource consents held.
Planning and Strategy	Risks associated with strategic decisions made by Council; inability to deliver on vision; or the ability to deliver on strategic objectives.	 Moderate to High	<p>The risk appetite is driven by potential damage to reputation and the desire to ensure customers are receiving the best value services for money.</p> <p>Council recognises the challenge of</p>	<p>Resident satisfaction survey results</p> <p>Uptake of online channels as rolled out</p> <p>Levels of community engagement</p>


Risk Portfolio	Risk Portfolio Description	Risk Appetite and Tolerance	Risk Appetite Statement	Potential Key Risk Indicator ⁴
	<p>This portfolio also considers risks due to the political environment within and external to Council.</p> <p>This portfolio also considers the leadership shown by Council and the management of responses of the community to the decisions made.</p> <p>This can include legislative and policy changes introduced by central government.</p>		<p>effective community engagement including explaining what Council provides and being transparent with decision making.</p> <p>As a result WDC has a moderate to high appetite for this risk portfolio, given the need to make strategic decisions sometimes in the absence of full agreement by the community and the work required towards satisfying needs and expectations.</p>	
Planning and Strategy Changes in central Government policy		 <p>High</p>	<p>The risk appetite is high as Council has very limited ability to control this risk and appreciates the high level of uncertainty and ambiguity for proposed 3 waters, planning reforms and the review of the future of local government.</p> <p>Council's proactive approach in staying</p>	<p>Number of changes of legislation proposed and impact analysed</p>


Risk Portfolio	Risk Portfolio Description	Risk Appetite and Tolerance	Risk Appetite Statement	Potential Key Risk Indicator ⁴
			abreast of potential changes and participation in forums/submissions, with peer Councils, influences accepting this level of risk appetite.	
Financial Organisation (includes Projects)	<p>Risks related to the financial management of the Council and ability to fund activities and operations now and in the future.</p> <p>It also includes risks related to the management of budgets (both opex and capex) through operations and projects. Liquidity management and debt levels are also factors.</p> <p>External economic factors and market</p>	 <p>High</p>	<p>As per the Long Term Plan Council's debt levels are steadily increasing therefore there are less financial contingencies in place. There is limited control by Council of the financial impacts of COVID.</p> <p>Financial sustainability of the 10-Year Plan assumes a level of growth which needs to be closely monitored. WDC recognises the rate and quantum of growth can have a significant impact on the organisation and community. Whilst the drivers of the rate of growth are largely outside of</p>	<p>Actual against debt ratio benchmark</p> <p>Budget vs actual variance for operations and capex</p> <p>Rates collection rates</p> <p>Number of consents issued</p>

Risk Portfolio	Risk Portfolio Description	Risk Appetite and Tolerance	Risk Appetite Statement	Potential Key Risk Indicator ⁴
	<p>conditions can also impact the financial capability of Council and are also sources of risk.</p> <p>The impact of COVID at all levels will continue to cause economic uncertainty over the short to medium term.</p>		<p>Council's control it understands the importance of forecasting, planning for and managing growth.</p> <p>The inability to effectively deliver due to financial consequences introduces both reputational and potential compliance risk to Council. Noting also that exceeding expenditure or not operating within financial policies may have an adverse impact on rate levels and/or audit outcomes</p> <p>Council is willing to accept a high level of risk as reinforced by the financial parameters approved through the 2021-31 LTP. Focus is on ensuring council services are run prudently.</p>	

Risk Portfolio	Risk Portfolio Description	Risk Appetite and Tolerance	Risk Appetite Statement	Potential Key Risk Indicator ⁴
Information Management Cyber-security risk / data protection / data use and opportunities	<p>The risks in this portfolio are associated with the failure or compromise of processes, systems and data. This includes non-compliance with legislated obligations.</p> <p>They also include failure to utilise data and/or make the best opportunity of the data sets Council holds.</p>	 <p>Moderate</p>	<p>WDC manages a range of data pertaining to its own activities and that of its stakeholders. Although deemed to be an unlikely target for cyber risk (compared to other organisations) it has a moderate appetite. It is also working to ensure that legislative obligations are met.</p> <p>Information is one of the largest assets of Council and the increasing reliance on technology to deliver services and meet customer expectations are key drivers of this appetite.</p> <p>The investment in technology is required to maintain risk levels within this appetite with any further lowering requiring unsustainable levels of funding.</p>	<p>Number of security incidents and corrective actions identified</p> <p>Trends in security risks and vulnerabilities as per quarterly compliance reporting</p> <p>Compliance with legislative obligations.</p>

Risk Portfolio	Risk Portfolio Description	Risk Appetite and Tolerance	Risk Appetite Statement	Potential Key Risk Indicator ⁴
			<p>The risk is driven by compromised cyber-security resulting in reputational damage and property loss.</p> <p>There is moderate appetite around the use of data and the opportunity to utilise data.</p>	
Resilience (including Operations and Service Delivery and Property and Assets)	<p>The risks in this portfolio are associated with business continuity; risks impacting the day to day business function and level of service delivery.</p> <p>It also covers risks associated with the immediate management and recovery of normal business operations after a disruptive event. These may be internal and/or</p>	 <p>Low to Moderate</p>	<p>The ability to provide essential services following a natural disaster or other unforeseen event is a core function of Council. WDC has a low to moderate appetite for emergency management, crisis management, and business continuity risk.</p> <p>The higher level of risk appetite is for less disruptive events that can be managed to minimize the impact on the Council and District through the established response mechanisms,</p>	<p>Internal audit results for business continuity/crisis management and emergency management compliance and preparedness</p> <p>Programme of testing and reporting of effectiveness of preparedness from simulated and actual incidents</p>

Risk Portfolio	Risk Portfolio Description	Risk Appetite and Tolerance	Risk Appetite Statement	Potential Key Risk Indicator ⁴
	external, and may impact only WDC or the District.		including the Crisis Management Team. This appetite is driven by potential failure for emergency management and core service delivery introducing significant financial and reputational risk to Council and significant social and economic risk to the District.	
Resilience (Climate Change)	It also includes risks associated with climate change as we build more resilience within Council and the Community.	 Moderate	Climate change events could have a substantial effect on WDC and its community. With increasing expectations from central government and community the option of delaying preparations for climate change is no longer viable. Council will include climate change in planning for infrastructure and the community, and make some investment and	Changes in baseline carbon footprint Projects delivering climate change response or future proofing. Climate change reporting requests from Ministry for Environment

Risk Portfolio	Risk Portfolio Description	Risk Appetite and Tolerance	Risk Appetite Statement	Potential Key Risk Indicator ⁴
			<p>resource to start lowering the appetite over the next year. This includes responding to reporting requirements.</p> <p>The activity to mitigate against climate change is increasing within Council who has an aspirational target residual risk level of moderate.</p>	
Fraud, Bribery and Corruption	<p>The risks in this portfolio are associated with fraud, bribery and corruption.</p> <p>People risks include dishonesty (theft or fraud).</p>	 <p>Low</p>	<p>Non-compliance can introduce financial and reputational damage; this includes the risks associated with fraud and theft and/or bribery and corruption or lack of probity. In regard to fraud, bribery and corruption risk tolerance is low.</p>	

PART 2 - GLOSSARY

TERM	DEFINITION
Council	Waipa District Council, elected members.
Strategic risks	Risks that could affect the achievement of our vision, purpose, strategic goals and objectives, and strategies.
Operational risks	Risk associated with day to day business operations of the organisation.
Project risks	Risk event which if it materialises could potentially have an impact on the project objectives, resources and timelines.
Risk/ risk event	The potential effect of a future event that, if it happens, is expected to affect the outcome or outputs of one or more business objectives in a positive or negative way.
Risk appetite	The amount and type of risk that the organisation is willing to take in pursuit of our organisational objectives
Risk culture	The behaviours, attitudes and practices associated with risk management, reflected by staff while performing the day to day business operations.
Risk management	The culture, processes, systems and activities that assist in making informed decisions, with regards to risks to be pursued and/or avoided, to achieve our business objectives.
Risk management process	Systematic application of management policies, procedures and practices to the activities of communicating and consulting; understanding and defining the scope, content and criteria for risk management; identifying and assessing risks; exploring potential options for risk treatment; monitoring and reviewing the risks and risk management processes; recording and reporting on risk management.
Risk profile	Identifying, assessing and rating the top risks based on the effectiveness and efficiency of related control measures and understanding the impact of such risks on the business objectives.
Risk tolerance	The Council's readiness to bear risk after the risk treatment in order to achieve objectives. Risk tolerances are based on the maximum level of acceptable risk and may be expressed in various ways depending on the nature of the risk.
Inherent Risk	The level of risk when there are no controls or treatment – i.e. if we were to do nothing
Residual Risk	The level of risk after controls are in place
Stakeholder	Person or organisation that can affect, be affected by, or perceive themselves to be affected by a decision or activity
Waipa DC / WDC	Waipa District Council, the organisation.



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AUDIT AND RISK COMMITTEE REPORT



INFORMATION ONLY

To: The Chairperson and Members of the Audit and Risk Committee
From: Business Resilience and Risk Advisor
Subject: **RISK MANAGEMENT UPDATE**
Meeting Date: 20 September 2021

1 EXECUTIVE SUMMARY

Robust risk management is essential to Waipā District Council (WDC) to support the achievement of its strategic objectives.

WDC is currently in year three of a three year improvement programme with the objective of raising Council's risk management maturity level from 'sustainable' to 'mature'.

This report outlines initiatives that in staff's view should provide members of the Committee with confidence that risks are being well managed across the organisation and there is continuous improvement in the management of risk at Council.

This formal reporting sits alongside the less formal Chief Executive and Group Manager risk discussions, and the 'Deep Dive' discussions, that generally take place at each meeting of the Committee.

The following appendix/appendices accompanies this report:

- Appendix 1 – Quarterly Risk Management Report for the period June to August 2021 (document number 10681112)
- Appendix 2 – Framework for managing threats and aggressive customers (document number 10681111)
- Appendix 3 – KPMG Internal Audit Scoping Document - Project and Programme Management (document number 10689249)

2 RECOMMENDATION

That the 'Risk Management Update' report (document number 10679130), including the Quarterly Risk Report for June to August 2021 (document number 10681112), of Genny Wilson, Business Resilience and Risk Advisor, be received.

3 STAFF COMMENTS

The systematic management of risk is important for any organisation and in particular to a business as large and diverse as Council's. Ensuring an appropriate risk management framework is in place is an important function of the Audit and Risk Committee.

Actions, Initiatives and Plans Since Last Report

Response to COVID-19 Resurgence – Delta Variant

Council's Crisis Management (Team) was activated in response to the announcement by the Government that New Zealand would move to Alert Level 4 as of the 18th August. The role of Council's CMT is to lead Council's internal response; ensure Council's essential services remain operational, manage the changes to Council's operations and service as required, and support staff well-being and safety during the crisis situation.

Following the announcement, Council's Pandemic Plan, COVID Alert Levels, and Crisis Communication Plan were activated and staff began the necessary preparations across Council's facilities and services to move to level 4. All relevant community facilities and council buildings were closed to the public, and non-essential staff, as well as Council's contact centre, began working remotely from the 18th August.

The transitions have been managed smoothly and with resilience by staff. The updated plans and implementation of lessons learnt from previous responses supported these smooth transitions. Regular communications have been issued to staff with ongoing external communications managed through Council's website and social media channels. Health and safety protocols were frequently reviewed and updated as specific advice in regards to the Delta variant were received.

The Emergency Management readiness and response to the COVID-19 resurgence has been significant with the response being managed under the provisions of the COVID-19 Public Health Legislation. No State of Emergency has been declared. The National Emergency Management Agency (NEMA), the Waikato Group Emergency Coordinating Centre (GECC) and a Western Waikato Control Point (ICP) including other territorial authority ICP's throughout the region have been stood up in a support and/or monitoring role to the lead agency being the Ministry of Health. The priorities of GECC and the ICP's have been to contribute to the wider efforts, to contain the spread of COVID-19 by:

- Supporting Iwi, agencies and essential community providers, to enable

- communities and whānau to self-isolate.
- Supporting our DHB(s) and the Ministry of Health to provide their relevant essential services.
- Providing emergency welfare services, where there are no other means of support available.
- Contributing to the national intelligence picture.

Staff throughout the Western Waikato area have contributed to the GECC and ICP operations working remotely.

At the time of writing this report the CMT remains activated proactively managing the response as Council prepares for, and moves down alert levels. Significant focus is on supporting the mental and physical well-being of staff throughout this time.

Risk Improvement Change Management Programme Update

The Risk Improvement Change Management Programme continues with training being developed for the first three modules which provide the foundation for risk management at Waipā. Due to workloads, including COVID response, the development of training, while in progress, has been delayed.

Policy Rationalisation Project

The objective of the policy rationalisation project is to design a values based, simple organisational charter and updated internal operational policies so that employees (and leaders) are enabled to make good decisions and feel trusted to do the right thing.

The organisational charter, currently in the process of being finalised, has been developed and tested with staff and the Executive. The charter will form the foundation for policy rationalisation.

As the next step in this project a new internal policy and guidance template is being developed. These templates are intended to ensure clarity and alignment of approach and language used with the Charter. Four candidate policies are being updated into the new template, including the risk management and compliance policies. Once the template and supporting guidance materials are agreed the remaining policies will be prioritised on a risk basis.

Office of the Auditor-General (OAG) Case Study

A draft of the Waipā specific case study comments has been reviewed and feedback provided to the OAG. The report is expected to be tabled in Parliament in October. The OAG will present to ARC in December once the report is in the public domain so a free and frank discussion can be completed.

Framework for Managing Threats and Aggressive Customers

The emerging risk of aggressive customers and recent completion of installation of the duress system has required a holistic review of the responses across Council. A framework for managing threats and aggressive customers has been developed and is

attached as Appendix 2. This framework is providing a basis for the refresh of existing and development of new processes.

Council's Crisis Management Team (CMT) is providing oversight of the work to ensure that the necessary support materials, including processes, are aligned and completed. Training will be completed for all staff during the coming months.

Privacy Breach

During August a privacy breach was identified by a member of the public. While the breach is considered relatively minor Council has elected to notify the Privacy Commissioner.

The breach relates to the fact that submitters' names were included in background information attached to the recent Council report relating to the Waipā District Council Naming Policy. The report, including the submitters' names, was made public via the Council's website. Some of the submitters however had specifically requested that their names were not to be made public therefore Council had not complied with this request. Council has notified the four members of the public affected and has sent apology letters. Processes are being reviewed to ensure the risk of this occurring again is appropriately mitigated. Council will also be writing to the member of the public who identified the issue setting out the steps Council has taken to manage the breach.

Risk Mitigant Actions Update

The risk mitigant actions for this year's Top Risks have been updated from the 2021/22 Executive Business Plans and will be monitored as part of the quarterly risk report. The first report on these additional mitigants will be included in the December quarterly risk management report to ARC.

The 2019/20 Top Risk 5: Changes in Central Government policy or legislation has been removed for the 2021/22 year. The development of clear processes for submissions and implementing legislative change however have been developed and are being socialised with the Leadership Team.

Internal Audit Programme

In line with WDC's approved internal audit programme KPMG have been engaged to complete an internal audit on Council's project and programme management practices. The objective of the audit is to undertake an independent assessment of how effective and efficient Waipa's processes, tools and governance are regarding the execution of projects and programmes. For information the scoping document is attached in Appendix 3. Results of the audit will be reported to the December ARC meeting.

Quarterly Risk Management Report

The Quarterly Risk Management report has been developed in line with Council's Risk Management Policy and feedback from previous Audit and Risk Committee meetings. The report for the June to August 2021 period is attached as Appendix 1.

The key purpose of the report is to provide a base for discussion and trigger effective risk conversations by the Committee.

The report provides the Committee with the results of the quarterly review of risks; an update on the status of the mitigation measures; as well as an update on the implementation of the risk management strategy. It provides a base for discussion at every meeting of this Committee. The Executive also conduct a quarterly review of the report in the lead-in to the Audit and Risk Committee review.

The evolution of risk management reporting will continue as mechanisms for gathering the necessary data are developed for the remaining placeholders/gaps. Staff welcome feedback and ideas from this Committee to improve the usefulness of the information provided.



Genny Wilson

BUSINESS RESILIENCE AND RISK ADVISOR



Reviewed by Georgina Knapp

MANAGER BUSINESS IMPROVEMENT AND RISK MANAGEMENT



Approved by Ken Morris

DEPUTY CHIEF EXECUTIVE / GROUP MANAGER BUSINESS SUPPORT

Appendix 1

Quarterly Risk Management Report For June to August 2021 (document number 10681112)

KEY INSIGHTS

- The Top Risks and Risk Appetite Statement have been reviewed and included as a separate agenda item.
- The risk to Financial Sustainability is marked as trending stable. While the COVID resurgence has occurred the residual risk was increased in the top risk review due to the increased debt and lower reserve levels. At this stage there are not strong enough indicators to trend this upwards.
- Top Risk 3 Failure to respond to COVID-19 impact has been marked as trending upwards. Council's Crisis Management Team has been activated and is managing Council's internal response to the latest COVID-19 outbreak. The latest resurgence however creates uncertainty as to the economic and social impact on the Community.
- Note the emerging risk remains around customer behaviour. Response plans are in place, with additional response plans being developed based upon the developed response framework.
- Council continues to actively monitor and proactively respond to requests for information in regards to the multiple reforms underway.

TOP RISK MITIGATION ACTION MONITORING

The new mitigants for the 21/22 year are outlined in the separate agenda item in regards to the Top Risk and Risk Appetite Review report. The mitigants will be reported by exception from the December 2021 ARC meeting onwards.

EMERGING RISK

The following emerging risk remains this quarter, noting that the COVID resurgence will further impact Community tolerance levels and behaviours.

If the increasing episodes of bad behaviour, abuse and aggression from customers continue or escalate then staff and Council representatives' health, safety and wellbeing may be compromised and/or there may be a major incident impacting Council and the community.

DELETED RISKS

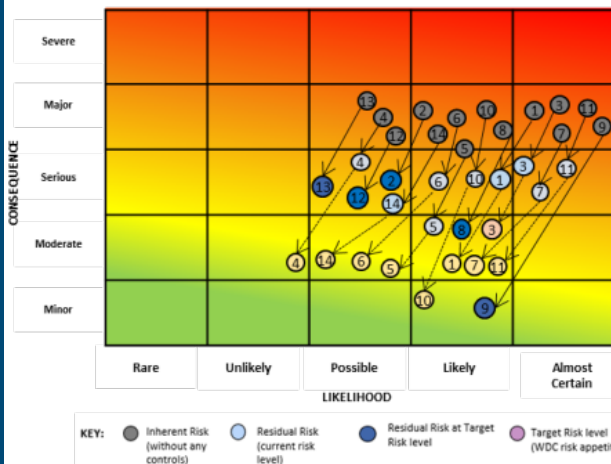
Top Risk: Changes in Central Government policy or legislation
 Top Risk: Failure to respond to Customer Demand
 Top Risk: Failure to prioritise and develop future projects that meet community expectations

OPERATIONAL RISKS

Promapp Risk Management Module has been purchased and will be used to record and report operational risks once rolled out over the next quarter. Risk management training incorporating operational risk management is currently being developed.

QUARTERLY RISK MANAGEMENT REPORT FOR JUNE TO AUG 2021

TOP RISKS HEAT MAP – 14 TOP RISKS



- A total of 14 Top Risks identified and assessed for this financial year.
- The uncertainty created economically by COVID-19 remains a key driver. This is paralleled with the uncertainty created by the number of reforms currently underway.

ADDITIONAL RISK REPORTING (as per Risk Management Policy)

PROJECT DELIVERY RISKS (Capital Works)

Project Delivery Risks (Capital Works) will be discussed under Project Delivery Report agenda item (may be Public Excluded).

OTHER PROGRAMME AND PROJECT RISKS

Project	Description	Risk Reduction Measure & Treatment Type	Risk Priority
Digital programme	If there is a reprioritisation of priorities and in particular significant increase in BAU activity which takes pre-planned project resources away from projects then projects will be delayed.	Project planning including resource requirements completed for all projects. Conservative worst case scenario applied. Backfilling considered where significant resource is required.	Very High Risk
Digital programme	If the vendor lead time for booking resources continues to extend then there will be significant delays getting issues attended to in a reasonable timeframe	Monthly program discussions held between WDC and TechOne to plan well in advance. Early escalation of issues. Some elements of this outside of WDC	Very High Risk
Digital programme	If supply chain delays means it is difficult to get hardware in a timely manner, then projects which require new hardware will be delayed.	Project scoping used to indicate hardware requirements earlier to provide more time for acquiring equipment. Some elements outside of	Very High Risk

SUMMARY OF TOP RISKS

#	Risk Area and Statement	Residual (current) level	Trend
1	Inadequate staffing capacity and capability to deliver Council's objectives: If Council is not adequately resourced, both in terms of capacity and capability, then this under resourcing may contribute to failure and/or significantly increased costs to deliver service levels and key projects.	Very High	→
2	Failure to deliver the programme of capital works: If Council fails to plan and deliver the proposed programme of capital works then this will impact the overall delivery of infrastructure to support growth, level of service improvements and asset replacement.	High	→
3	Failure to respond to COVID-19 impact: If Council fails to adequately respond and recover from the ongoing impacts of COVID-19 then there will be a negative impact on both the organisation and District.	Very High	↑
4	Failure to protect information management assets: If information management assets are compromised through actions of staff or other parties including cyber-security attacks, privacy breaches, data loss or corruption, or non-compliance of legislated obligations then Council's delivery of services and reputation will be negatively impacted.	High	→
5	Failure of relationships with key stakeholders: If Council has a breakdown in relationships with key stakeholders then Council's ability to operate and deliver services and projects effectively and within reasonable timeframes will be significantly impacted with negative flow on impacts to the community.	High	→
6	Failure of Iwi/Mana Whenua partnerships: If Council's partnerships with Iwi/Mana Whenua are not sustained and developed, including developing capacity and capability within Mana Whenua, then Council's ability to operate and deliver key projects will be significantly impacted and it may also fail to meet its post Treaty settlement obligations.	High	→
7	Risk to Financial Sustainability: If Council does not have sufficient liquidity and/or funding or debt levels are at limit, or if an unforeseen event such as a disaster requires funding then delivery of service levels and key projects may be significantly impacted.	Very High	→
8	Failure to manage the response of the Community to Council decisions: If Council does not effectively manage the response of customers and the community to Council decisions and they do not understand and trust the decisions made by Council then Council's reputation will be negatively impacted.	High	→
9	Failure to embed a Health and Safety culture: If Council does not have a strong Health and Safety culture and commitment to keeping staff, contractors and members of the public safe for Council controlled activities then there will be unacceptable injuries and potentially fatalities with legal consequences.	Medium	→
10	Failure to prepare for climate change impacts: If Council does not understand and/or adequately prepare for climate change impacts then the lack of knowledge and forward planning may have significant financial and reputational effects as well as adverse economic and social impacts on the community.	Very High	→
11	Failure to prepare for 3 waters reforms: If Council does not understand and/or adequately prepare for the proposed 3 waters changes from Central Government then there may be adverse financial and reputational impacts as well as the economic and social wellbeing of the community being negatively impacted.	Very High	→
12	Failure to forecast and manage growth: If Council fails to adequately forecast and manage medium term growth then there will be adverse impacts on finances and reputation and potential negative impacts on community wellbeing.	High	→
13	Failure to prepare for future of local government review and impacts: If Council fails to adequately understand and/or prepare for the impact of the future of local government review and reforms then there will be adverse impacts on the organisation, reputation and potential negative impacts on community wellbeing.	High	→
14	Failure to realise asset sales: If Council fails to effectively realise the planned asset sales then there will be underfunding and inability to deliver some projects in the LTP with negative impacts on reputation and community wellbeing.	High	→

KEYS

E Emitter risk	R Receiver risk
– Covid-19	– Staff capacity and capability
– Staff capacity and capability	– Growth
– Deliver the programme of capital works	– Community response
– Growth	– Risk to Financial Sustainability
	– Iwi/Mana Whenua partnership
	– Key stakeholder relationships
Higher velocity Risk Pathways	
Information management – Community response	

QUARTERLY RISK MANAGEMENT REPORT FOR JUNE TO AUGUST 2021

COMPLIANCE REPORTING

INTERNAL AUDIT UPDATE

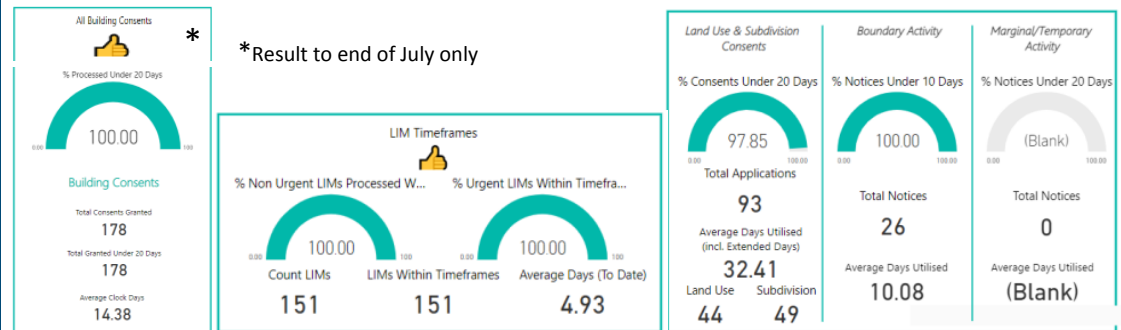
Audit	Type of Audit	FY audit completed	Expected programme completion	RAG status
Business Continuity Management Gap Analysis	Maturity	May-2017	Dec-2022	Follow up audit planned 21/22
Procure to Pay	Internal control	May-2017	Jun-2021	Follow up audit planned 21/22
Contract Management	Internal control	Mar-2018	Jun-2021	Follow up audit planned 21/22
Risk Management Maturity	Maturity	Jun-2018	Jun-2022	
Legislative Compliance Framework	Maturity	Mar-2019	Jun-2022	
Cyber Security Maturity Assessment (now aligned to ALGIM framework through WLASS)	Maturity	Feb-2019	Jun-2022	
Asset Management Planning Framework	Internal control	May-2020	Jun-2022	
Fraud Risk Management Gap Analysis	Internal control	Mar-2021	Jun-2023	
Project and Programme Management	Maturity	TBC		

- The internal audit improvement programmes are largely on track.
- Updates on the Business Resilience, Cybersecurity and Asset Management Planning Improvement Programmes are provided as separate agenda items.
- A follow up review of procure to pay, contract management and business continuity is planned for the 2021/22 year to confirm progress against the improvement plans.
- Improvement programs completed:
 - Payroll
 - Health and Safety
 - Capex procurement (PSP)

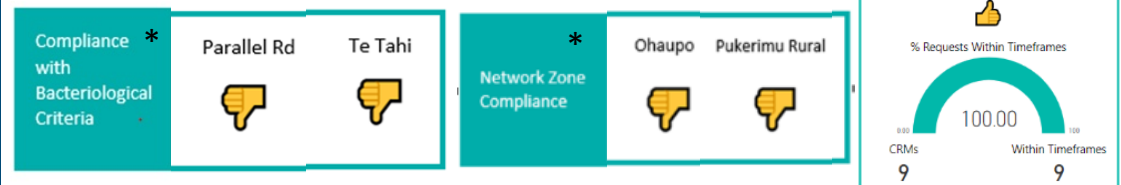
CYBER SECURITY

- The overall level of cybersecurity risk during the reporting period continues to see improvement since the previous report. There is no change to previous reports for external threat trends and social engineering attacks continue to be the most common type of attack.
- The Cybersecurity Incident Response Plan (CSIRP) that WDC has been developing with other WLASS councils is now complete. The staff phishing training has had a positive effect on cyber security awareness with the number of clicks by staff on suspicious e-mail attachments having significantly decreased. Further training is planned.
- A Cyber security improvement program update is included as a separate agenda item.

STATUTORY TIMEFRAME COMPLIANCE (YTD 1 July to 30 Aug 2021)



See commentary below for further explanation of figures



Commentary for those measures not meeting targets:

Land use consents: These are actually 100%. One consent is showing as over timeframe which was publicly notified, the application was heard by a Commissioner who adjourned the hearing by 16 days. This is not included within CI calculations but is captured in memos in CI for MFE reporting and calculation.

Drinking Water Compliance – Bacteria

Parallel Road water treatment plant and TeTahi is non-compliant, pending public health decision.

Drinking Water Compliance – Network Zone

E.coli detected in two zones during routine sampling. Council investigating with lab. Will be submitted to public health as extensive sampling supported contamination did not occur leaving plant or in the zone. Post sampling contamination occurred.

LEGAL COMPLIANCE

Privacy

- Council elected to report a minor privacy breach to the Privacy Commissioner in regards to releasing submitter details in error when the submitters requested anonymity.

Further detail is in the risk management update.

COMPLIANCE IMPROVEMENT PROGRAMME

The software ComplyWith has been purchased and planning for implementation is currently underway. The software will perform three functions:

- Provide access to staff of relevant legislation and the obligations they are required to meet in plain speak.
- Notify Legal Counsel of any changes in legislation to allow for dissemination of these changes to relevant staff.
- Enable a visible yearly attestation process for Managers to advise of levels of legislative compliance in their area.

Appendix 2

Framework for managing threats and aggressive customers (document number 10681111)

THREAT AND RESPONSE FRAMEWORK: AGGRESSION

TIMEFRAME

ACTION RESPONSES

RESOURCES

Pre-Incident	External Expectation of Customer Conduct ¹						
	Staff Recognition of Aggressive Behaviour ²						
	CS Frontline	Libraries	Museum	Animal Control	Field Staff	Call Centre	All Staff
Escalation	Attempt to Diffuse ²						
	Duress Process ³			Lone Worker ⁴	Make Safe ⁵	Script & End Call ⁶	LGOIMA Unreasonable Request ⁷
	Lockdown Process ⁸						Comm Protocol
	Reopen Process ⁹						Comm Protocol
Post-Incident	Warning Letter ¹⁰						
	Trespass ¹⁰						
	Log incident in TRAX ¹¹						
	Support Services ¹²						
	Debrief ¹³						

1. Website material

2. Guidance *

3. Activate and respond to duress alarm (P)

4. Respond to lone worker alarm (P)

5. Field staff response (P)

6. Activate and respond – script

7. LGOIMA escalation process (P)

8. Lockdown Office (P)

9. Reopen office (P)

10. Warning letter and trespass (P&T)

11. Log incident into TRAX

12. Awareness and access to support services

13. Debrief process (P)

* - From Appropriate Policy

P - Promapp process

T - Template

1. Website material
2. Guidance *
3. Activate and respond to duress alarm (P)
4. Respond to lone worker alarm (P)
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11. Log incident into TRAX
12. Awareness and access to support services
13. Debrief process (P)

* - From Appropriate Policy
P - Promapp process
T - Template

Appendix 3

KPMG Internal Audit Scoping Document – Project and Programme Management
(document number 10689249)



Project Management and Governance review

Draft Internal Audit Scope

Waipa District Council

September 2021

Background

There are a number of high value projects underway and planned for the future. Waipā established a project management framework in 2016 to support the delivery of projects across Council and it is timely to evaluate the effectiveness of it. . An independent assessment of how effective and efficient Waipā's processes, tools and governance are regarding the execution of projects and programmes is important to ensure strategic objectives are achieved. The review will focus on project management and governance framework and practices across the council associated controls.

This document outlines the terms of reference for this internal audit and is subject to KPMG's Internal Audit Service Agreement with WDC.

Internal audit objectives and scope

The overall objective is to assess the following:

- Is there is an effective planning, execution, and monitoring framework in place for projects delivered by Waipā?
- Is the framework being used effectively?

The assessment scope will cover all project phases (from initiation, through to execution and benefit realisation).

It should be noted the assessment scope will not review Waipā projects specifically, although selected projects will be looked at to determine how the framework is typically used for Waipā project delivery.

Internal audit approach

The overall approach is based on reviewing relevant background material and selecting up to 3 projects to review to assess how effectively the framework is being used. The below are the key activities that will be performed.

Planning/document review

1. Obtain and review relevant artefacts. These will include the following:

Framework/background material

- Project management framework
- Example artefacts referenced in the project management framework

Project information (used to inform sample projects to review)

- Project prioritisation framework and results
- Details of projects completed in the last 12 months (showing delivery to time, cost, scope).
- Details of current projects in flight (again showing delivery to time, cost, scope)

Sample projects (no more than 3)

- Project key artefacts e.g.:
 - Project initiation form
 - Business case
 - Project implementation plan
 - Procurement strategy or plan
 - Project status reports and steering committee packs
 - Close out report
 - Benefit tracking

Fieldwork

2. Hold discussions with Management relating to the in-scope areas and confirm key project governance and management processes. Likely interviewees will include:

- Ken Morris
- Georgina Knapp
- Peter Thomson
- Dawn Inglis
- Up to 3 project managers
- Manager Strategy
- Manager Finance
- Manager Information Services
- Others as mutually agreed.

Reporting

3. Prepare a draft report that includes an assessment of the project management framework and how effectively it is being used for Waipa projects (based on a sample of up to 3 projects).
4. Issue final report including management action plans to address Internal Audit's recommendations.

Project sponsor

Ken Morris, Deputy Chief Executive & Group Manager Business Support and Dawn Inglis, Group Manager Service Delivery, will be the co-sponsors of this internal audit and will retain ultimate responsibility for ensuring recommendations arising from this review are actioned. Georgina Knapp and Peter Thomson would be our day to day contacts.

Internal audit team

Name, title	Area of responsibility
Bineeta Nand, Partner	Quality control of the work performed and deliverables.
Sean Aitken, Director	Manage the delivery of the in-scope areas.

Other internal audit staff members will be utilised as necessary during the review.

Indicative timetable

Particulars	Date
Scope agreed with management	20 September 2021
Fieldwork	September/October 2021
Close out meeting with project sponsor	Mid October 2021
Draft report issued to management	Mid October 2021
Management comments received	Late October 2021
Final report issued to management	Late October 2021
Final report presented to Board Audit, Risk and Compliance Committee	November 2021

Fees

Our estimate for this review is \$36,000 plus GST and disbursements. Our estimate has been based on the assumption that we will have ready access to necessary interviewees and documentation throughout the duration of our review. We will promptly inform the project sponsor of any constraints in performing this review and of any additional work requested that could result in any variation of this scope.

Reporting

All potential findings will be discussed with the process owner prior to being raised with management. Management will be made aware of significant issues as and when they are identified to provide early notification and facilitate resolution. A Summary of Potential Findings identified during the Internal Audit will be discussed with project sponsor and management. Management comments will be incorporated into the draft report for review by WDC Management.

Distribution

Name	Title	Audit scope	Draft report	Final report
Waipa District Council				
Garry Dyet	Chief Executive	✓	✓	✓
Ken Morris	Deputy Chief Executive & Group Manager Business Support	✓	✓	✓
Dawn Inglis	Group Manager, Service Delivery	✓	✓	✓
Audit and Risk and Committee		✓		✓

Approval of internal audit scope**Approved by:**

Bineeta Nand
Partner, KPMG

Date:**Approved by:**

Ken Morris
Deputy Chief Executive & Group Manager Business Support, Waipa District Council

Date:

AUDIT AND RISK COMMITTEE REPORT



INFORMATION ONLY

To: The Chairperson and Members of the Audit and Risk Committee
From: Genny Wilson, Business Resilience and Risk Advisor
Subject: **MONITORING OF IMPROVEMENT PROGRAMME PROGRESS - BUSINESS RESILIENCE UPDATE**
Meeting Date: 20 September 2021

1 EXECUTIVE SUMMARY

Business Continuity Management (BCM) is a key risk mitigation strategy and tool for ensuring that WDC can continue to deliver critical services to the community in the event of a disruptive event. It is a key component of what is termed wider as “Business Resilience”.

Significant milestones have been achieved with the Summary Report of the Business Impact Analysis and the Organisational Business Continuity Plan (BCP) being completed, and approved by the Executive Team.

Templates for the Business Unit BCPs and Quick Reference Guides (QRGs), along with guidance material, have also been completed. These are being rolled out to the Managers Group over the next month who will then have a time period of three months to complete and/or update their Department specific BCPs.

The following appendix/appendices accompanies this report:

- Appendix 1 – Organisational Business Continuity Plan (document number 10619472)
- Appendix 2 – Quick Reference Guide Template (document number 10675200)

2 RECOMMENDATION

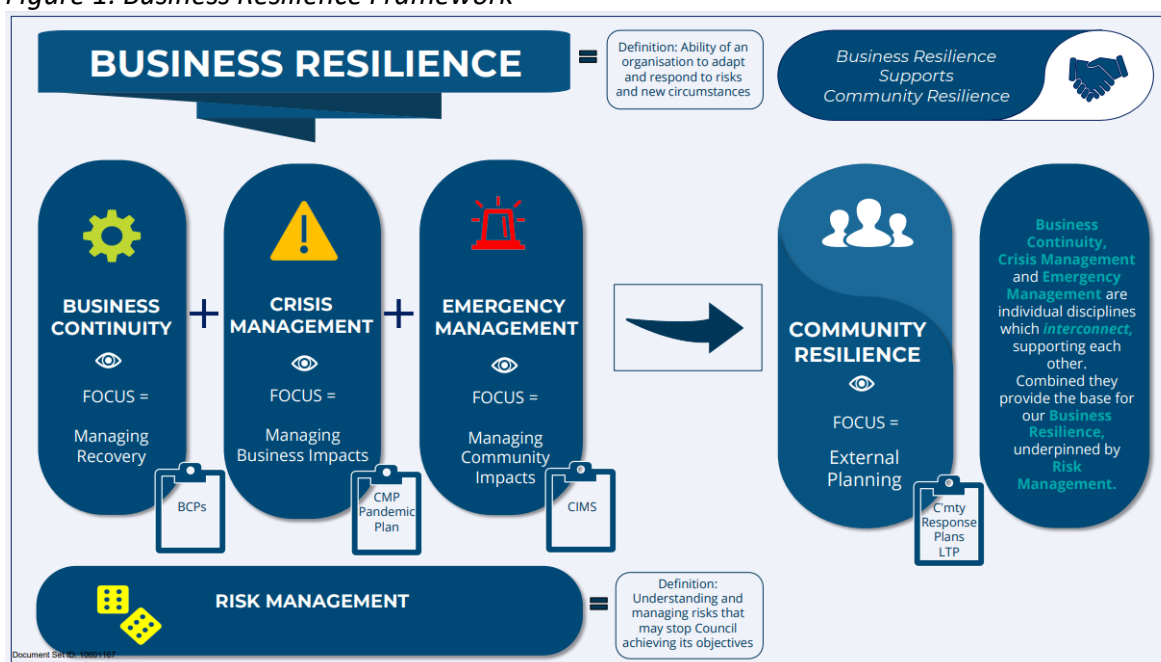
That the ‘Monitoring of Improvement Programme progress - Business Resilience Update’ report (document number 10679133), of Genny Wilson, Business Resilience and Risk Advisor, be received.

3 STAFF COMMENTS

A crucial component of BCM is to understand the criticality of an organisation's different functions and a Business Impact Analysis (BIA) is undertaken for this purpose.

The BIA is a systematic process to determine and evaluate the potential effects of an interruption to critical business operations as a result of a disruptive event. It identifies the priorities for the organisation to continue its critical operations and recover. The output of the analysis informs the design and implementation of BCPs and overall BCM within the organisation. Refer to the pictorial below which shows the context of BCPs within the wider business resilience framework.

Figure 1: Business Resilience Framework



Thirty-five BIAs were completed by Feb 2020, covering all Council functions, and subsequently reviewed post the COVID lockdown. Each BIA analysed the criticality of the following:

- Functions and services including interdependencies between teams.
- Staff roles and potential points of failure.
- Other critical resources such as buildings.
- Applications and technology.

The Summary BIA report has been approved by Executive as is best practice. A risk and threat assessment was carried out as part of the development of the BIAs. The risk and threat scenarios are assessed at an organisational level and at a high-level are outlined in Table 1.

A number of mitigant strategies have been developed to respond to these threats and these will inform the detailed BCP responses for the organisation and each department.

Table 1: Organisational risk scenarios

Risk Description	Risk Rating (inherent)
Loss of Infrastructure/Plant/Equipment: If critical plant, equipment or infrastructure fails then service will be compromised.	Very High
Loss of People: If staffing levels are insufficient, including key staff being unavailable, then service will be compromised.	Very High
Loss of Technology: If technology to support the business is unavailable then service will be compromised.	Very High
Loss of Key Supplier/Vendor: If supplies for essential services/functions are delayed or unavailable then service will be compromised.	Very High
Loss of Facilities: If a natural or other event causes the loss of one or more facilities then service will be compromised.	High
Loss of Funding: If Council failed to source funding and/or was financially unstable then services would be compromised.	High
Loss of Governance: If there is a failure of governance then the ability of Council to function and deliver services will be compromised.	Medium

The BCPs are captured at two levels and are triggered sequentially as outlined in Figure 2 and 3 below:

1. The Organisational BCP outlines Council's business continuity response at an organisational level. It guides management and staff through the steps necessary to respond to a disruptive incident, recover or acquire resources necessary to support operations, and resume operations at a modified or full capability.
2. The Business Unit BCP outlines the specific strategies to be deployed at a business unit level for the different threats.

For context the business continuity response is triggered after an event has occurred, an immediate 'make safe' response is completed and Council's Crisis management Team (CMT) has been activated (figure 1). Relevant department BCPs are then activated.

In addition a Quick Reference Guide (QRG) has been developed for teams to use for easily accessible information to use in the event of a disruption.



Figure 2: Sequence of Event Responses.

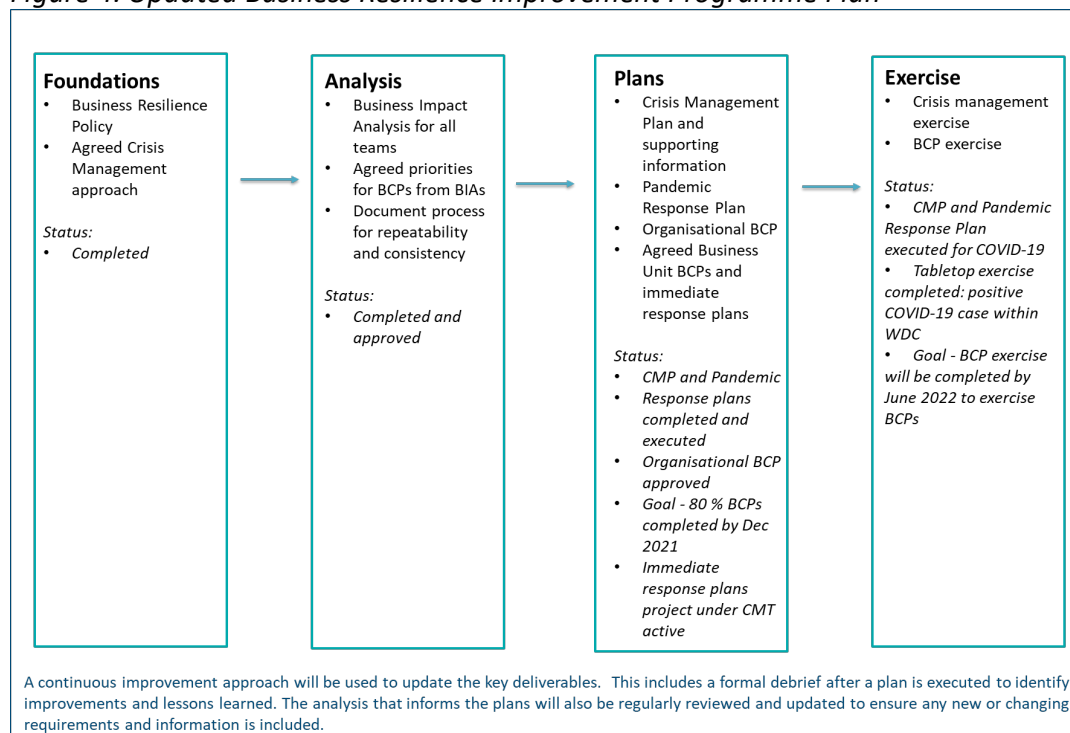


Figure 3: Hierarchy of BCPs

The Organisational Business Continuity Plan is attached as Appendix 1 and the Quick Reference Guide as Appendix 2. These documents are for the information of the Committee.

The Business Resilience Improvement Programme has been re-planned following the achievement of these key milestones and an update is provided in the figure below.

Figure 4: Updated Business Resilience Improvement Programme Plan



COVID Recovery

There are no direct impacts on COVID recovery although the increased resilience from these documents will allow a more consistent response to COVID or other disruptions.

Financial/risk considerations

BCM is a key risk mitigation strategy and tool for ensuring that WDC can continue to deliver critical services to the community in the event of a disruptive event.



Genny Wilson

BUSINESS RESILIENCE AND RISK ADVISOR



Reviewed by Georgina Knapp

MANAGER BUSINESS IMPROVEMENT AND RISK MANAGEMENT



Approved by Ken Morris

DEPUTY CHIEF EXECUTIVE / GROUP MANAGER BUSINESS SUPPORT

Appendix 1

Organisational Business Continuity Plan (document number 10619472)

BUSINESS CONTINUITY PLAN

WAIPĀ DISTRICT COUNCIL

**All Leadership Team members should hold a hard
copy of this plan in the office and at home**

MAY / 2021

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Document Actions and Approval

Activity	Role/Status	Signature	Date
Owner	GM Business Support		
Approver	CEO		
Status	Draft		
Exercise Status	Untested		
Review Due			

The document will be reviewed on a yearly basis to ensure currency or after an event whichever occurs sooner.

Document Control

Issue	Reason for Issue	Author	Reviewer	Date
1	Draft organisational BCP for review	Genny Wilson	Georgina Knapp	17 June 2021
2	Updated draft for sponsor review	Genny Wilson	Ken Morris	7 July 2021
3	Updated draft for Executive Team review	Genny Wilson	Executive Team	6 August 2021
4	Approved version to Audit and Risk Committee – contact details removed	Genny Wilson	ARC	20 September 2021

Document Storage

All final Business Resilience documents are stored in a top level ECM index Business Resilience. “Business Resilience” index with sub-indices:

- 102 Emergency Management
- 100 Crisis Management

- 103 Business Continuity

PART 1 - OVERVIEW

1.1 Document Purpose and Context

To outline Council's business continuity response at an organisational level. The organisational Business Continuity Plan (BCP) is to guide management and staff through the steps necessary to respond to a disruptive incident, recover or acquire resources necessary to support operations, and resume operations at a modified or full capability.

For context the business continuity response is triggered after an event has occurred, an immediate 'make safe' response is completed and Council's Crisis management Team (CMT) has been activated (figure 1) . Relevant department BCPs are then activated. The hierarchy of plans is shown in figure 2.



Figure 1: Sequence of Event Responses.

Figure 2: Hierarchy of BCPs

The objectives of this plan, approved by senior management and applicable to all departments, personnel, and support resources, are aligned with the overall goals of business continuity and include the following:

- provide the strategies to minimize the impact and disruption caused by different crises or situations.
- ensure continuity of business operations delivering critical services/functions.
- prevent damage to Council through the loss of assets and resources and reputational harm.

At the same time, for all significant incidents the Crisis Management Team will be:

- leading the overall response.
- utilizing BCP documentation to mitigate impact.
- communicating with stakeholders
- making decisions regarding response and recovery priorities, and
- providing guidance to department recovery leads as they implement all appropriate business continuity plans.

1.2 Plan Scope

The scope of this plan includes the following:

- Critical services/functions that need to be partially or fully recovered within 5 days (Appendix 1)
- The human resources of WDC that are required to deliver or support delivery of the critical services/functions or have been identified as essential due to their specialist knowledge (Appendix 2).
- Resources, including systems and facilities, required for recovery and restoration of services/functions (Appendix 3).
- Applications that are required to deliver or support delivery of critical services/functions (Appendix 4)¹.
- Each business unit/team will have a detailed BCP for their critical services/functions. If no critical services/functions are identified then there is no requirement for a BCP. However the Manager of the team will be required to keep a list of contact details for all staff in their team to ensure that they can notify staff members in the event of a disruptive event.

1.3 Plan Assumptions

The following assumptions have been used in developing this plan.

- Essential staff are available to deliver the critical services/functions.
- Staff are able to work remotely and continue to service customers, including the contact centre.
- Existing redundancy in IT infrastructure is working and able to be switched effectively and efficiently. This includes the data centre recovery if required.
- Data is protected by robust backup regimes. Data recovery objectives are application specific and dependent on Council or third-party backup and recovery procedures. Technology One is a critical business wide enterprise system with comprehensive resilience and recovery point objectives provided as a service.
- Applications are and will continue to be migrated to the cloud to provide further resilience.
- Communications will provide support and implement the crisis communications plan
- CMT will be activated in support of the organisation and/or impacted team.
- Contracts with key suppliers include recovery requirements, or existing relationships will be leveraged.

¹ Note a separate Disaster Recovery Plan owned by Information Services details the specific technical recovery of applications and services, IT hardware and infrastructure, and data within the information technology environment. The IS BCP also includes the details of activation triggers for the BCP and DR Plans for specific applications.

- Managers are responsible for maintaining the currency of their business continuity plans, including staff contact details.

1.4 Council Context

Waipā District Council (WDC) is the territorial authority for the Waipā District which lies in the heart of the Waikato region with a population of around 53,000. WDC employs about 329 staff and provides a wide range of services. As part of the local government sector it has a compliance function as well as delivering core services for the wellbeing and functioning of our communities. Delivery of these services must continue in the event of a disruption to WDC business.

1.5 Relationship to Other Components of Business Resilience

This business continuity plan forms part of the overall business resilience for Waipā District Council. The relationship between the various components are described in figure 3 below.

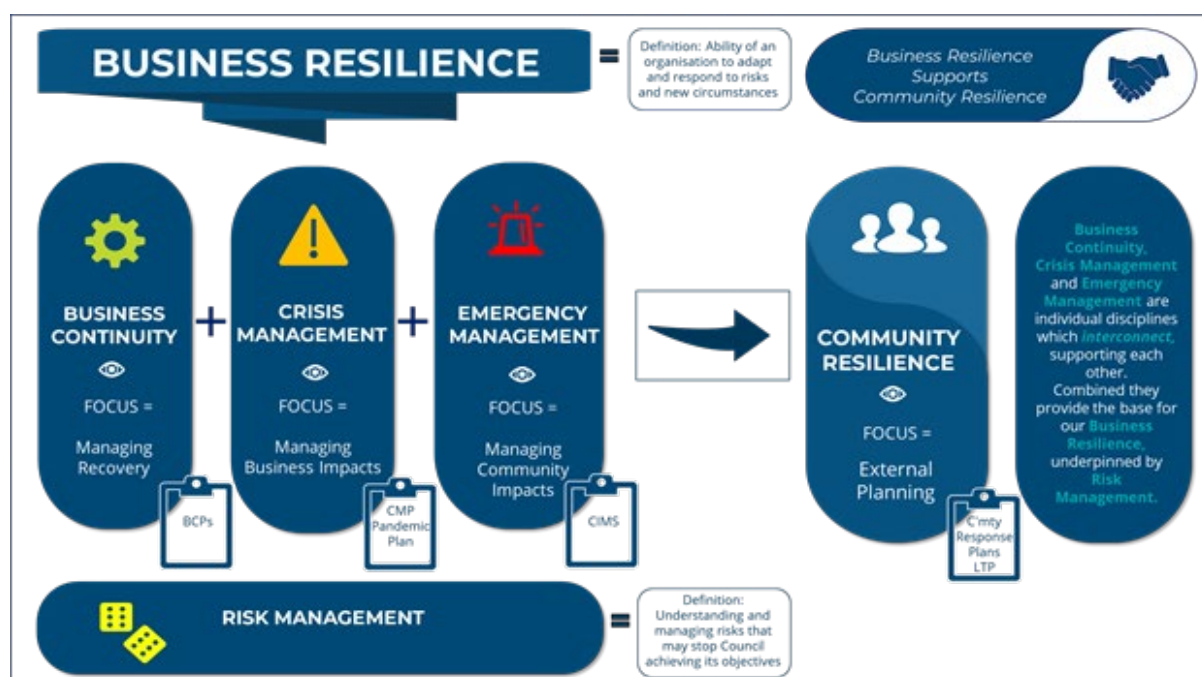


Figure 3: Relationship to Business Resilience

PART 2 - RESPONSE PLANS

2.1 Business Impact Analysis and Risk Assessment

The immediate and business continuity response plans were developed based on Business Impact Analyses (BIA). The services and functions by Business Unit which need to recover within 5 days or require an immediate response were identified.

The critical services/functions (must return to full or partial service within 5 days), critical resources and applications, and essential human resources are detailed in the summary report found in the Appendices of this report with the full report being [here](#).

2.2 Immediate (Emergency) Response²

The emergency response is detailed in the following documents:

Table 1: Emergency Response Plans

Plan	Link
Evacuation Plans	101 Bank St Te Awamutu here 23 Wilson St Cambridge here Annex Roche St Te Awamutu here Other facility evacuation plans are in the appropriate Business Unit BCP
Waipā Local CDEM	Plan - here Recovery Plan - here

The following table details the immediate response plans required:

Table 2: Immediate Response Plans

Plan	Link
Manage aggressive or difficult person in library including duress	
Manage aggressive or difficult person in museum including duress	
Manage aggressive customer including duress - Customer Support	
Aggressive customers in the field	
Duress - All/neighbouring staff response	
Lockdown office for safety – Customer Support	

² Note: The CMT has been activated to develop and confirm the necessary response plans and their implementation from 8 June 2021. Once completed this list will be updated and the plans/processes linked.

Plan	Link
Respond to armed robbery – Customer Support	
Respond to emergency (transfer phones) – Customer Support	
Responding to lone-worker device activations – Animal Control and Enforcement	
Manage suspicious package	
Manage Bomb Threat	
Loss of building and evacuation required - Fire/Earthquake/Flood/ Gas leak/chemical spill	
Hostage situation	
Hazardous material	
Trapped in elevator	
Intruder in facility – Water Services	
First Aid/CPR/death/serious workplace accident that requires immediate medical attention	
Manage power cut or other incident - libraries	
Manage salvage of collections after incident - museum	
Manage burials in emergency situation	
Clean up after storm events etc – Community Facilities, Parks and Reserves	
Respond to death in public place – Strategic Partnerships	N/A as protocol driven and will depend on the circumstances of the incident
Inspect bridges after event - Transportation	
Maintenance of roads during/after an event - Transportation	
Respond to loss of supply (water) – Water Services	
Respond to loss of control (water) – Water Services	
Supply contamination – Water Services	
Respond to loss of control (wastewater) – Water Services	
Respond to overflow– Water Services	
Manage security breaches/incidents – Information Services	
Manage disruption/outage incidents – Information Services	

2.3 Crisis Management Response

The crisis management response is detailed in the following documents:

Table 3: Crisis Management Response Plans

Plan	Link
Crisis Management Plan	here
Crisis Communication Plan	here .
How the teams fit together for the overall management when the EoC and CMT are activated in parallel and how they work with the Executive Team.	here
Pandemic Response Plan	here

2.4 Business Continuity Response

The business continuity plan – **this plan** – details the continuity response and supports recovery. It provides the overview for the organisation as a whole and provides guidance to the Executive Team and CMT in the event of a significant disruptive event.

The high level activities are described within this plan. The Business Unit Business Continuity Plans provide the specific activities and details for that group

2.5 Plan Level Triggers and Escalation

Refer *Figure 1: Sequence of Event Responses* for a visual representation.

- Triggers for the activation of the Business Continuity Plan will depend upon the disruptive incident. Table 4 outlines BCP triggers and escalations.
- In the majority of cases an immediate response is required and then if significant the CMT will be activated.
- Depending on the circumstances then the business continuity plan will be activated which may be at the request of the CMT.
- In cases where the time to partially restore services is measured in hours, e.g. if WDC lost a water treatment facility, then the business continuity plan would be activated by the appropriate manager in parallel to the CMT being activated.

The Crisis Management Plan (CMP) includes supporting documentation on how to assess the significance of a disruptive event and escalation paths to assist with the initial assessment. These tools can also be used to determine if the BCP is activated. The CE or Group Managers can activate the CMT. In some circumstances the CMT may be activated as a watching brief whilst the business unit manages the incident to mitigate any risks of future escalation.

Triggers and/or escalations that will activate the organisational Business Continuity Plan are summarised in the table below.

Table 4: Triggers for Activation of BCP

Event	Trigger	Comment
Loss of Facility (maybe due to natural disaster, fire, flood, contamination, terrorist act etc)	All or majority of a facility is unavailable and expectation is that recovery will take longer than 2 hours.	Immediate Response is to evacuate and make facilities secure. Emergency services called if required. CMT activated and makes decision based on circumstances and facility as to activating organisation and/or business unit BCP. Note: CE has delegation to close facilities.
Loss of Infrastructure/Plant/Equipment (maybe due to natural disaster, fire, flood, contamination, sabotage, terrorist act etc)	Critical infrastructure and/or plant and/or equipment fails or is damaged resulting in service outage of more than 2 hours.	Critical infrastructure/equipment/plant is required to deliver services that have an RTO ³ of 1 day or less. CMT activated and makes decision based on circumstances and infrastructure/plant/equipment impacted as to activating organisation and/or business unit BCP.
Loss of People	Absentee rates of 20% or higher across	CMT activated and makes decision based on

³ Recovery Time Objective (RTO) and the Maximum Tolerable Period of Downtime (MTPD or MTPOD). Staff completing the BIAs used the simplified definitions of how long before we needed some service up and running, albeit at less than full capacity as RTO and the time to fully restore service as the MTPD. The prioritised business services are agreed by each organisation based on their risk appetite and business context and an RTO of 5 days or less was used for the prioritisation within WDC.

The analysis has also identified those services that have an RTO of 1 day or less and identified what measures are already in place for managing disruption to identify any immediate vulnerabilities.

Event	Trigger	Comment
(maybe due to natural disaster, staff unable to travel to work/work remotely, absenteeism due to pandemic or other health related event, strike or industrial action)	organisation or 40% or higher within a specific business unit/team of four or more individuals	<p>circumstances and services impacted as to activating organisation and/or business unit BCP.</p> <p>Note CMT may be activated at lower levels of absenteeism for planning and as a watching brief if it is a slow burn event.</p>
<p>Loss of Technology</p> <p>(Any loss of utility service (power), connectivity (system sites), or catastrophic event (weather, natural disaster, cyber or physical sabotage, terrorist attack) that causes an unplanned interruption to or quality reduction of IT service levels.)</p>	<p>Prolonged outage of critical applications (applications defined in BIAs) of 1 business day or more.</p> <p>Data corruption or security breach.</p>	<p>Manager Information Services logs incident and identifies recovery actions invoking CMT where resumption of critical technology processes cannot meet maximum tolerable downtime.</p> <p>CMT activated and makes decision based on circumstances and services impacted as to activating organisation and/or business unit BCP.</p> <p>Note if system outage is out of WDC control, e.g. cloud service under third party SLA, then the trigger time for activation may be extended at the discretion of the Manager IS.</p>
<p>Loss of Key Vendor/Supplier</p> <p>(maybe due to natural disaster, fire, flood, liquidation, acquisition, supply chain issues etc)</p>	<p>Critical supplies stocks are less than one day e.g. water treatment chemicals and/or vendor notifies of</p>	<p>CMT activated and makes decision based on circumstances and services impacted as to activating organisation and/or business unit BCP.</p>

Event	Trigger	Comment
	<p>inability to supply to agreed timeframes.</p> <p>Supplier/vendor is only supplier of critical resources and is no longer viable and/or will be unable to supply for minimum 3 business days.</p>	<p>Note if the key vendor supplies IT resources then the triggers for lack of technology should be used for activation.</p>
<p>Loss of Funding</p> <p>(maybe due to natural disaster, cybersecurity, credit rating downgrade, market/financial failure etc)</p>	<p>Negative funding impact of greater than 25% revenue.</p> <p>Inability to service debt obligations and/or meet salary and other essential payments – liquidity issues.</p>	<p>CFO (GM Business Support) in discussion with CEO makes decision based on circumstances and services impacted as to activating organisation and/or business unit BCP.</p> <p>CMT may be activated at CFO and CEO discretion</p>
<p>Loss of Governance</p> <p>(maybe due to natural disaster, terrorist act, incapacity or incapability of Mayor and/or Elected Members, no decision making due to conflict etc)</p>	<p>Inability to meet quorum for Council, F&C, SP&P meetings delaying decision making.</p> <p>Mayor and Deputy Mayor incapacitated.</p> <p>Irreconcilable differences between Elected Members impacting timeliness and effectiveness of governance.</p>	<p>CEO makes decision based on circumstances and services/ governance functions impacted as to activating CMT and/or organisation BCP.</p> <p>Decision may be made to activate BCP or escalate externally after consultation with Independent Chair of Audit and Risk Committee.</p>

Event	Trigger	Comment
	DIA intervention.	

PART 3 - RECOVERY STRATEGIES AND PROCEDURES

This Plan offers strategies designed to enable effective and efficient response and recovery to each of the following scenarios. Business Unit BCPs will use selected strategies that are relevant or applicable to their functions.

The recovery strategies and procedures found in this plan are organized into nine sections:

1. Assessment/Evaluation and Response
2. Recovery Strategy 1 – Loss of Facility
3. Recovery Strategy 2 – Loss of Infrastructure/Plant/Equipment
4. Recovery Strategy 3 – Loss of People
5. Recovery Strategy 4 – Loss of Technology
6. Recovery Strategy 5 – Loss of Key Vendor/Supplier
7. Recovery Strategy 6 – Loss of Funding
8. Recovery Strategy 7 – Loss of Governance
9. Ongoing Operations

Consult only the recovery procedures necessary, based on the disruptive incident requiring the activation of this plan.

3.1 Assessment/Evaluation and Response

The assessment and response to recover from a disruptive event is detailed in the CMP and supporting information including the crisis management processes in Promapp found [here](#). The supporting information also includes the Crisis Communications Plan that is implemented by Communications and Engagement team.

The immediate response procedures e.g. evacuation procedure will be used in an emergency. This business continuity plan assumes that the necessary actions have been taken to ensure any people at the scene are safe, emergency services have been called if required and any necessary activities are undertaken for the immediate security of the scene/location.

3.2 Strategy 1 – Recover from a Loss of Facility

If a facility is damaged, inaccessible, or unavailable for use for any reason, this strategy outlines the procedures designed to support the recovery of business units and activities based on approved recovery requirements.

- Office based staff will be required to work from home/remotely. If access to office facilities is required for specific purposes then a roster will be used for any remaining office facilities.
- For specialist facilities e.g. parks depots, pounds, libraries then operations will be consolidated to the available specialised sites.
- If the operations are not able to consolidate to an available site then the alternative delivery mechanisms identified in the business unit BCPs will be activated e.g. water tankers for potable water for impacted communities.

3.2.1 Strategy 1 - Procedures

After evacuating and securing the facility the following actions will be completed:

Table 5: Actions to Recover from Loss of Facility

Action	Responsibility
Inform Manager Property or Property Advisor (Facilities Management) of the situation	Team Leader or Manager of impacted team
Inform GM Business Support of the situation (Team Leader or Manager of impacted team) If the facility has a specialised function, e.g. pound, water treatment plant then activate the Business Unit Business Continuity Plan. The GM of the impacted area may activate CMT for support dependent on the situation.	Business Unit Manager
If the facility is used by multiple teams e.g. office building then CMT will be activated by GM Business Support or any other member of the Executive Team. <i>Note the CE has delegation to close facilities</i>	Executive Team
Activate Crisis Communication Plan	Manager Communications and Engagement
Inform Leadership team of situation and requirement for impacted staff to work from home until notified otherwise	CE or other member of Executive Team
Send all staff email notifying of situation and requirement for impacted staff to work from home until notified otherwise	Manager Communications and Engagement
CMT manage response, including communications, if activated	CMT lead by Crisis Manager
Notify Insurance Company if claim is likely	GM Business Support
Determine damage and recovery options	Manager Property
Agree recovery option for facility	Executive Team – may require agreement from insurance
Depending on timing may require relocation or centralisation of front line services to alternate site. Plans for relocation are detailed in the Property BCP.	Manager Property
Implement recovery repairs	Manager Property
Make insurance claim	Manager Finance
De-activate CMT (if activated previously)	Crisis Manager and Group Manager Business Support

3.3 Strategy 2 – Recover from a Loss of Infrastructure/Plant/Equipment

If core infrastructure, plant or equipment is damaged or unavailable for any reason, this strategy outlines the procedures designed to support the recovery of the services and activities based on approved recovery requirements.

- For key infrastructure contracts are in place for the response by maintenance contractors to disruption due to failure of not only plant and equipment but the utilities that support their operation. The contract for roading includes a business continuity plan. Spare parts are held where appropriate.
- Other operational contracts include response and maintenance expectations for the service in the event of a disruptive event e.g. arborists response to storm events toppling trees.
- The existing relationships with third party suppliers under the Professional Services Panel and existing contracts will also be leveraged to design and implement any recovery requirements. This also applies to relationships with contractors and suppliers for key operational areas such as 3 waters.

3.3.1 Strategy 2 - Procedures

Undertake the following actions after making scene safe and secure:

Table 6: Actions to Recover from Loss of Infrastructure/Plant/Equipment

Action	Responsibility
Identify the source of failure and impact	Team Leader or Manager Business Unit
If necessary call contractor on site to assist in identification	Team Leader or Manager Business Unit
Notify GM and Manager of impacted business unit if not already notified	Team Leader or most senior person on site
GM may activate CMT to support/manage response	GM impacted area or other Executive team member
Inform GM Business Support if insurance claim likely	GM impacted area
Determine what parts are available or need procuring and timeframes	Team Leader/Manager in conjunction with contractor/SME
Activate business unit BCP if expected recovery time exceeds triggers	Manager Business Unit
Activate Crisis Communication Plan	Manager Communications and Engagement
If impact includes likely environmental impact or breach of resource consent notify Waikato Regional Council	Manager Business Unit
Determine recovery plan for specific repairs, including procurement of any parts and contractors. <i>Note this may be a short term fix until a longer term more sustainable solution is implemented</i>	Manager Business Unit in conjunction with Procurement Advisor if exception or fast tracking required

Action	Responsibility
If appropriate plant or equipment may be hired – details will be in the Business Unit BCP, then hire the necessary plant/equipment	Manager Business Unit
Notify Insurance company if claim may be likely	GM Business Support or Manager Finance
Implement recovery repairs <i>Note that the repairs may be a short term solution until the long term solution can be implemented</i>	Manager Business Unit
Make insurance claim	Manager Finance
Complete long term recovery planning and design of solution	GM of impacted area
Gain approval of solution	GM of impacted area
Implement long term solution	GM of impacted area
De-activate CMT (if activated previously)	Crisis Manager and Group Manager Business Support or GM of impacted area

3.4 Strategy 3 – Recover from a Loss of People

If absenteeism occurs, which may result from no-notice (immediate) loss or a large-scale public health event such as a pandemic, this strategy describes the tasks to support the staffing of the most essential departments and activities throughout the course of the incident.

- The pandemic response plan identifies the most critical services and departments and the resourcing requirements which is here. It also identifies which services/functions are deprioritised so that staff can be redeployed as necessary. The health and safety plans identify how staff will be kept safe and resilience built into operations for the duration of any disruptive event. This includes remote working, use of rostering and ‘bubbles’ to ensure that there is continuity of service.
- For some teams/business units there is a requirement for some of the team to be able to work remotely to maintain service delivery in the event of a loss of staff. It is assumed for pandemic planning purposes that 40% of staff may be absent. The strategies in the pandemic plan can be utilised for other loss of people scenarios, e.g. strike action.
- Key roles, including supporting the management and recovery of an emergency through the EoC, a crisis through the CMT or business continuity through a recovery team, will have nominated alternatives.
- There will also be a campaign to encourage the use of online services to residents and ratepayers and members of the public to relieve pressure on the staff delivering services.

3.4.1 Strategy 3 - Procedures

Undertake the following actions:

Table 7: Actions to Recover from Loss of People

Action	Responsibility
Assess the severity of the staff shortage and teams impacted and likely duration of shortage	Manager Business Unit in conjunction with HR
Reassign staff to cover roles from within Business Unit if possible – this may require reprioritisation of work	Manager Business Unit in conjunction with Team Leaders
If coverage cannot be provided within Business Unit then escalate to Manager HR and GM of impacted area	Manager Business Unit
GM may activate CMT	GM of impacted area
CMT manage response	Crisis Manager
If CMT is not activated the GM may reassign resources across the Group and/or cut services. A plan will be developed to determine staffing arrangements using options including reassignments, temporary resources from an appropriate agency, contractors undertaking some of the work on behalf of Council or appropriate qualified staff from other Councils may be utilised. If resources cannot be reassigned within the Group or alternatives sourced and managed within the Business Unit then CMT should be activated.	GM of impacted area in conjunction with Manager Business Unit
Activate Crisis Communications Plan and inform community of any delays/impacts	Manager Communications and Engagement
Implement staffing plans	Manager Business Unit in conjunction Manager HR
Notify Payroll of any adjustments required	Manager HR
De-activate CMT (if activated previously)	Crisis Manager and Group Manager Business Support or GM of impacted area

3.5 Strategy 4 – Recover from a Loss of Technology

If there is a pervasive interruption to the information technology environment, this strategy describes response activities to expedite technology restoration and sustain the business during its absence.

- Across the organisation there is increasing reliance on access to technology both for office workers and those in the field and this will continue as further applications are rolled out as part of the digital roadmap. There is very little to no ability to deliver services through manual workarounds and so this is not considered as an effective recovery strategy for a loss of technology.
- The current strategy for recovery from a loss of technology is based on risk mitigation through preventative activities and strategic relationships. This is achieved through the

service levels and contracts with key vendors including availability, redundancy and recovery for infrastructure, data backups and recovery, security measures to manage cyberattacks. In addition a Regional group to respond to significant cyber incidents has been formed across the region with other Councils. This provides additional capability and capacity to recover from a disruptive incident.

- For technology there is a compromise between the potential loss of data with the impact on the business and the cost of providing the level of service required for minimal data loss. Currently WDC contracts at service levels based on affordability and risk. The recovery of data is largely contracted with our vendors as part of Software as a Service (SaaS) or through the infrastructure vendors.
- The rollout of laptops and other devices over the past year has provided increased resilience as staff can now work remotely if they have internet access using the current software tools. This ability will be enhanced through the proposed digital programme. The movement of the enterprise system and other key applications into the cloud has significantly reduced the risk of losing technology for all of the organisation.
- Where there is an outage or loss of technology at one or more office buildings staff will work remotely, usually from home. If the loss is at one facility only then the strategies for loss of facilities will be utilised.
- If the loss of technology is due to an external issue that is not mitigated by the inbuilt redundancy within the system, e.g. a global Microsoft outage then WDC is reliant on our vendors for recovery. Whilst these events are relatively unlikely the impact could be a complete closure of the business during the outage and recovery is beyond WDC control.
- For IT the move to SaaS, use of datacentre and cloud storage, and lease equipment has provided further resilience and also capacity and capability with vendors providing additional resource and technical expertise. The principles for the digital roadmap also mitigate the risk of the loss of technology and implementing the remaining projects must be part of the strategy to prevent and recover from the loss of technology.
- The Manager Information Services owns and is responsible for the Disaster Recovery Plan that details the specific technical recovery of applications and services, IT hardware and infrastructure, and data within the approved information technology environment.

3.5.1 Strategy 4 – Procedures

Undertake the following actions after making scene safe and secure:

Table 8: Actions to Recover from Loss of Technology

Action	Responsibility
Assess the severity of the outage/security incident/event and likely duration. Also assess likely data loss.	Manager Information Services
Determine if loss of technology requires WDC recovery or vendor recovery. This may include identifying that it is a wider incident that is outside of WDC control e.g. Global Microsoft issue that impacts MS Suite	Manager Information Services

Action	Responsibility
Activate Disaster Recovery Plan if required	Manager Information Services in conjunction with vendors
Escalate to GM Business Support	Manager Information Services
GM may activate CMT	GM Business Support
CMT manage response	Crisis Manager
Activate Crisis Communications Plan	Manager Communications and Engagement
Inform staff of projected recovery and what decisions have been made about working from home/remotely and/or closure of facilities or other strategies specific to incident. <i>Note the CE has delegation to close facilities – including virtually</i>	Manager Communications and Engagement
Implement Disaster Recovery Plan and appropriate strategy for recovery under organisational BCP	Manager Information Services in conjunction with vendors
Activate Business Unit BCPs as appropriate and directed by CMT	Leadership Team
De-activate CMT (if activated previously)	Crisis Manager and Group Manager Business Support

3.6 Strategy 5 – Recover from a Loss of a Key Vendor/Supplier

If there is a negative incident affecting one or more vendors' ability to support our critical operations, this strategy describes the response activities needed to support the continuity of operations.

- For key vendors and contractors for operational contracts the business continuity and disaster recovery measures that these vendor/suppliers have in place is part of the procurement/contract management of that vendor. It is acknowledged that not all key vendors have these measures explicitly in place but this will be included as contracts are re-tendered and contract management matures across the organisation.
- The implementation of the procurement strategy in 2020 to increase the local component of contracts has the potential to increase resiliency. The use of WLASS procurement and regional collaboration will also potentially mitigate the risk of losing a key vendor.
- The improvements made for the procurement and contract management within WDC includes robust probity and due diligence before contracts are awarded which helps mitigate the risk, particularly for capital works projects. Additionally the use of the Professional Services Panel (PSP) through WLASS provides further risk mitigation as there are multiple vendors that are providing the same professional services.

- WDC also uses a variety of suppliers for more generic purchasing that provides resilience. Alternative suppliers have been identified within Business Units that have reliance on key suppliers for raw materials, parts or maintenance services.

3.6.1 Strategy 5 - Procedures

Undertake the following actions:

Table 9: Actions to Recover from Loss of Key Vendor/Supplier

Action	Responsibility
Assess the severity of the loss of key vendor/supplier and impact on business services/functions and/or projects.	Manager Business Unit
Identify if any alternatives exist and our relationship/ability to procure. Define impact, including any financial implications. Provide options for recovering from loss and impact.	Manager Business Unit in conjunction with Procurement Advisor
Escalate to GM of impacted area(s)	Manager Business Unit(s)
GM may activate CMT <i>Note: if more than one Business Unit or Group are impacted and there are no alternatives or significant financial impact CMT must be activated.</i>	GM of impacted area and/or other Executive Team member
If CMT is not activated then obtain approval to implement preferred option to recover <i>Note: approval must be within operational and financial delegation of approver. If approval is required from Council then CMT must be activated.</i>	Manager Business Unit from GM of impacted area or delegated authority
CMT manage response	Crisis Manager
Activate Crisis Communications Plan	Manager Communications and Engagement
Implement approved option and appropriate strategy for recovery under organisational BCP	Manager Business Unit
Activate Business Unit BCPs as appropriate and directed by CMT	Leadership Team
De-activate CMT (if activated previously)	Crisis Manager and Group Manager Business Support

3.7 Strategy 6 – Recover from a Loss of Funding

If the Council loses funding sources from a negative disruptive incident, this strategy describes the response activities needed to support financial sustainability. It is acknowledged that this may be caused by recession or financial crises that are outside the direct control of Council.

- Monitoring and reporting on the financial status of the Council is an important preventive measure that allows prudent management of treasury funds, budgets, commitments and debt levels. This is also important to identify if there is a likelihood of a negative event as soon as possible so that corrective action is taken early.
- The current credit rating would be leveraged and options for recovery presented to Council for approval. The reworking of budgets and planned expenditure would provide the ability to return to a more sustainable financial state. In extreme circumstances this may require the stopping of capital works and reduction of staff numbers.
- For a sudden or one off disruptive event the Council has insurance for key aspects of the business and infrastructure. Not all activities and assets are insured – rather a cost benefit vs risk approach is taken.

3.7.1 Strategy 6 - Procedures

Undertake the following actions:

Table 10: Actions to Recover from Loss of Funding

Action	Responsibility
Identify that there is an issue with funding or alternatively that the top risk has escalated beyond agreed risk appetite level. Assess the severity of the loss of funding and impact on business services/functions and/or projects.	Manager Finance and/or Group Manager Business Support in conjunction with Executive Team
Identify if any alternatives for funding exist and define impact. Provide options for recovering from loss and impact.	Manager Finance in conjunction with Group Manager Business Support
Escalate to CE and identify escalation path for Elected Members – Mayor and which Council/Committee meeting.	Group Manager Business Support
GM Business Support or CE may activate CMT	GM Business Support and/or Chief Executive
Activate Crisis Communications Plan	Manager Communications and Engagement
If CMT is not activated then obtain approval to implement preferred option to recover – may require approval from Council <i>Note: approval must be within operational and financial delegation of approver. If approval is required from Council then CMT must be activated.</i>	Manager Business Unit from GM of impacted area or delegated authority
CMT manage response	Crisis Manager
Implement approved option and appropriate strategy for recovery under organisational BCP	Group Manager Business Support and Chief Executive
De-activate CMT (if activated previously)	Crisis Manager and Group Manager Business Support

3.8 Strategy 7 – Recover from a Loss of Governance

If there is a failure or loss of effective governance of Council, this strategy describes the response activities needed to support the continuity of operations and governance.

- Effective decision making by Council and the CEO with the support of the Executive Team are critical to management and performance of Council. The breakdown of relationships either within Council or between Council and the CEO and Executive Team may paralyse the organisation.
- The current process for governance, including an independent chair for the Audit and Risk Committee provide oversight of risk management within Council and the internal and external audit programme which potentially will highlight any issues. An audit or review by a third party would provide objective evidence of what the issues are and what is needed to recover from this for consideration by ARC who would recommend the actions to be taken.
- Mediation is an option for restoring a functional governance structure and decision making. Advice could be obtained from the organisations supporting the local government sector, namely Local Government New Zealand (LGNZ) or Taituarā (formerly SOLGM).
- If the failure of governance is severe then the issues would be escalated to the Department of Internal Affairs and Minister who can take action including appointing Commissioners to run the Council as happened in Tauranga City Council in late 2020.
- If the loss of governance is due to an emergency situation then the alternatives for the key roles (Mayor and CEO) will take control. The delegations and procedures for governance in this case will be defined as part of the procedures in this business continuity plan.

3.8.1 Strategy 7 - Procedures

Undertake the following actions:

Table 11: Actions to Recover from Loss of Governance

Action	Responsibility
Identify that there is an issue with loss of governance. Assess the severity of the loss of governance and impact on Council decision making, business services/functions and/or projects.	Chief Executive and/or Executive Team
Identify if any alternatives for governance exist and develop options for recovering from loss and impact.	Executive Team
Escalate to Audit and Risk Committee Independent Chair as appropriate and identify escalation path for Elected Members – Mayor and which Council/Committee meeting.	Group Manager Business Support and Chief Executive in conjunction with Independent Chair of ARC.
Activate Crisis Communications Plan	Manager Communications and Engagement

Action	Responsibility
Agree plan for further escalation/resolution	Chief Executive
Implement approved option and appropriate strategy for recovery under organisational BCP	Group Manager Business Support and Chief Executive
Activate CMT to manage implementation if appropriate	Group Manager Business Support and Chief Executive
Manage implementation of recovery response	Crisis Manager and Group Manager Business Support
De-activate CMT (if activated previously)	Crisis Manager and Group Manager Business Support

3.9 Ongoing Operations

For all of the above scenarios the restoration of service and/or handover to Business as Usual (albeit BAU may be different to that previously) will signify the move to ongoing operations. Where CMT was activated this will be the at the point when CMT is deactivated if not agreed prior.

In all cases a debrief should be completed. This may be a hot debrief and/or a full debrief once the recovery has been effectively implemented. The information to complete a review is detailed in the Promapp process “Review an Incident Response” found [here](#).

The objective of the debrief is to identify the lessons learned and make any changes/improvements to the appropriate plans and supporting documents. These lessons learned may also include the root cause of the incident and how to prevent any recurrence.

For incidents where the CMT has been activated and/or the Organisational Business Continuity Plan has been activated the Manager Business Improvement and Risk Management is responsible for ensuring that a debrief has been completed and the necessary plans and/or processes are updated with any lessons learned.

For incidents where the Business Unit has activated their BCP and/or managed the incident the Manager Business Unit is responsible for ensuring that the debrief is completed. The Business Resilience and Risk Advisor is available to advise and assist with the debrief.

A report of the debrief and lessons learned should be prepared for the GM of the impacted area at a minimum. It is expected that where the Organisational BCP and/or CMP are used that a report will be provided to the Executive Team. Where agreed with the Group Manager Business Support the appropriate information may also be reported to the next available Audit and Risk Committee meeting.

PART 4 - KEY RESPONSIBILITIES AND CONTACTS

4.1 Key Responsibilities

For business continuity management and recovery from a disruptive event the roles and responsibilities are defined at an organisational level in this plan and at a business unit level in the respective plans.

At an organisational level the following assumptions have been used in defining the roles and responsibilities:

- The Crisis Management Team will manage the business impacts and response to the disruptive event.
- The organisational recovery is managed by the Executive Team.
- Where appropriate the implementation of this plan may be delegated to the Crisis Management Team with oversight and decision making by the Chief Executive. This will be dependent on the type of business disruption.

4.1.1 Recovery⁴ Team after BCPs are activated

The recovery team is responsible for executing tasks for the recovery effort required to resume normal operations after a major disruptive incident. For all scenarios the following roles and responsibilities are required.

Table 12: Key Roles and Responsibilities

Roles and Responsibilities	Primary	Alternate
Recovery Manager – Provide leadership to the organisation and make decisions for prioritising resources, including staff, for recovery of essential services initially and the balance of the business secondly.	CE	Deputy CEO
Activity Lead if Loss of Facilities included in disruption for recovery of facilities	Manager Property	Manager Property Projects
Activity Lead if Loss of Infrastructure/Plant/Equipment included in disruption for recovery of operations	Group Manager Service Delivery	Principal Engineer
Activity Lead if Loss of Technology included in disruption for recovery of IT environment and services and communications, including disaster recovery plan activation	Manager Information Services	Systems Engineer
Activity Lead if Loss of People included in disruption for recovery of staffing resources	Manager Human Resources	CE or Deputy CEO

⁴ Note this is different to the formal recovery function under the EoC.

REFERENCES

Roles and Responsibilities	Primary	Alternate
Activity Lead if Loss of Key Supplier/Vendor in disruption for recovery of supply chain, alternative contractors	GM Business Support	GM Service Delivery/ GM Strategy and Community Services
Activity Lead if Loss of Funding included in disruption for recovery of financial sustainability	GM Business Support (CFO)	Manager Finance
Activity Lead if Loss of Governance included in disruption for recovery of decision making and governance.	Chief Executive Officer	Manager Governance
Coordination with Crisis Management Team to ensure communication and decisions/escalations understood and acted.	Manager Business Improvement and Risk Management	Business Resilience and Risk Advisor
Communications – provide internal and external communications in support of the recovery	Manager Communications and Engagement	Senior Communications Advisor
Recovery Advisors – provide specialist knowledge and advice to Recovery Manager (Note: EoC will take priority if activated)	Group Manager District Growth and Regulatory	Manager CDEM
Other Advisors and Leadership staff will be co-opted as determined by the Chief Executive and the circumstances of the disruptive event.	Dependent on disruptive event	Dependent on disruptive event
Local Controller – If EoC activated or CDEM required	Group Manager District Growth and Regulatory	Manager CDEM
Recovery Manager – Handover from EoC/CDEM	Group Manager Strategy & Community Services	Group Manager District Growth and Regulatory

4.2 Contacts

The contact details for the key roles and responsibilities and alternates are detailed below. Other key contacts have also been included in the table below this.

Note that contact information is for the purpose of the recovery of WDC services/functions in the event of a disruption. This personal information should not be shared unless required for recovery purposes.

All members of the LT should keep a hard copy of contact details and have the numbers stored as contacts in their phone.

REFERENCES

4.2.1 Key Roles and Alternates Contact Details

The table below details the contact information for key contacts. Note a list of key media contacts are included in the Crisis Communications Plan. Business Unit BCPs will include the key suppliers and specific contact details for that business unit.

Table 13: Key Roles and Alternate Contact Details e.g.

Role	Name	Teams Number	Mobile	Alternate phone number
Chief Executive				
Deputy Chief Executive / GM Business Support / CFO				
GM District Growth and Regulatory				
GM Service Delivery				
GM Strategy and Community Services				
Manager HR				
Manager Property				
Manager Information Services				
Manager Business Improvement and Risk Management				
Manager Communication and Engagement				
Principal Engineer				
Manager Finance				
Manager Governance				
Manager Strategy				
Manager Property Projects				
Manager CDEM				
System Engineer				
Senior Communications Advisor				

REFERENCES

Role	Name	Teams Number	Mobile	Alternate phone number
Business Resilience and Risk Advisor				

4.2.2 Other Key Contacts

The table below details other key contacts for the organisation.

Note a list of key media contacts are included in the Crisis Communications Plan. Business Unit BCPs will include the key suppliers and specific contact details for that business unit.

Table 14: Other Key Contact Details e.g.

Organisation	Role	Name	Mobile	Alternate Number
Waipā District Council	Mayor			
Waipā District Council	Deputy Mayor			
Waipā District Council	Independent Chair Audit and Risk Committee			

*TBC: This may include contact details for CE or other senior staff at neighbouring Councils
Most supplier and other contact details will be in the appropriate business unit BCP rather than here*

PART 5 - ADDITIONAL RESOURCES

Business Continuity Management Gap Analysis – KPMG internal audit report:

[DocumentSetId=7099022](#)

Business Resilience Policy [docsetId=10093074](#)

BCI Good Practice Guidelines 2018 <https://www.thebci.org/knowledge/search-knowledge.html>
(note need membership to access full or lite version – see Business Resilience and Risk Advisor for more information).

Promapp Business Continuity Management processes [DocumentSetId=10599623](#)

Promapp Crisis Management processes [docsetId=10448509](#)

BIA spreadsheet template [docsetId=8000220](#)

BIA definition document for workshops [docsetId=10080019](#)

Critical Staff spreadsheet [docsetId=10594653](#)

Critical Resources spreadsheet [docsetId=10590181](#)

Critical IT Applications spreadsheet [docsetId=10594081](#)

Risk Management Policy [docsetId=7988267](#)

Summary BIA Report [docsetId=10598804](#)

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APPENDIX 1: PRIORITISED SERVICES/FUNCTIONS

The prioritised services/functions have a RTO⁵ of 5 days or less.

Group	Business Unit	Team	Service / Function	RTO (days)	MTPD (days)
Strategy & Community Services	Community Services	Libraries	Open and close library	1	2
Strategy & Community Services	Community Services	Libraries	Buy and receive new stock (acquisitions)	2	5
Strategy & Community Services	Community Services	Libraries	Deliver front desk services	1	2
Strategy & Community Services	Community Services	Libraries	Manage catalogue and stock	1	2
Strategy & Community Services	Community Services	Libraries	Identify and manage library system failure	1	2
Strategy & Community Services	Community Services	Libraries	Manage Te Awamutu Community Space bookings	1	5
Strategy & Community Services	Community Services	Libraries	Manage aggressive or difficult person in library	0.125	1
Strategy & Community Services	Community Services	Libraries	Manage power cut or other incident	0.1	1
Strategy & Community Services	Community Services	Libraries	Outreach and community programmes	1	2
Strategy & Community Services	Community Services	Reserve Planning	Allocate environmental benefit lot	3	7
Strategy & Community Services	Community Services	Reserve Planning	Provide advice e.g. resource consenting internal	3	7

⁵ Recovery Time Objective (RTO) and the Maximum Tolerable Period of Downtime (MTPD or MTPD). Staff completing the BIAs used the simplified definitions of how long before we needed some service up and running, albeit at less than full capacity as RTO and the time to fully restore service as the MTPD. The prioritised business services are agreed by each organisation based on their risk appetite and business context and an RTO of 5 days or less was used for the prioritisation within WDC.

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Group	Business Unit	Team	Service / Function	RTO (days)	MTPD (days)
Strategy & Community Services	Community Services	Museum	LEOTC visit procedure	5	10
Strategy & Community Services	Community Services	Museum	Open and close museum	5	10
Strategy & Community Services	Community Services	Museum	Manage salvage of collections after incident	0.125	1
Strategy & Community Services	Community Services	Museum	Manage programmes (including online)	5	10
Strategy & Community Services	Community Services	Parks and Reserves	Maintain parks and reserves - BAU	3	7
Strategy & Community Services	Community Services	Parks and Reserves	Manage customer requests/complaints (CRMs) - H&S	1	2
Strategy & Community Services	Community Services	Parks and Reserves	Prepare and reinstate burial plots	1	2
Strategy & Community Services	Community Services	Parks and Reserves	Manage burials in emergency situation	1	2
Strategy & Community Services	Community Services	Parks and Reserves	Clean up after storm events etc	0.125	10
Strategy & Community Services	Community Services	Community Facilities	Manage customer requests/complaints (CRMs) - H&S	1	2
Strategy & Community Services	Community Services	Community Facilities	Clean up after storm events etc	0.1	10
Strategy & Community Services	Strategic Partnerships	Strategic Partnerships	Respond to death in public place	1	2
Strategy & Community Services	Strategic Partnerships	Strategic Partnerships	Provide advice when incident has cultural component	1	2
Strategy & Community Services	Strategic Partnerships	Strategic Partnerships	Manage COVID recovery programme	5	10
Customer Services	Communications and Engagement	Customer Support	Access Ci and action CRMs - H&S	1	3

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Group	Business Unit	Team	Service / Function	RTO (days)	MTPD (days)
and Strategy					
Customer Services and Strategy	Communications and Engagement	Customer Support	Receive and handle customer phone call	0.25	1
Customer Services and Strategy	Communications and Engagement	Customer Support	Manage frontline queries	1	2
Customer Services and Strategy	Communications and Engagement	Customer Support	Administer Ci	2	5
Customer Services and Strategy	Communications and Engagement	Customer Support	Administer Customer Support	2	5
Customer Services and Strategy	Communications and Engagement	Customer Support	Administer Genesys	0.5	1
Customer Services and Strategy	Communications and Engagement	Customer Support	Open/close office	1	5
Customer Services and Strategy	Communications and Engagement	Customer Support	Manage money (cash and eftpos)	1	5
Customer Services and Strategy	Communications and Engagement	Customer Support	Manage aggressive customer (frontline duress)	0.1	0.5
Customer Services and Strategy	Communications and Engagement	Customer Support	Lockdown office for safety	0.1	0.5
Customer Services and Strategy	Communications and Engagement	Customer Support	Respond to armed robbery	0.1	0.5
Customer Services	Communications and Engagement	Customer Support	Manage alert levels response for COVID	0.5	2

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Group	Business Unit	Team	Service / Function	RTO (days)	MTPD (days)
and Strategy					
Customer Services and Strategy	Communications and Engagement	Customer Support	Process mail and drop boxes	1	3
Customer Services and Strategy	Communications and Engagement	Customer Support	Reporting	2	5
Customer Services and Strategy	Communications and Engagement	Customer Support	Respond to emergency	0.1	0.5
Customer Services and Strategy	Communications and Engagement	Customer Support	Manage after hour calls	1	5
Customer Services and Strategy	Communications and Engagement	Customer Support	Social media monitoring and escalation to Comms	0.5	1
Business Support	Information Systems	Information Management	Coordinate LGOIMAs/Privacy complaints	5	10
Business Support	Information Systems	Information Management	Coordinate general Complaints	5	10
Business Support	Information Systems	Information Management	Open tenders	5	10
Business Support	Information Systems	Information Management	Manage ECM (system administration)	3	5
Business Support	Information Systems	Information Management	Manage incoming and outgoing courier packages	3	5
Business Support	Information Systems	Information Management	Manage incoming and outgoing physical mail (includes interoffice transfers)	3	5
Business Support	Information Systems	Information Management	Process info@waipadc mailbox	3	5
Business Support	Information Systems	Information Management	Archive/retrieve physical records from offsite	5	10

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Group	Business Unit	Team	Service / Function	RTO (days)	MTPD (days)
Business Support	Governance	Governance	Prepare agenda and reports (Council, Committees and Community Boards)	5	10
Business Support	Governance	Governance	Distribute agenda and reports	5	10
Business Support	Governance	Governance	Organise Council workshop	5	10
Business Support	Governance	Governance	Minutes (Council, Committees and Community Boards)	5	10
Business Support	Governance	Governance	Friday mailout	5	10
Business Support	Governance	Governance	Induct new Council	5	10
Business Support	Governance	Governance	Elections	5	10
Business Support	Governance	Governance	Manage interest declarations	5	10
Business Support	Governance	Governance	Manage discretionary grants	5	10
Business Support	Governance	Governance	Provide governance advice and support	5	10
Business Support	Governance	Governance	Provide first level IT support to councillors	5	10
Business Support	Governance	Governance	Operate Zoom meetings (whilst notice in place) and workshops	5	10
Business Support	Governance	Governance	Stream meetings live (post recording post meeting if not live)	5	10
Business Support	Governance	Governance	Manage meetings with pandemic protocols	5	10
Business Support	Legal Services	Legal Counsel	Review contracts	5	10
Business Support	Legal Services	Legal Counsel	Provide advice (legal and delegations)	5	10
Business Support	Legal Services	Legal Counsel	Respond to queries from Insurance companies/residents	5	10
Business Support	Information Services	GIS	Run updates - regular (varies)	5	10

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Group	Business Unit	Team	Service / Function	RTO (days)	MTPD (days)
Business Support	Information Services	GIS	Upload Cloud	1	2
Business Support	Information Services	GIS	Produce LIM map manually (QGIS)	0.5	1
Business Support	Information Services	GIS	GPS data capture	5	10
Business Support	Information Services	GIS	GPS data management	3	5
Business Support	Information Services	GIS	Respond to requests/supply data	3	5
Business Support	Information Services	GIS	Update address point	3	5
Business Support	Information Services	GIS	Data management	2	5
Business Support	Information Services	GIS	Supply information to CDEM	0.125	0.125
Business Support	Information Services	GIS	Intramap availability	0.125	0.25
Business Support	Information Services	GIS	Maps on line availability	0.25	1
Business Support	Information Services	GIS	Manage District Plan information	1	2
Business Support	Property	Property	Manage property - Monitoring closed landfills	1	1
Business Support	Property	Property	Manage assets - Council occupied buildings	1	5
Business Support	Property	Property	Manage assets - Community buildings	1	5
Business Support	Property	Property	Manage assets - Key sites	1	5
Business Support	Property	Property	Manage assets - Pensioner Housing	1	5
Business Support	Property	Property	Manage assets - Residential Housing	1	5
Business Support	Finance	Procurement	Maintain supplier database	5	10
Business Support	Finance	Procurement	Review tender documents and contracts	5	10
Business Support	Finance	Procurement	Undertake probity	5	10

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Group	Business Unit	Team	Service / Function	RTO (days)	MTPD (days)
Business Support	Finance/Administration	Procurement/Administration	Manage fleet vehicles	2	5
Business Support	Finance	Procurement	Provide procurement advice and support	5	10
Business Support	Finance	Accounts Payable	Manage and administer suppliers and creditors	5	10
Business Support	Finance	Accounts Payable	Manage and process invoices (PO and classic)	2	5
Business Support	Finance	Accounts Payable	Manage and process BCTIs	5	10
Business Support	Finance	Accounts Payable	Manage and process invoices CiAnywhere	2	5
Business Support	Finance	Accounts Payable	Process payment runs	2	5
Business Support	Finance	Revenue	Rates billing	5	20
Business Support	Finance	Revenue	Bank receipting	2	5
Business Support	Finance	Revenue	Rates reconciliation	5	20
Business Support	Finance	Revenue	Rates remissions	5	30
Business Support	Finance	Revenue	Rates penalties	5	20
Business Support	Finance	Revenue	Administer fees and charges	5	10
Business Support	Finance	Revenue	Set up fixed direct debits for water	5	10
Business Support	Finance	Revenue	Set up direct debit for rates	5	10
Business Support	Finance	Revenue	WTM Penalty remissions	5	10
Business Support	Finance	Revenue	WTM Penalty run	5	10
Business Support	Finance	Revenue	Read water meters	5	10
Business Support	Finance	Revenue	Triennial revaluation of district	2	5
Business Support	Finance	Revenue	All sundry debtors billing	5	10

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Group	Business Unit	Team	Service / Function	RTO (days)	MTPD (days)
Business Support	Finance	Revenue	Management of councils District Valuation Roll	5	10
Business Support	Finance	Revenue	Land administration	5	10
Business Support	Finance	Revenue	Rates rebate admin	5	10
Business Support	Finance	Revenue	Rates administration	5	10
Business Support	Finance	Revenue	Revenue collection and debt admin	5	20
Business Support	Finance	Revenue	Water admin	5	10
Business Support	Finance	Finance	Manage investments	1	5
Business Support	Finance	Finance	Annual Plan budgets	5	10
Business Support	Finance	Finance	LTP budgets	5	10
Business Support	Finance	Finance	Manage budget changes	5	10
Business Support	Finance	Finance	System administration of financial systems	1	5
Business Support	Finance	Finance	Forecasting	5	10
Business Support	Finance	Finance	Reporting - monthly to Council, 4 and 8 monthly, annual	1	5
Business Support	Finance	Finance	Manage taxes - GST, WTH etc	5	10
Business Support	Finance	Finance	Manage end of month	1	5
Business Support	Finance	Finance	Manage end of year	1	5
Business Support	Finance	Finance	External audit	1	5
Business Support	Finance	Finance	Revaluation - infrastructure, investment property and forestry	3	7
Business Support	Finance	Finance	Facilitating lending	1	5
Business Support	Finance	Finance	Insurance claims	1	5

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Group	Business Unit	Team	Service / Function	RTO (days)	MTPD (days)
Business Support	Business Improvement & Risk Management	Business Improvement & Risk Management	Manage COVID response	0.1	0.5
Business Support	Business Improvement & Risk Management	Business Improvement & Risk Management	Manage and support Crisis response	0.1	0.5
Chief Executive	Strategy	Strategy	LTP process (will also include Annual Plan)	2	5
Chief Executive	Strategy	Strategy	Prepare submissions on behalf of WDC	5	10
Chief Executive	Human Resources	Human Resources	Manage health and wellbeing	0.125	1
Chief Executive	Human Resources	Human Resources	Manage safety	0.125	1
Chief Executive	Human Resources	Human Resources	Manage remuneration review	5	10
Chief Executive	Human Resources	Human Resources	Manage interim and annual performance reviews	5	10
Chief Executive	Human Resources	Human Resources	Provide advice	5	10
Chief Executive	Human Resources	Human Resources	Manage employee files, including letters of offer, variations etc, clothing policy	1	2
Chief Executive	Human Resources	Human Resources	Manage exit process	5	10
Chief Executive	Human Resources	Payroll	Pay staff	0.5	0.5
Chief Executive	Human Resources	Payroll	Payroll system admin	2	5
Chief Executive	Human Resources	Payroll	Administer leave	1	3
Chief Executive	Human Resources	Payroll	Administer time sheets	1	3
Chief Executive	Human Resources	Payroll	Administer various tax types	1	2
Chief Executive	Human Resources	Payroll	Internal reports	3	5
Chief Executive	Human Resources	Payroll	External reports	1	2
Chief Executive	Human Resources	Payroll	Ensure legislation changes reflected in software	1	1

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Group	Business Unit	Team	Service / Function	RTO (days)	MTPD (days)
District Growth & Regulatory	District Plan and Growth	District Plan & Growth	Process consent	3	7
District Growth & Regulatory	District Plan and Growth	District Plan & Growth	Billing consent	3	7
District Growth & Regulatory	District Plan and Growth	District Plan & Growth	LIMS process	2	5
District Growth & Regulatory	District Plan and Growth	District Plan & Growth	Customer queries to duty planner	2	5
District Growth & Regulatory	District Plan and Growth	District Plan & Growth	223s and 224s	3	7
District Growth & Regulatory	Compliance	Building Compliance	Vetting Building consent	5	10
District Growth & Regulatory	Compliance	Building Compliance	Process building consent applications (includes variations etc)	5	10
District Growth & Regulatory	Compliance	Building Compliance	Conduct inspections	5	10
District Growth & Regulatory	Compliance	Building Compliance	Process compliance and issue CCC	5	10
District Growth & Regulatory	Compliance	Building Compliance	Process and issue certificate of acceptance	5	10
District Growth & Regulatory	Compliance	Building Compliance	System administration of Alpha One	5	10
District Growth & Regulatory	Compliance	Building Compliance	Manage documents	5	10
District Growth & Regulatory	Compliance	Building Compliance	Invoicing	5	10
District Growth & Regulatory	Compliance	Building Compliance	Issue request for further information	5	10

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Group	Business Unit	Team	Service / Function	RTO (days)	MTPD (days)
District Growth & Regulatory	Compliance	Building Compliance	Send information to FENZ	5	10
District Growth & Regulatory	Compliance	Building Compliance	Process PIM application	5	10
District Growth & Regulatory	Compliance	Building Compliance	Post disaster building inspections	1	1
District Growth and Regulatory	Compliance	Animal Control	Carry out pound duties	5	7
District Growth and Regulatory	Compliance	Animal Control	Manage aggressive dog complaint	1	2
District Growth and Regulatory	Compliance	Animal Control	Manage animal welfare complaint	2	5
District Growth and Regulatory	Compliance	Animal Control	Manage dog attack complaint	1	2
District Growth and Regulatory	Compliance	Animal Control	Manage other customer requests/complaints	5	7
District Growth and Regulatory	Compliance	Animal Control	Responding to lone-worker device activations	0.125	0.5
District Growth and Regulatory	Compliance	Animal Control	Wandering stock complaints	1	2
District Growth and Regulatory	Compliance	Animal Control	Animal Welfare Co-ordination in event of emergency	1	2
District Growth & Regulatory	Compliance	Environmental Health	Food - Complaints and Enforcement	1	5
District Growth & Regulatory	Compliance	Environmental Health	Health - Manage Public Health/Nuisance complaints	1	5
District Growth & Regulatory	Compliance	Environmental Health	Smoke - handle smoke complaints	1	3

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Group	Business Unit	Team	Service / Function	RTO (days)	MTPD (days)
District Growth & Regulatory	Compliance	Environmental Health	Noise - handle noise complaints	1	3
District Growth & Regulatory	Compliance	Environmental Health	Manage all other applications	5	10
District Growth & Regulatory	Compliance	Environmental Health	Manage all other customer queries/concerns	5	10
Service Delivery	Transportation	Waste management and minimisation	Manage disruptive event to minimise recycling contamination and illegal dumping	3	10
Service Delivery	Transportation	Transportation	General Maintenance of roads (bau)	2	20
Service Delivery	Transportation	Transportation	Manage contractors	2	20
Service Delivery	Transportation	Transportation	Inspect bridges after event	0.5	5
Service Delivery	Transportation	Transportation	Maintenance of roads during/after an event	1	20
Service Delivery	Transportation	Transportation	Update/maintain RAMM	5	10
Service Delivery	Transportation	Transportation	Reporting from RAMM	5	10
Service Delivery	Transportation	Transportation	Managing a prolonged event	5	30
Service Delivery	Water Services	Water Services	Water extraction and treatment	0.5	1
Service Delivery	Water Services	Water Services	On demand supply to towns and villages	0.5	1
Service Delivery	Water Services	Water Services	Restricted supply to some rural areas	1	1
Service Delivery	Water Services	Water Services	Maintenance of plants and networks	5	20
Service Delivery	Water Services	Water Services	Monitor quality and standards	0.5	1
Service Delivery	Water Services	Water Services	Respond to loss of supply	0.125	0.5
Service Delivery	Water Services	Water Services	Respond to loss of control	0.1	0.5
Service Delivery	Water Services	Water Services	Supply contamination	0.1	5

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Group	Business Unit	Team	Service / Function	RTO (days)	MTPD (days)
Service Delivery	Water Services	Water Services	Provision of network infrastructure	0.5	1
Service Delivery	Water Services	Water Services	Provide wastewater reticulation services	0.5	1
Service Delivery	Water Services	Water Services	Maintenance of wastewater network infrastructure	5	10
Service Delivery	Water Services	Water Services	Maintenance of treatment plants	5	10
Service Delivery	Water Services	Water Services	Maintenance of pump stations	5	10
Service Delivery	Water Services	Water Services	Treat wastewater	0.125	0.5
Service Delivery	Water Services	Water Services	Monitor wastewater discharge	1	2
Service Delivery	Water Services	Water Services	Respond to loss of control	0.125	0.5
Service Delivery	Water Services	Water Services	Respond to overflow	0.125	0.5
Service Delivery	Asset Management	Asset Management	Manage Assetfinda as administrator and changes	0.5	1
Business Support	Information Services	Information Services	DR processes - restore and recover	1	2
Business Support	Information Services	Information Services	Data backup and retention	1	2
Business Support	Information Services	Information Services	Add, change, delete users	1	2
Business Support	Information Services	Information Services	Add, change, delete equipment	2	5
Business Support	Information Services	Information Services	Manage security breaches/incidents	0.1	0.5
Business Support	Information Services	Information Services	Provide first level support - answer queries	2	5
Business Support	Information Services	Information Services	Escalate queries for second or third level/vendor support	1	2
Business Support	Information Services	Information Services	Identity and authorisation management (password)	1	2

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Group	Business Unit	Team	Service / Function	RTO (days)	MTPD (days)
Business Support	Information Services	Information Services	Manage disruption/outage incidents	0.1	0.5
Business Support	Information Services	Information Services	Database administration, including test environments and Power BI	1	2
Business Support	Information Services	Information Services	Power BI reporting	5	20
Business Support	Information Services	Information Services	ETL processing/business process automation in TechOne	1	2
Business Support	Information Services	Information Services	Troubleshooting	1	2
Business Support	Information Services	Information Services	Manage second and third level support queries	1	2
Business Support	Information Services	Information Services	Manage upgrades (software change management)	5	10
Business Support	Information Services	Information Services	Security system management (access to buildings)	1	2

Notes:

CDEM team will advise Crisis Management Team and will manage any emergency as directed by Group CDEM. This may include a watching brief. As this is managed per specific scenario and based on CIMS a BCP is not required as agreed by Manager Emergency Management.

Communications will activate the crisis management communications plan and prioritise any BAU work based on the specific crisis; therefore they will not require a specific business continuity plan.

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APPENDIX 2: CRITICALITY OF HUMAN RESOURCES

Criticality of Staff Scale

Level of criticality	Definition
Essential	Essential staff that are required to deliver essential services (including lifeline utilities) and/or manage and prioritise work for teams delivering essential services or supports to ensure the Council can continue to supply mandated services. This also includes staff who have extensive knowledge that is required to continue delivery.
Important	Staff from teams that are required to deliver services that may or may not be required to be on premise, i.e. could work from home. The assumption is that a skeleton staff would be required to deliver the service – not all the team. This group also includes staff that would be alternates/support critical staff due to experience and/or competencies.
Non-essential	Staff and managers who will not be required as their business as usual role would be put on hold whilst there is an escalated alert level. These staff may be able to work from home or alternatively be redeployed if required but are not deemed critical.

Group	Business Unit	Team	Position Description
Business Support	Business Improvement & Risk Management	Business Improvement & Risk Management	Business Improvement Analyst Project Manager
Business Support	Business Improvement & Risk Management	Business Improvement & Risk Management	Business Improvement Analyst Project Manager
Business Support	Business Improvement & Risk Management	Business Improvement & Risk Management	Business Improvement Analyst Project Manager
Business Support	Business Improvement & Risk Management	Business Improvement & Risk Management	Digital Trainer
Business Support	Business Improvement & Risk Management	Business Improvement & Risk Management	Business Resilience & Risk Advisor
Business Support	Business Improvement & Risk Management	Business Improvement & Risk Management	Project Support Analyst
Business Support	Finance	Accounts Payable	Finance Officer
Business Support	Finance	Accounts Payable	Finance Officer
Business Support	Finance	Accounts Payable	Finance Officer
Business Support	Finance	Finance	Asset Accountant
Business Support	Accounts Payable	Finance	Assistant Accountant
Business Support	Finance	Finance	Financial Accountant
Business Support	Finance	Finance	Financial Planner
Business Support	Finance	Finance	Management Accountant (Sys, Tax, Treasury)
Business Support	Finance	Accounts Payable	Management Accountant (AP Supervisor)

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Group	Business Unit	Team	Position Description
Business Support	Finance	Finance	Management Accountant (Plan & Report)
Business Support	Finance	Finance	Procurement Advisor
Business Support	Finance	Finance	Systems Accountant
Business Support	Information Services	GIS	GIS Officer
Business Support	Information Services	GIS	GIS Officer
Business Support	Information Services	GIS	GIS Senior
Business Support	Governance	Governance	Governance Officer
Business Support	Governance	Governance	Governance Officer
Business Support	Governance	Governance	Governance Officer-Community Boards
Business Support	Governance	Governance	Legal & Governance Admin Asst
Business Support	Information Services	Information Management	Information Management Analyst
Business Support	Information Services	Information Management	Information Management Lead
Business Support	Information Services	Information Management	Information Management Officer
Business Support	Information Services	Information Management	Information Management Officer
Business Support	Information Services	Information Management	Information Management Officer
Business Support	Information Services	Information Management	Information Management Officer
Business Support	Information Services	Information Technology	Database Application Analyst
Business Support	Information Services	Information Technology	Systems Engineer
Business Support	Information Services	Information Technology	Service Desk Assistant
Business Support	Information Services	Information Technology	Service Desk Assistant
Business Support	Information Services	Information Technology	Service Desk Lead
Business Support	Information Services	Information Technology	Solutions Lead
Business Support	Information Services	Information Technology	Systems Analyst
Business Support	Information Services	Information Technology	Systems Engineer
Business Support	Legal Services	Legal Services	Legal Counsel
Business Support	Business Improvement & Risk Management	Business Improvement & Risk Management	Manager - Business Improvement & Risk Management
Business Support	Finance	Finance	Manager - Finance
Business Support	Governance	Governance	Manager - Governance
Business Support	Information Services	Information Services	Manager - Information Services

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Group	Business Unit	Team	Position Description
Business Support	Property Services	Property Services	Manager Projects Property Services
Business Support	Property Services	Property	Property Advisor (Facility Management)
Business Support	Property Services	Property	Property Advisor (Key Sites)
Business Support	Property Services	Property	Property Advisor (Leasing)
Business Support	Property Services	Property	Property Advisor (Tenancy)
Business Support	Property Services	Property	Manager Property Services
Business Support	Property Services	Property	Snr Property Advisor (Project Delivery)
Business Support	Finance	Revenue	Revenue Administrator
Business Support	Finance	Revenue	Revenue Assistant
Business Support	Finance	Revenue	Revenue Assistant
Business Support	Finance	Revenue	Revenue Assistant
Business Support	Finance	Revenue	Revenue Officer
Business Support	Finance	Revenue	Revenue Officer
Business Support	Finance	Revenue	Revenue Officer
Business Support	Finance	Revenue	Revenue Team Leader
Business Support	Finance	Revenue	Senior Water Revenue Officer
Business Support	Finance	Revenue	Water Revenue Assistant
Business Support	Finance	Revenue	Water Revenue Assistant
Business Support	Business Support	Secretarial	Administrative Asst Bus Supp
Business Support	Business Support	Secretarial	Executive Assistant - BS
Chief Executive	Chief Executive	Executive Group	Chief Executive
Chief Executive	Business Support	Executive Group	Group Manager- Business Support
Chief Executive	District Growth & Regulatory	Executive Group	Group Manager-District Growth & Regulatory
Chief Executive	Service Delivery	Executive Group	Group Manager-Service Delivery
Chief Executive	Strategy & Community Services	Executive Group	Group Manager-Strat & Com Services
Chief Executive	Human Resources	Human Resources	Capability & Development Advisor
Chief Executive	Human Resources	Human Resources	Health & Safety Advisor
Chief Executive	Human Resources	Human Resources	Health & Safety Advisor

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Group	Business Unit	Team	Position Description
Chief Executive	Human Resources	Human Resources	Human Resources Advisor
Chief Executive	Human Resources	Human Resources	Human Resources Advisor
Chief Executive	Human Resources	Human Resources	Human Resources Advisor
Chief Executive	Human Resources	Human Resources	Human Resources Coordinator
Chief Executive	Human Resources	Human Resources	Payroll Coordinator
Chief Executive	Human Resources	Human Resources	Manager - Human Resources
Chief Executive	Chief Executive	Secretarial	Executive Assistant - CEO
Chief Executive	Chief Executive	Secretarial	Executive Assistant - Mayor
District Growth & Regulatory	Compliance	Building Compliance	BCO - Inspections
District Growth & Regulatory	Compliance	Building Compliance	BCO - Inspections
District Growth & Regulatory	Compliance	Building Compliance	BCO - Inspections
District Growth & Regulatory	Compliance	Building Compliance	BCO - Inspections
District Growth & Regulatory	Compliance	Building Compliance	BCO - Inspections
District Growth & Regulatory	Compliance	Building Compliance	BCO - Inspections
District Growth & Regulatory	Compliance	Building Compliance	BCO - Inspections
District Growth & Regulatory	Compliance	Building Compliance	BCO - Inspections
District Growth & Regulatory	Compliance	Building Compliance	BCO - Processing
District Growth & Regulatory	Compliance	Building Compliance	BCO - Processing
District Growth & Regulatory	Compliance	Building Compliance	BCO - Processing
District Growth & Regulatory	Compliance	Building Compliance	BCO - Processing
District Growth & Regulatory	Compliance	Building Compliance	Building Compliance Team Lead
District Growth & Regulatory	Compliance	Building Compliance	Building Consents Receiving Officer
District Growth & Regulatory	Compliance	Building Compliance	Building Consents Receiving Officer
District Growth & Regulatory	Compliance	Building Compliance	Building Consents Receiving Officer

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Group	Business Unit	Team	Position Description
District Growth & Regulatory	Compliance	Building Compliance	Building Consents Receiving Officer
District Growth & Regulatory	Compliance	Building Compliance	Compliance & QA Off-Building
District Growth & Regulatory	Compliance	Building Compliance	Snr BCO - Inspections
District Growth & Regulatory	Compliance	Building Compliance	Snr BCO - Processing
District Growth & Regulatory	Compliance	Building Compliance	Technical Build Comp Officer
District Growth & Regulatory	District Plan & Growth	Consents	Consents Team Leader
District Growth & Regulatory	District Plan & Growth	Consents	Duty Planner
District Growth & Regulatory	District Plan & Growth	Consents	Planner
District Growth & Regulatory	District Plan & Growth	Consents	Planner
District Growth & Regulatory	District Plan & Growth	Consents	Planner
District Growth & Regulatory	District Plan & Growth	Consents	Planner
District Growth & Regulatory	District Plan & Growth	Consents	Planner
District Growth & Regulatory	District Plan & Growth	Consents	Planning Administration Officer
District Growth & Regulatory	District Plan & Growth	Consents	Planning Administration Officer
District Growth & Regulatory	District Plan & Growth	Consents	Planning Technical Officer
District Growth & Regulatory	District Plan & Growth	Consents	Planning Technical Officer
District Growth & Regulatory	District Plan & Growth	Consents	Project Planner
District Growth & Regulatory	District Plan & Growth	Consents	Graduate Planner
District Growth & Regulatory	District Plan & Growth	Consents	Graduate Planner
District Growth & Regulatory	District Plan & Growth	Consents	Senior Planner
District Growth & Regulatory	District Plan & Growth	Development Engineering	Development Engineer
District Growth & Regulatory	District Plan & Growth	Development Engineering	Development Engineer

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Group	Business Unit	Team	Position Description
District Growth & Regulatory	District Plan & Growth	Development Engineering	Development Engineer
District Growth & Regulatory	District Plan & Growth	Development Engineering	Development Engineer
District Growth & Regulatory	District Plan & Growth	Development Engineering	Development Engineering T Lead
District Growth & Regulatory	District Plan & Growth	Development Engineering	Graduate Development Engineer
District Growth & Regulatory	District Plan & Growth	Development Engineering	Senior Development Engineer
District Growth & Regulatory	District Plan & Growth	District Plan & Growth	District Plan Administrator
District Growth & Regulatory	District Plan & Growth	District Plan & Growth	Policy Advisor-District Planning
District Growth & Regulatory	Emergency Management	Emergency Management	Emergency Management Operations Manager - Local Control
District Growth & Regulatory	Emergency Management	Emergency Management	Emergency Management Coordinator
District Growth & Regulatory	Compliance	Enforcement	Enforcement Officer
District Growth & Regulatory	Compliance	Enforcement	Enforcement Team Leader
District Growth & Regulatory	Compliance	Enforcement	Enforcement Officer parking
District Growth & Regulatory	Compliance	Animal Control	Animal Control Administrator
District Growth & Regulatory	Compliance	Animal Control	Animal Control Administrator
District Growth & Regulatory	Compliance	Animal Control	Animal Control Officer
District Growth & Regulatory	Compliance	Animal Control	Animal Control Officer
District Growth & Regulatory	Compliance	Animal Control	Animal Control Officer
District Growth & Regulatory	Compliance	Animal Control	Animal Control Officer
District Growth & Regulatory	Compliance	Animal Control	Animal Control Officer Team Leader
District Growth & Regulatory	Compliance	Environmental Health	Environmental Health Team Leader
District Growth & Regulatory	Compliance	Environmental Health	Environmental Health Officer

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Group	Business Unit	Team	Position Description
District Growth & Regulatory	Compliance	Environmental Health	Environmental Health Officer
District Growth & Regulatory	Compliance	Environmental Health	Environmental Health Officer
District Growth & Regulatory	Compliance	Environmental Health	Environmental Health Officer
District Growth & Regulatory	Compliance	Environmental Health	Environmental Health Officer
District Growth & Regulatory	Compliance	Environmental Health	Environmental Health Officer
District Growth & Regulatory	Compliance	Environmental Health	Environmental Health Officer
District Growth & Regulatory	Compliance	Environmental Health	Regulatory Admin Environ
District Growth & Regulatory	Compliance	Environmental Health	Regulatory Admin Environ
District Growth & Regulatory	District Plan & Growth	District Plan & Growth	Manager District Plan & Growth
District Growth & Regulatory	Compliance	Compliance	Manager-Compliance
District Growth & Regulatory	District Growth & Regulatory	Secretarial	Executive Assistant – DG & R
Strategy & Community Services	Communication & Engagement	Communication & Engagement	Communication Advisor
Strategy & Community Services	Communication & Engagement	Communication & Engagement	Communication & Engagement Coord
Strategy & Community Services	Communication & Engagement	Communication & Engagement	Event & Marketing Advisor
Strategy & Community Services	Communication & Engagement	Communication & Engagement	Senior Communication Advisor
Strategy & Community Services	Communication & Engagement	Communication & Engagement	Social Media & Digital Coordinator
Strategy & Community Services	Community Services	Community Facilities	Arborist Planner
Strategy & Community Services	Community Services	Community Facilities	Asset Data Analyst

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Group	Business Unit	Team	Position Description
Strategy & Community Services	Community Services	Community Facilities	Biodiversity Planner
Strategy & Community Services	Community Services	Community Facilities	Community Facilities Team Lead
Strategy & Community Services	Community Services	Community Facilities	Community Services Admin
Strategy & Community Services	Community Services	Community Facilities	Contracts & Projects Officer
Strategy & Community Services	Community Services	Community Facilities	Playground Assets
Strategy & Community Services	Community Services	Community Facilities	Reserves Planner
Strategy & Community Services	Community Services	Community Facilities	Senior Reserves Planner
Strategy & Community Services	Communication & Engagement	Customer Support	Customer Support Training
Strategy & Community Services	Communication & Engagement	Customer Support	Customer Support Officer – Call Centre
Strategy & Community Services	Communication & Engagement	Customer Support	Customer Support Officer – Call Centre
Strategy & Community Services	Communication & Engagement	Customer Support	Customer Support Officer – Call Centre
Strategy & Community Services	Communication & Engagement	Customer Support	Customer Support Officer – Call Centre
Strategy & Community Services	Communication & Engagement	Customer Support	Customer Support Officer – Front Line
Strategy & Community Services	Communication & Engagement	Customer Support	Customer Support Officer – Front Line
Strategy & Community Services	Communication & Engagement	Customer Support	Customer Support Officer – Front Line

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Group	Business Unit	Team	Position Description
Strategy & Community Services	Communication & Engagement	Customer Support	Customer Support Officer – Front Line
Strategy & Community Services	Communication & Engagement	Customer Support	Customer Support Officer – Front Line
Strategy & Community Services	Communication & Engagement	Customer Support	Customer Support Officer – Front Line
Strategy & Community Services	Communication & Engagement	Customer Support	Customer Support Team Leader
Strategy & Community Services	Communication & Engagement	Customer Support	Senior Cust Support Officer
Strategy & Community Services	Communication & Engagement	Customer Support	Snr Cust Supp Officer- Call Centre
Strategy & Community Services	Communication & Engagement	Communication & Engagement	Manager - Communications & Engagement
Strategy & Community Services	Community Services	Community Services	Manager - Community Services
Chief Executive	Strategy	Strategy	Manager - Strategy
Strategy & Community Services	Strategic Partnerships	Strategic Partnerships	Manager-Strategic Partnerships
Strategy & Community Services	Community Services	Library	Librarian Cataloguing/Acquisitions
Strategy & Community Services	Community Services	Library	Librarian Cataloguing/Acquisitions
Strategy & Community Services	Community Services	Library	Librarian Cataloguing/Acquisitions
Strategy & Community Services	Community Services	Library	Library Assistant
Strategy & Community Services	Community Services	Library	Library Assistant

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Group	Business Unit	Team	Position Description
Strategy & Community Services	Community Services	Library	Library Assistant
Strategy & Community Services	Community Services	Library	Library Assistant
Strategy & Community Services	Community Services	Library	Library Assistant
Strategy & Community Services	Community Services	Library	Library Assistant
Strategy & Community Services	Community Services	Library	Library Assistant
Strategy & Community Services	Community Services	Library	Library Assistant
Strategy & Community Services	Community Services	Library	Library Assistant (Evenings/Weekend)
Strategy & Community Services	Community Services	Library	Library Assistant (Evenings/Weekend)
Strategy & Community Services	Community Services	Library	Library Assistant (Evenings/Weekend)
Strategy & Community Services	Community Services	Library	Library Assistant (Evenings/Weekend)
Strategy & Community Services	Community Services	Library	Library Assistant (Evenings/Weekend)
Strategy & Community Services	Community Services	Library	Library Assistant (Evenings/Weekend)
Strategy & Community Services	Community Services	Library	Library Assistant (Evenings/Weekend)
Strategy & Community Services	Community Services	Library	Library Assistant (Evenings/Weekend)
Strategy & Community Services	Community Services	Library	Library Assistant Acquisitions

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Group	Business Unit	Team	Position Description
Strategy & Community Services	Community Services	Library	Library Supervisor
Strategy & Community Services	Community Services	Library	Library Supervisor
Strategy & Community Services	Community Services	Library	Outreach Librarian
Strategy & Community Services	Community Services	Library	Senior Library Assistant
Strategy & Community Services	Community Services	Library	Senior Library Assistant
Strategy & Community Services	Community Services	Museums & Heritage	Collections Manager
Strategy & Community Services	Community Services	Museums & Heritage	Exhibitions Coordinator
Strategy & Community Services	Community Services	Museums & Heritage	Museum Administrator
Strategy & Community Services	Community Services	Museums & Heritage	Museums Host
Strategy & Community Services	Community Services	Museums & Heritage	Museums Host
Strategy & Community Services	Community Services	Museums & Heritage	Museums & Heritage Director
Strategy & Community Services	Community Services	Parks & Reserves	Operations TL Parks & Reserves
Strategy & Community Services	Community Services	Parks & Reserves	Parks & Reserves Supervisor
Strategy & Community Services	Community Services	Parks & Reserves	Parks & Reserves Supervisor
Strategy & Community Services	Community Services	Parks & Reserves	Parks Operator

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Group	Business Unit	Team	Position Description
Strategy & Community Services	Community Services	Parks & Reserves	Parks Operator
Strategy & Community Services	Community Services	Parks & Reserves	Parks Operator
Strategy & Community Services	Community Services	Parks & Reserves	Parks Operator
Strategy & Community Services	Community Services	Parks & Reserves	Parks Operator
Strategy & Community Services	Community Services	Parks & Reserves	Parks Operator
Strategy & Community Services	Community Services	Parks & Reserves	Parks Operator
Strategy & Community Services	Community Services	Parks & Reserves	Parks Operator
Strategy & Community Services	Community Services	Parks & Reserves	Parks Operator
Strategy & Community Services	Community Services	Parks & Reserves	Parks Operator
Strategy & Community Services	Community Services	Parks & Reserves	Parks Operator
Strategy & Community Services	Community Services	Parks & Reserves	Parks Operator
Strategy & Community Services	Community Services	Parks & Reserves	Parks Operator
Strategy & Community Services	Community Services	Parks & Reserves	Parks Operator
Strategy & Community Services	Community Services	Parks & Reserves	Parks Operator
Strategy & Community Services	Community Services	Parks & Reserves	Parks Operator

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Group	Business Unit	Team	Position Description
Strategy & Community Services	Community Services	Parks & Reserves	Parks Operator
Strategy & Community Services	Community Services	Parks & Reserves	Parks Operator (Leading Hand)
Strategy & Community Services	Community Services	Parks & Reserves	Parks Operator (Leading Hand)
Strategy & Community Services	Community Services	Parks & Reserves	Sexton
Strategy & Community Services	Community Services	Parks & Reserves	Sexton
Strategy & Community Services	Community Services	Parks & Reserves	Sexton
Strategy & Community Services	Community Services	Parks & Reserves	Sexton
Strategy & Community Services	Strategy & Community Services	Secretarial	Executive Assistant
Strategy & Community Services	Strategic Partnerships	Strategic Partnerships	Iwi Liaison
Strategy & Community Services	Strategic Partnerships	Strategic Partnerships	Iwi Relations Advisor
Chief Executive	Strategy	Strategy	Business Development Manager
Chief Executive	Strategy	Strategy	Principal Policy Advisor
Chief Executive	Strategy	Strategy	Strategic Projects Driver
Chief Executive	Strategy	Strategy	Strategic Projects Driver
Chief Executive	Strategy	Strategy	Strategic Projects Driver
Chief Executive	Strategy	Strategy	Strategy Administrator
Service Delivery	Water Services	Asset Management	Asset Coordinator
Service Delivery	Water Services	Water Services	Asset Info Officer (Water Services)
Service Delivery	Water Services	Water Services	Asset Info Officer (Water Services)
Service Delivery	Water Services	Asset Management	Asset Planning Engineer Senior
Service Delivery	Water Services	Asset Management	Engineering Assistant

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Group	Business Unit	Team	Position Description
Service Delivery	Water Services	Asset Management	Project Engineer - Utilities
Service Delivery	Water Services	Asset Management	Project Engineer - Utilities
Service Delivery	Water Services	Asset Management	Project Engineer - Utilities
Service Delivery	Water Services	Asset Management	Snr Project Engineer-Utilities
Service Delivery	Transportation	Asset Management - Transportation	Asset Info Off Transportation
Service Delivery	Transportation	Asset Management - Transportation	Asset Management Team Leader Transportation
Service Delivery	Transportation	Asset Management - Transportation	Contracts Engineer
Service Delivery	Water Services	Compliance	Compliance Officer Water Services
Service Delivery	Water Services	Compliance	Compliance Officer Water Services
Service Delivery	Water Services	Compliance	Compliance Officer Water Services
Service Delivery	Water Services	Compliance	Compliance and Improvement Team Leader Water Services
Service Delivery	RATA	RATA	Manager - RATA
Service Delivery	Water Services	Water Services	Manager - Water Services
Service Delivery	Project Delivery (Major Capital Works)	Project Delivery (Major Capital Works)	Manager Project Delivery (Major Capital Works)
Service Delivery	Transportation	Transportation	Manager Transportation
Service Delivery	Water Services	Network Team	Network Supervisor
Service Delivery	Water Services	Network Team	Network Team Leader
Service Delivery	Water Services	Network Team	Network Engineer
Service Delivery	Water Services	Network Team	Reticulation Operator
Service Delivery	Water Services	Network Team	Reticulation Operator
Service Delivery	Water Services	Network Team	Reticulation Operator
Service Delivery	Water Services	Network Team	Reticulation Operator
Service Delivery	Water Services	Network Team	Reticulation Operator
Service Delivery	Water Services	Network Team	Reticulation Operator
Service Delivery	Water Services	Network Team	Snr Retic Operator
Service Delivery	Water Services	Network Team	Technical Officer
Service Delivery	Water Services	Network Team	Treatment Operator
Service Delivery	Water Services	Network Team	Treatment Operator

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Group	Business Unit	Team	Position Description
Service Delivery	Water Services	Network Team	Treatment Operator
Service Delivery	Water Services	Network Team	Treatment Operator
Service Delivery	Water Services	Network Team	Treatment Operator
Service Delivery	Water Services	Network Team	Treatment Operator
Service Delivery	Water Services	Network Team	Treatment Operator pump
Service Delivery	Water Services	Network Team	Treatment Operator pump
Service Delivery	Water Services	Network Team	Snr Treatment Operator waste water
Service Delivery	Water Services	Network Team	Snr Water Treatment Operator
Service Delivery	Transportation	Operations - Transportation	Contracts Engineer
Service Delivery	Transportation	Operations - Transportation	Contracts Engineer
Service Delivery	Transportation	Operations - Transportation	Contracts Engineer
Service Delivery	Transportation	Operations - Transportation	Contracts Engineer
Service Delivery	Transportation	Operations - Transportation	Operations TL - Transportation
Service Delivery	Transportation	Operations - Transportation	Traffic Management Coord
Service Delivery	Transportation	Operations - Transportation	Transportation Safety Officer
Service Delivery	Transportation	Operations - Transportation	Waste Minimisation Officer
Service Delivery	Transportation	Programme - Transportation	Programme Engineer - Transportation
Service Delivery	Transportation	Programme - Transportation	Transportation Planning Engineer
Service Delivery	Transportation	Programme - Transportation	Transportation Safety Engineer
Service Delivery	Project Delivery (Major Capital Works)	Project Delivery (Major Capital Works)	Administrator (Project Delivery)
Service Delivery	Project Delivery (Major Capital Works)	Project Delivery (Major Capital Works)	Financial Analyst
Service Delivery	Project Delivery (Major Capital Works)	Project Delivery (Major Capital Works)	Programme Manager
Service Delivery	Project Delivery (Major Capital Works)	Project Delivery (Major Capital Works)	Programme Manager
Service Delivery	Project Delivery (Major Capital Works)	Project Delivery (Major Capital Works)	Programme Manager - Growth

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Group	Business Unit	Team	Position Description
Service Delivery	Project Delivery (Major Capital Works)	Project Delivery (Major Capital Works)	Project Delivery Officer
Service Delivery	Project Delivery (Major Capital Works)	Project Delivery (Major Capital Works)	Project Engineer
Service Delivery	Project Delivery (Major Capital Works)	Project Delivery (Major Capital Works)	Project Engineer
Service Delivery	Project Delivery (Major Capital Works)	Project Delivery (Major Capital Works)	Project Engineer
Service Delivery	Project Delivery (Major Capital Works)	Project Delivery (Major Capital Works)	Project Engineer
Service Delivery	Project Delivery (Major Capital Works)	Project Delivery (Major Capital Works)	Project Engineer
Service Delivery	Project Delivery (Major Capital Works)	Project Delivery (Major Capital Works)	Project Engineer
Service Delivery	Project Delivery (Major Capital Works)	Project Delivery (Major Capital Works)	Project Officer
Service Delivery	Project Delivery (Major Capital Works)	Project Delivery (Major Capital Works)	Projects & Contracts Analyst
Service Delivery	Project Delivery (Major Capital Works)	Project Delivery (Major Capital Works)	Senior Project Engineer (MCW)
Service Delivery	Project Delivery (Major Capital Works)	Project Delivery (Major Capital Works)	Senior Project Manager
Service Delivery	RATA	RATA	RATA Administrator
Service Delivery	RATA	RATA	RATA Asset Info Engineer
Service Delivery	RATA	RATA	RATA Asset Info Technician
Service Delivery	RATA	RATA	RATA Project Manager
Service Delivery	Service Delivery	Secretarial	Executive Assistant
Service Delivery	Service Delivery	Secretarial	Service Delivery Administrator
Service Delivery	Service Delivery	Secretarial	Service Delivery Administrator
Service Delivery	Service Delivery	Secretarial	Service Delivery Administrator
Service Delivery	Service Delivery	Service Delivery	Asset Management Planning Analyst
Service Delivery	Service Delivery	Service Delivery	Principal Engineer

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APPENDIX 3: CRITICALITY OF RESOURCES

Criticality of Resources

#	Rating	Description
1.	Negligible	Loss of resource would go unnoticed
2.	Minor	Loss of resource would be irritating, but not cause particular concerns
3.	Moderate	Loss of resource would cause reasonable disruption requiring the use of significant workarounds
4.	Major	Function will stop without this resource, however there is an identified alternate and/or a BCP is in place
5.	Totally Dependent	Function will stop without this resource. There is <u>no</u> identified alternate or BCP.

Resources rated 4 or 5 have been categorised as critical.

Group	Business Unit	Team	Category	Resource
Multiple	Multiple	Multiple	Facility/Property	101 Bank St TA
Multiple	Multiple	Multiple	Facility/Property	Te Awamutu Annex
Multiple	Multiple	Multiple	Facility/Property	23 Wilson St CB
Community Services & Strategy	Community Services	Parks & Reserves	Facility/Property	TA Depot
Community Services & Strategy	Community Services	Parks & Reserves	Facility/Property	CB Depot
Community Services & Strategy	Community Services	Libraries	Facility/Property	TA Library
Community Services & Strategy	Community Services	Libraries	Facility/Property	CB Library
Community Services & Strategy	Community Services	Museum	Facility/Property	TA Museum
Business Support	Property Services	Property	Facility/Property	Pensioner Housing
Service Delivery	Water Services	Water Services	Facility/Property	Water treatment plants
Service Delivery	Water Services	Water Services	Facility/Property	WLASS labs
Service Delivery	Water Services	Water Services	Facility/Property	Waste water treatment plants

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Group	Business Unit	Team	Category	Resource
Community Services & Strategy	Community Services	Parks & Reserves	Facility/Property	Cemeteries
District Growth & Regulatory	Compliance	Animal Control	Facility/Property	Pounds
Multiple	Multiple	Multiple	ICT hardware/service	Laptops
Multiple	Multiple	Multiple	ICT hardware/service	Tablets
Multiple	Multiple	Multiple	ICT hardware/service	Mobile phones
Multiple	Multiple	Multiple	ICT hardware/service	Headsets
Multiple	Multiple	Multiple	ICT hardware/service	Network printers
Multiple	Multiple	Multiple	ICT hardware/service	EFTPOS terminals
Multiple	Multiple	Multiple	ICT hardware/service	Scanner
Business Support	Information Services	Information Management and GIS	ICT hardware/service	Specialist Printer
Business Support	Information Services	Information Management	ICT hardware/service	Fax
Service Delivery	Water Services	Water Services	ICT hardware/service	controller computer
Business Support	Information Services	GIS	ICT hardware/service	Waikato LASS data portal
District Growth & Regulatory	Compliance	Animal Control	ICT hardware/service	CCTV
District Growth & Regulatory	Compliance	Animal Control	ICT hardware/service	Microchip scanner (batteries)
Multiple	Multiple	Multiple	Plant	Standby generator (Bank St TA)
Multiple	Multiple	Multiple	Plant	Airconditioning
District Growth & Regulatory	Compliance	Animal Control	Plant	Chiller

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Group	Business Unit	Team	Category	Resource
Service Delivery	Water Services	Water Services	Plant	Standby generator
Service Delivery	Water Services	Water Services	Infrastructure/Property	Storm water infrastructure
Service Delivery	Water Services	Water Services	Equipment	Radios UHF/VHF
Multiple	Multiple	Multiple	People	Key staff
Multiple	Multiple	Multiple	People	Contract staff
Community Services & Strategy	Communications & Engagement	Customer Support	People	HCC after hours
Business Support	Information Services	Information Management	People/contractor	Crown Storage (physical file archive and retrieval)
Multiple	Multiple	Multiple	Utility	Electricity
Multiple	Multiple	Multiple	Utility	Water
Multiple	Multiple	Multiple	Utility	Wastewater
Multiple	Multiple	Multiple	Utility	Fuel
Multiple	Multiple	Multiple	Utility	Telecommunications
Multiple	Multiple	Multiple	Vehicle	Specialist Vehicles
Multiple	Multiple	Multiple	Vehicle	Business Unit Dedicated Cars
Multiple	Multiple	Multiple	Vehicle	Pool vehicles

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APPENDIX 4: CRITICALITY OF APPLICATIONS

Criticality of Applications

#		Rating	Description
1.		Negligible	Loss of application would go unnoticed
2.		Minor	Loss of application would be irritating, but not cause particular concerns
3.		Moderate	Loss of application would cause reasonable disruption requiring the use of significant workarounds
4.		Major	Function will stop without this application, however there is an identified alternate and/or a BCP is in place
5.		Totally Dependent	Function will stop without this application. There is <u>no</u> identified alternate or BCP.

Applications rated 4 or 5 have been included as critical in this analysis.

Group	Business Unit	Team	IT Application	Use	Comments
Multiple	Multiple	Multiple	Waipa Website, may include integration on line forms	Communication channel with public and enables on line transactions	on line forms drive internal processes. Specific parts of website not detailed for analysis
Multiple	Multiple	Multiple	WDC Intranet	Communication channel and reference tool for all staff	Project underway to update
Multiple	Multiple	Multiple	MS Outlook	email and calendar	
Multiple	Multiple	Multiple	MS Suite	Excel, Word, etc, includes One for Business	Includes One for Business
Multiple	Multiple	Multiple	ECM	Document management	Part of TechOne but rated separately as not all staff use other modules of TechOne
Multiple	Multiple	Multiple	Red Office	Integrates MS Office with ECM	Potentially less critical since MS One for Business roll out

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Group	Business Unit	Team	IT Application	Use	Comments
Multiple	Multiple	Multiple	Adobe Suite	pdf production and reading	Reading common to all staff. More limited production of pdfs. Other Adobe products have limited licences
Multiple	Multiple	Multiple	MS Teams	Unified communications	
Multiple	Multiple	Multiple	Datacom online forms	facilitate on line transactions	separate hosted system - forms may or may not be linked to the website
Multiple	Multiple	Multiple	Promapp	Process mapping and procedural information	Critical for processes for Water Services for incident/alarms and Customer Support - otherwise non critical
Multiple	Multiple	Multiple	Microsoft Office 365 and Azure	O365 including exchange online, Teams, Power Bi and Office Productivity Applications	Applications and services to deliver and support standard desktop/mobile working
Multiple	Multiple	Multiple	Technology One	Enterprise system - includes PnR, CiA, financials, Intramaps etc	More modules being rolled out as part of digital roadmap. All modules covered by contract and SLA for recovery so not differentiated from analysis perspective
Multiple	Multiple	Multiple	PayGlobal (MYOB)	Staff payroll	Also includes leave management and

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Group	Business Unit	Team	IT Application	Use	Comments
					performance management
Multiple	Multiple	Multiple	ASB Payments	Payments from/to WDC bank accounts	
Multiple	Multiple	Multiple	Payments gateway	Online payments	external facing
Multiple	Multiple	Multiple	Sophos	Security	Includes building access
Multiple	Multiple	Multiple	Ricoh printer/copier	Management of multi-function devices	Includes follow me printing, scanning and copying functionality
Multiple	Multiple	Multiple	Social media	Includes Antenno, Facebook etc	Important channels for social media, community engagement and communication
Multiple	Multiple	Multiple	Mobile Apps	Allows access to and use of core apps on mobile phone, tablets	BU specific critical apps are listed separately
Multiple	Multiple	Multiple	EZESCAN	Scanning software	Workflow used for Straight Through Invoice processing, scanning functionality used by other teams
Multiple	Multiple	Multiple	GIS	Geographical Information Systems	used internally and externally
Multiple	Multiple	Multiple	Assetfinda	Asset management	
Business Support	Finance	Finance	IBIS	Rates modular database	also used by Revenue team
Business Support	Finance	Finance	RAMM	Asset management	also used by Transportation and RATA
Business Support	Finance	Revenue	Wells	Water meter reading	

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Group	Business Unit	Team	IT Application	Use	Comments
Business Support	Finance	Finance	RITS	Rates database	also used by Revenue team
Business Support	Finance	Revenue	Dataprint	Bill printing	
Business Support	Finance	Accounts Payable	Straight through invoice processing		includes EZESCAN above
Business Support	Finance	Procurement	WLASS procurement website	Regional procurement	
Business Support	Finance	Procurement	NZ Govt Procurement site	AOG procurement	
Business Support	Governance	Governance	Zoom	Streaming meetings	
Business Support	Governance	Governance	Diligent	Preparation and distribution agendas etc	
Business Support	Information Services	GIS	MS SQL management	Tools for management GIS information	
Business Support	Information Services	GIS	FTP	Tools for management GIS information	
Business Support	Information Services	Information Management	Archive database	Physical files management, including retrieval	
Business Support	Information Services	Information Management	Bespoke file extract tools/software	Various uses and also supports LGOIMAs	
Business Support	Information Services	Information Services	Technical tools and support systems	System administration and support	
District Growth and Regulatory	Compliance	Animal Control	National Dog Database	Identifying dogs and owners, updating details	Also used by Customer Support and District Growth & Planning

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Group	Business Unit	Team	IT Application	Use	Comments
District Growth and Regulatory	Compliance	Building Compliance	Alpha One	Building Consents	Also used by Customer Support
District Growth and Regulatory	Compliance	Building Compliance	Build Waikato	Building Consents	WLASS system
District Growth and Regulatory	Compliance	Enforcement	Mobile app - Smartpark	Parking enforcement	
District Growth and Regulatory	District Growth & Planning	District Growth & Planning	LandonLine	LINZ system - property rights - used for LIMs	
District Growth and Regulatory	District Growth & Planning	District Growth & Planning	Trapeze	Enables users to measure, calculate, compare, mark-up, annotate and stamp digital plans.	
Service Delivery	RATA	RATA	Mobile app - Mobileroad		
Service Delivery	Water Services	Water Services	Water outlook		
Service Delivery	Water Services	Water Services	Schneider (Abbey+CiTech+Scada monitoring) water	telemetry for water tmt, retic and ww tmt	Also used by Project Delivery
Strategy and Customer Services	Communications and Engagement	Customer Support	Genesys	Contact centre phone system	Contact centre system administration and management system, including inbound and outbound call recording, emails. Note HCC use their own phone system but log calls into our CRM
Strategy and Customer Services	Communications and Engagement	Customer Support	Court infringements		

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Group	Business Unit	Team	IT Application	Use	Comments
Strategy and Customer Services	Communications and Engagement	Customer Support	Cemeteries database	Database of Waipā cemeteries	Also used by Parks and Reserves
Strategy and Customer Services	Communications and Engagement	Customer Support	Waste edge	Tracking trucks for recycling	
Strategy and Customer Services	Community Services	Libraries	SirsiDynix	Main library system	
Strategy and Customer Services	Community Services	Libraries	Mobile Circ	Allows outreach, community	



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Appendix 2

Quick Reference Guide Template (document number 10675200)

TEAM NAME BUSINESS CONTINUITY QRG

This Quick Reference Guide (QRG) provides the key information for the [insert name](#) Team in the event of a disruptive incident. For more detailed information refer to the [Business Unit](#) Business Continuity Plan (ECM [add doc set id for your BU BCP](#))



IMMEDIATE RESPONSE e.g.



- EVACUATE and MAKE SAFE and SECURE
- CALL EMERGENCY SERVICES
- INFORM MANAGER
- FOLLOW PROCESS for RESPONDING TO LONE-WORKER DEVICE ACTIVATIONS if alarm activated

RESPONSE e.g.

Loss of Facility: Centralise to available facility
Work from home for office work

Loss of Infrastructure/Plant/Equipment:
Centralise to available facility
Hire alternative (vehicles, generator, chiller)
Redeploy other fleet vehicles
Use security guard

Loss of People: Centralise to one facility
Prioritise CRMs based on safety / welfare

Loss of Technology:
Work remotely/from home if able
Prioritise work based on systems available and urgency
Manually record information for loading into system once back online if feasible

Loss of Key Supplier/Vendor:
Use identified alternative suppliers, including supermarkets and retail

WHERE TO FIND INFORMATION

Add in any other supporting information including ECM numbers.

TEAM CONTACTS

Add in contacts for team members

SUPPLIER CONTACTS

Add in key supplier/contractor contact details

OTHER KEY CONTACTS

Waipā DC call centre – 0800 924 723

Add in service desk and any other key contacts which may include other councils

AUDIT AND RISK COMMITTEE REPORT



INFORMATION ONLY

To: The Chairperson and Members of the Audit and Risk Committee

From: Manager Information Services

Subject: **MONITORING OF IMPROVEMENT PROGRAMME PROGRESS – CYBER SECURITY**

Meeting Date: 20 September 2021

1 EXECUTIVE SUMMARY

This report provides a summary of the progress Council has made towards reducing Cybersecurity risk. Council has fortunately operated to date without a significant loss of service caused by a cybersecurity incident.

Continuous improvement in Councils' security posture is ongoing. A restructure within the Information Technology (IT) Team providing additional capacity to progress security control implementation, adoption of a compliance framework in-line with other New Zealand Councils, the establishment of a Waikato Local Authority Shared Services (WLASS) Virtual Cybersecurity Incident Response Team, and the commencement of staff security awareness training and testing are significant enhancements that have occurred in the past 12-18 months.

2 RECOMMENDATION

That the 'Monitoring of Improvement Programme Progress – Cyber Security' report (ECM document number 10686376) of Richard Henderson, Manager Information Services be received.

3 STAFF COMMENT

KPMG reviewed Council's Cybersecurity environment in 2019. At this time a number of Waikato Councils were reviewing Cybersecurity risk with intent to collaborate on security initiatives. A procurement process run by WLASS on behalf of participating Council's selected 'SAM for Compliance - Local Government' as a concise operationally focused set of Cybersecurity controls.

‘SAM for Compliance’ is based on the National Institute of Standards and Technology (NIST) model of Framework, Function, Category, Sub-Category and Controls, and incorporates a number of the controls recommended by KPMG. The framework is designed to significantly reduce exposure to cybersecurity risks through the integration of good cybersecurity practice into IT management practices and processes and has been endorsed by the Association of Local Government Information Managers (ALGIM). A key benefit of ‘SAM for Compliance’ is the ability to monitor Councils conformance to security controls overtime and benchmark against peer organisations.

Assessments provided to Councils Audit and Risk Committee are derived from quarterly review comments provided by Councils external security supplier, and ‘SAM for Compliance’ conformance reporting.



Richard Henderson
MANAGER INFORMATION SERVICES



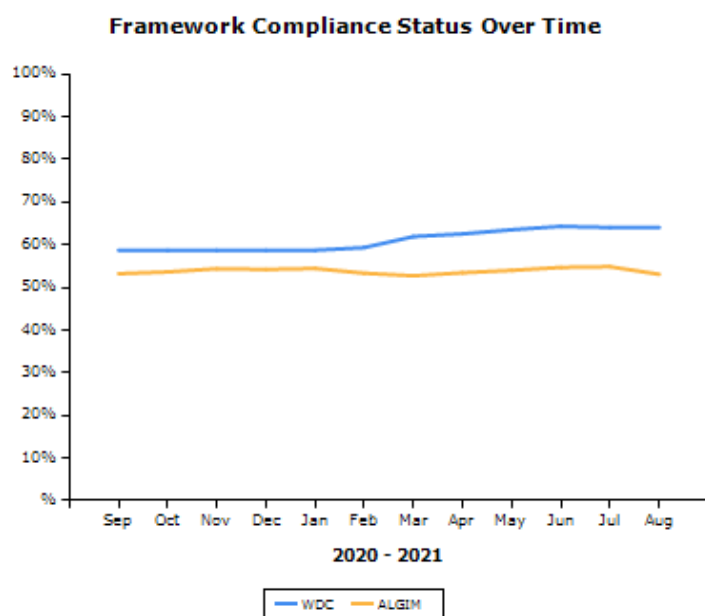
Approved by Ken Morris
DEPUTY CHIEF EXECUTIVE / GROUP MANAGER BUSINESS SUPPORT

SUPPORTING INFORMATION: 'SAM for Compliance' Reporting

1. Council Benchmark

Approximately half of all ALGIM member councils use the 'SAM For Compliance' framework to assess and monitor their cybersecurity status. The below table summarises the Waipa District Council level of compliance compared with a benchmark of other ALGIM users of 'SAM For Compliance'. The benchmark is not a 'target', rather it is an average of 'scores' taken from all council users of the tool. It simply provides an industry comparison. Shown in brackets are the scores from the previous quarter. In some cases the ALGIM benchmark has reduced - this indicates an increased sampling of 'SAM For Compliance' council users.

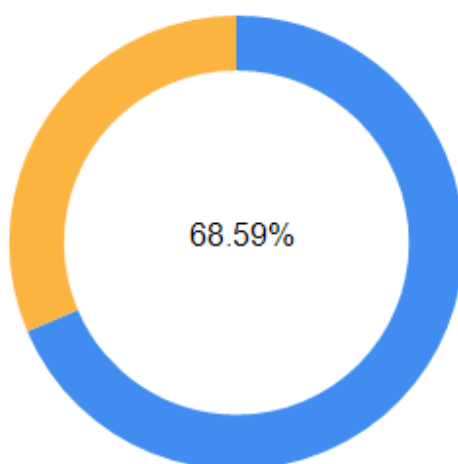
Function	Waipa District Council	ALGIM Benchmark
Identify	64% (62%)	49% (50%)
Manage	62% (62%)	54% (55%)
Protect	64% (63%)	57% (57%)
Detect	74% (73%)	57% (58%)
Respond	71% (71%)	44% (46%)
Recover	56% (56%)	47% (49%)



2. Conformance Status

The current conformance position to the SAM-Security Framework is 68.59%

**ALGIM Local Government Programme
Compliance Status**



Based on the current conformance position assessed against the SAM-Security Framework Council is moderately exposed to cyber security risk. This indicates that while the organisation falls within its accepted appetite of risk with many of the cybersecurity controls, systems, procedures, processes and supporting documents in place to mitigate risks, improvement is still required. The level of risk is exacerbated by the work that remains undone and plans to progress this work are in place.

3. Category Control Objectives

Major Control Activity Areas Covered

Function	Category	Description	Current Status
Identify (ID)	Asset Management (ID.AM)	Assets are managed consistent with their relative importance to business objectives and Council's risk management strategy	61.96%
	Business Environment (ID.BE)	The Council's mission, objectives, stakeholders and activities are understood and prioritised and this information is used to derive security roles, responsibilities and risk management decisions	75.00%

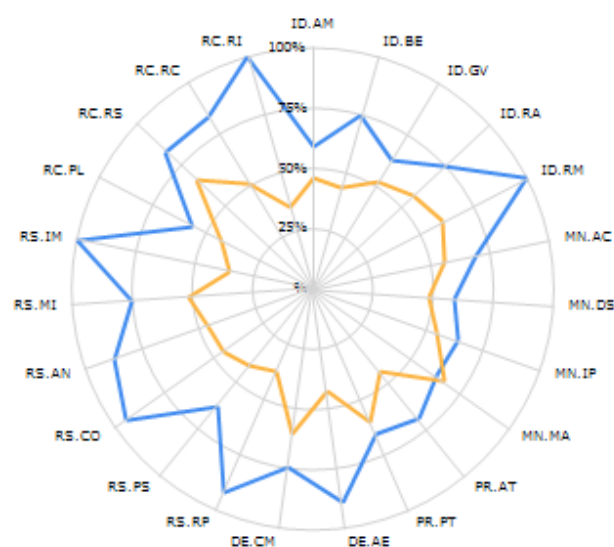
	Governance (ID.GV)	Management understand the importance of information and information systems and assign the appropriate cybersecurity roles and responsibilities	62.50%
	Risk Assessment (ID.RA)	Council understands the cyber security risk to operations, information, information systems assets and individuals	75.00%
	Risk Management (ID.RM)	Council's priorities, constraints and risk tolerances are established and documented within a Risk Management Strategy. This document is used to support operational risk decisions	100.00%
Manage (MN)	Access Control (MN.AC)	Access to assets and associated facilities is limited to authorised users, processes or devices and to authorised activities and transactions	68.75%
	Information And Data Security (MN.DS)	Information and records (data) are managed consistent with Council's risk strategy to protect the confidentiality, integrity and availability of information	58.57%
	Information Protection Procedures and Processes (MN.IP)	Information, assets and resources are protected through the implementation of effective procedures and processes	64.29%
	Maintenance (MN.MA)	Information systems and industrial control systems are maintained to ensure continuity of operations	62.50%
Protect (PR)	Awareness and Training (PR.AT)	Council personnel and partners are provided cybersecurity awareness education and are adequately trained to perform	69.44%

		their information security related duties and responsibilities consistent with related policies, procedures and agreements	
	Protective Technology (PR.PT)	Technology is implemented and managed to ensure the security and resilience of systems and assets	65.48%
Detect (DE)	Anomalies and Events (DE.AE)	Anomalous activity is detected in a timely manner	89.29%
	Continuous Monitoring (DE.CM)	Information systems and assets are monitored at discrete intervals to identify cybersecurity events and verify the effectiveness of protective measures	75.00%
Respond (RS)	Response Planning (RS.RP)	Response documentation that ensures an appropriate response to incidents and events is available	91.67%
	Response Personnel (RS.PS)	Human resources with appropriate skill levels to successfully manage and mitigate an incident or event are available	62.50%
	Response Communication (RS.CO)	Response activities are co-ordinated with, and communicated to internal and external stakeholders, as appropriate, to include external support from law enforcement and regulatory agencies	95.00%
	Analysis (RS.AN)	Capability exists to carry out accurate analysis of an incident situation to ensure an appropriate response and actions	87.50%
	Mitigation (RS.MI)	Capability exists to effectively manage an event, prevent its	75.00%

		expansion, mitigate its effects and eradicate residual content causing least impact to the organisation	
	Response Improvement (RS.IM)	Incident response capability subject to continuous improvement	100.00%
Recover (RC)	Recovery Planning (RC.PL)	Council has documentation available to support a successful recovery	62.50%
	Restoration (RC.RS)	Sufficient resources and facilities are available to facilitate a successful recovery operation	83.33%
	Recovery Communication (RC.RC)	Council is able to minimise any negative impacts caused by an incident or event	83.34%
	Recovery Improvement (RC.RI)	Recovery capabilities are subject to continuous improvement	100.00%

The performance of the category control areas is shown below. Blue represents Waipa District Council, Orange is the LG benchmark comparison.

Category Benchmark Comparison



ID: Identify MN: Manage PR: Protect DE: Detect RS: Respond RC: Recover

Specific areas of concern

Risk	Mitigation	Next Reporting Period
Unauthorised cloud systems and services used to store Council information	Use of software monitoring tools to track website usage and blacklist unapproved cloud services	Q3
Information and data confidentiality, integrity and availability is compromised through mismanagement	Implement a programme of work to educate and formalise best practice Information Management Practices. 'Everything in it's place' business objectives.	Q3
Information Protection Procedures and Processes Unskilled or untrustworthy personnel have high level access to business systems	Add Cybersecurity related screening questions to employee screening process	Q2



To: The Chairperson and Members of the Audit and Risk Committee
From: Group Manager Service Delivery
Subject: **Asset Management Planning Audit Improvement Programme**
Meeting Date: 20 September 2021

1 EXECUTIVE SUMMARY

In June 2020 a report was presented to the Committee outlining the findings from the KPMG Asset Management Planning Audit. The resolution from that report stated:

The Audit and Risk Committee endorse the proposal for staff to develop an improvement programme to address the issues raised in the internal audit, and request this be presented to the Audit and Risk Committee at its September 2020 meeting.

This report provides an update on progress achieved since the last report to the Audit and Risk Committee (ARC) in March 2021.

The following appendices accompany the report:

- Appendix 1 - *Activity Management Framework (Version 2 August 2021), document number: 10663310*
- Appendix 2 - *Activity Management Planning Organisational Improvements: Proposed Work Programme (Version 2 August 2021), document number: 10663974*

2 BACKGROUND

Late in 2019, KPMG was engaged to undertake an internal audit of Waipā District Council's (WDC) asset management planning processes. The scope of this internal review was limited to the following portfolios and areas of WDC:

- Transportation
- Water Services
- Property Services
- Council-wide leadership and Asset Management (AM) support teams (including finance, IT, risk management, executive and strategy)

Reports were prepared for the Audit and Risk Committee in June and December 2020, and March 2021. These reports noted that the challenge ahead is how best to support and connect those staff who are involved in asset management tasks. An improvement programme has been developed to respond to this challenge. It should be noted that the preparation of the Long Term Plan has delayed development and implementation of this improvement programme. This reflects the challenge that we face with operational staff involved in AM/AMP tasks, and these being seen as a “once every three year” pieces of work rather than as ongoing tasks.

In response to the audit, a number of management actions were agreed, and a summary of these and the progress made on each is included in this report.

3 RECOMMENDATION

That the report titled ‘Asset Management Planning Audit Improvement Programme’ (document number 10668173), of Dawn Inglis, Group Manager Service Delivery, be received.

4 SUMMARY OF PROGRESS TO DATE

Since the last update report (March 2021) further progress has been made across this improvement programme. Each recommendation from the audit report is shown below with an update on progress made to date.

1. Governance Framework

Agreed Management Actions – Waipa DC will establish a point of accountability for group level asset management within the executive team with the GM Service Delivery being the sponsor for this.

Responsibility: GM Service Delivery and Manager Strategy
Expected Completion Date: February 2022

Update

Since the last update the Activity Management Steering Group’s terms of reference have been endorsed by the Executive. This group has now developed a documented AM framework (a key KPMG recommendation) and an AM improvement programme to focus effort to address the remaining KPMG recommendations. Both have been endorsed by the Executive Group. Work has commenced on reviewing the AM Policy to ensure it better aligns with the ISO 55000 asset management standards and the International Infrastructure Management Manual. The Roadmap for moving from a project-based to a strategy-led organisation is also now developed.

The detailed recommendations and progress notes are provided in the following table:

Recommendation	Progress to Date – Sept 2021	Notes
Establish a point of accountability for group level asset management within the executive team. Address issues of asset management leadership (as defined in ISO 55001) by providing the support and motivation for key functions to operate in a cross functional and collaborative manner to deliver against WDC's corporate objectives and drive continuous improvement.	Completed	GM Service Delivery has accepted role of sponsor of this work across Waipa DC.
Establish an AM Steering Group as referred to in the draft AM Policy to support the AM Lead and to communicate AM culture and practices within portfolio teams.	Completed	Team established, Terms of Reference developed and endorsed by the Executive.
Put in place an asset management framework to describe the council's business model and a common structure for asset management business processes, timing and co-ordination. The framework can also be used to show how asset management fits with wider organisational management systems.	Completed	A framework document has been completed and endorsed by the Executive. The framework was developed to align with both the ISO 55000 asset management standards and the International Infrastructure Management Manual. A copy of this framework document is attached as Appendix 1 to this report.
Ensure that the actions in the Future Work Programme to update council strategy documents, vision and outcomes and town concept plans, including place-making initiatives are completed in accordance with the proposed timeframe, in order to inform strategic asset planning	In Progress	The Vision, Community Outcomes and Strategic Priorities have been endorsed by Council and inform the development of the Infrastructure Strategy, AMPs, development of the LTP. There is responsibility on AMP writers to ensure that AMPs appropriately reflect these and this work is underway.
Finalise and endorse the revised AM policy and consider also the role of the SAMP, finalise and endorse as appropriate.	In Progress	Further redrafting of the AM Policy has commenced to ensure it better aligns with the ISO 55000 asset management standards and the International Infrastructure Management Manual. Additional resourcing will be required to complete a SAMP (Strategic AMP) in the timeframe required to guide the next round of AMPs. Resourcing options are currently being explored.
Consider and document the roadmap for the switch in focus from a project-based to a strategy-led organisation.	Completed	The following roadmap steps were identified and completed to move from a project-based to a strategy-led organisation: <ul style="list-style-type: none"> Development, approval and implementation of an integrated strategic planning framework Review of the Council Vision, Community Outcomes and External Strategic Priorities Adoption of the revised Council Vision, Community Outcomes and External Strategic Priorities

Recommendation	Progress to Date – Sept 2021	Notes
		<ul style="list-style-type: none"> Review of the Internal Strategic Priorities for the 2021/22 year Adoption of the revised Internal Strategic Priorities for the 2021/22 year Presentation of the revised integrated strategic planning framework

2. Asset Management Maturity

Agreed Management Actions – Waipa DC will address improvement plan weakness issues and demonstrate clear progress in the maturity level of each portfolio area.

Responsibility: GM Service Delivery and GM Business Support

Expected Completion Target Date: December 2022

Update: An organisational wide AM improvement programme has been developed to address all the KMPG recommendations including moving towards the desired maturity levels. Completion date for all actions is currently set for June 2023. This programme includes planned actions to review and address the resourcing issues which will be critical to enabling other actions to be progressed.

The detailed recommendations and progress notes are provided in the following table:

Recommendation	Progress to Date – Sept 2021	Notes
Address improvement plan weakness issues and demonstrate clear progress in the maturity level of each portfolio area.	In Progress	<p>The following actions have been completed:</p> <ul style="list-style-type: none"> AMP improvement plans are fully documented within the AMPs completed Process set up for monitoring progress against the AMP improvement plans <p>It is anticipated that progress against the AMP improvement plans will be limited until appropriate resourcing is secured to enable their delivery.</p> <p>An organisational wide AM improvement programme has been developed to address all the KMPG recommendations including moving towards the desired maturity levels. This programme (attached as Appendix 2) includes planned actions to review and address the resourcing issues which will be critical to enabling other actions to be progressed.</p>

Recommendation	Progress to Date – Sept 2021	Notes
Provide the property team the resources required to accelerate AM maturity to a steady state of core maturity level. Address known and unknown risk issues as a priority.	In Progress	The organisational wide AM improvement programme's planned action to review and address resourcing issues includes Property. Initial investigations have been completed around implementing an asset management software solution for Property which will help with developing a better understanding of assets and associated risk. This is currently expected to be operational for the start of the 23/24 financial year.

3. Planning for Growth

Agreed Management Actions – Work is currently underway to better track future demand inputs including population growth and climate changes. The further challenge is also then how this data is shared with each activity area so that it can be used to inform decisions.

Responsibility: GM Service Delivery

Expected Completion Target Date: June 2022

Update: Good progress has been made in this area with a couple of recommendations completed and progress being made on a third.

The detailed recommendations and progress notes are provided in the following table:

Recommendation	Progress to Date – Sept 2021	Notes
Demonstrate that future demand inputs including population growth and climate changes are being monitored and tracked.	In Progress	Growth monitoring (using building consents) set up. Next step will be to compare this against growth projections.
Apply monitoring information to LTPs and AMPs so they can be adjusted regularly to deliver against current demand profiles and assess timing and appropriateness of investment proposals.	Yet to commence	Can proceed once recommendation above completed.
Track measures of wellbeing in the community to monitor the impact of growth through surveys, customer focus groups etc.	Completed	Reports built and feedback mechanism in place
Assess and monitor the impact of changing delivery timeframes for growth related projects on the community and infrastructure network.	Completed	Project Delivery assessing the impacts of changes associated with growth through cashflow and risk updates and monitoring, monthly reporting and the Growth Forum.

4. Reporting Risk and Review

Agreed Management Actions – Staff have developed greater understanding of risk, and risk assessment methodologies in our project management functions, and it is recognised that these skills and understandings now need to be translated into asset failure risk assessments, affecting the levels of service we deliver to our customers, and contained within an appropriate risk reporting framework.

As noted, staff have developed a greater understanding of risk, and risk assessment methodologies in our project management functions, and it is recognised that these skills and understanding now need to be translated into asset failure risk assessments, affecting the levels of service we deliver to our customers, and contained within Council's risk reporting framework.

Responsibility: GM Service Delivery; and Business Improvement and Risk Manager
Expected Completion Date: December 2022

Update: Across Council there is significant work underway to further improve risk management, including the approval of a risk management improvement change management plan which incorporates training in operational risk management.

The detailed recommendations and progress notes are provided in the following table:

Recommendation	Progress to Date – Sept 2021	Notes
Apply risk management principles used for project-risks to asset failure risk to determine the specific vulnerable, sensitive, or critical assets and potential hazards, likelihoods and consequences.	In Progress	This will be incorporated into the organisational risk management improvement activity that is underway. This will cover the inclusion of asset risk in risk training and operational risk management implementation.
Communicate significant asset risk issues to senior management and implement appropriate risk mitigation tactics.	In Progress	Council's risk management policy includes reporting and escalation requirements. Capture of significant asset risk issues and escalation of these risks is being incorporated into the documented reporting.

5. Asset Management Resourcing and Capability

Agreed Management Actions – Waipa DC will engage with other organisations on how they have structured their resourcing of activity management planning to ensure that the appropriate strategic actions are well deployed, but also how these are appropriately engaged with operational areas of each activity to maintain the required linkages to be truly effective.

Responsibility: GM Service Delivery
Expected Completion Date: June 2021

Update: Actions to deliver on the recommendations have been developed and are scheduled to commence September 2021.

The detailed recommendations and progress notes are provided in the following table:

Recommendation	Progress to Date – Sept 2021	Notes
Understand and investigate the demand on existing asset management planning resources and identify capacity and capability gaps and process inefficiencies and put in place a strategy to adequately support AM teams to be able to implement effective AM planning.	Yet to commence	The organisational wide AM improvement programme developed to address all the KMPG recommendations includes planned actions to review and address the resourcing issues. Addressing these issues will be critical to enabling other actions to be progressed. The planned action covers a resource gap analysis and solution identification (timeframe: Sep 2021 – Dec 2021) followed by implementation of the preferred solution by June 2022.
Investigate the cause of previous poor performance in the SW and WS maintenance contracts. Establish a process to ensure that stormwater and water supply maintenance work is planned to be more proactive, with preventative work programmed and less reliance on reactive maintenance to catch up with deferred repairs and maintain quality and condition of the network.	Yet to commence	Three stage action planned for addressing this recommendation, scheduled for September 2021 to June 2022: <ul style="list-style-type: none"> Investigate root cause of challenges with SW and WW maintenance contracts Assess current state of SW and WW maintenance contracts Development action plan to address any issues around the SW and WW maintenance contracts.

6. Data management and IT Systems

Agreed Management Actions – It is recognised that there is a need to develop a roadmap to close out the data management system options and establish a clear brief of organisational information requirements to inform asset portfolio data models. Waipa DC is aware that for a number of activities (transport and waters) there are data dictionaries/meta data standards in development, and it will be important to work to these industry standards. Further work is underway to better understand the transition required for formal adoption of these to gain the efficiency benefits, or analysis improvements, such tools should enable.

Responsibility: IS Manager and GM Service Delivery

Target Date: December 2020 to scope work required and develop implementation timeframe

Update: Work has commenced on confirming the use of the Technology One (TechOne) asset management system for management of Property Assets. Property activity is a high priority for the system, therefore this work is planned for completion in 2020/21 of Council's Digital Roadmap.

Recommendation	Progress to Date – Sept 2021	Notes
<p>Develop a roadmap to close out the data management system options and establish a clear brief of organisational information requirements to inform asset portfolio data models. Establish a clear project delivery structure for the works with senior management sponsorship and formal reporting and assign adequate resources to achieve a successful close out.</p>	In Progress	<p>As per Council's Digital Roadmap initial scoping and evaluation have been completed around implementing TechOne's strategic asset management system solution for Property. This is currently expected to be fully implemented and operational for the start of the 23/24 financial year. Subsequent to this, Parks and Heritage assets will transfer to this system as well. At this time the Transportation asset management system (RAMM) is out of scope of the project. Given the likely future migration of the 3-waters function out of Council they are also out of scope for a system migration.</p>
<p>Establish a simple but robust data model for all asset classes that are not well documented. Undertake a review of data gaps and collect and maintain asset registers for all asset classes in accordance with data model requirements. Embed processes of data management in the organisation as has already been started with Promapp process mapping.</p>	Yet to commence	<p>The organisational wide AM improvement programme developed to address all the KMPG recommendations includes planned actions to:</p> <ul style="list-style-type: none"> ▪ Develop, document, and adopt data models ▪ Undertake gap analysis between data models and current asset registers, develop programme to close gap ▪ Implement programme to close gaps between asset registers and data models ▪ Develop, document, and implement processes to maintain asset register standards <p>This is a significant piece of work and is dependent upon adequate resourcing being available. There is work underway nationally and regionally to support the implementation of data standards in the Waters and Transport activities, any work will be done in alignment with these national and regional standards.</p>



Dawn Inglis

GROUP MANAGER SERVICE DELIVERY

Appendix 1

Activity Management Framework (Version 2 August 2021)

document number: 10663310

Activity Management Framework

Version 3 – August 2021

Revision Information

Issue	Author	Date	Details	Reviewed By
Vr 1	Neil Taylor - Asset Management Planning Analyst	23/7/2021	Initial Draft	Dawn Inglis, Georgina Knapp, Kirsty Downey
Vr 2	Neil Taylor - Asset Management Planning Analyst	5/8/2021	2 nd draft following AMOI PSG review	
Vr 3	Neil Taylor - Asset Management Planning Analyst	26/08/2021	Version endorsed by Executive	Executive

Note

Both the ISO 55000 series and the IPWEA International Infrastructure Management Manual (IIMM) have been used to guide the development of this framework document. As this framework is activity rather than asset based a degree of variance between it and the asset purest ISO and IIMM documents is inevitable and accepted.

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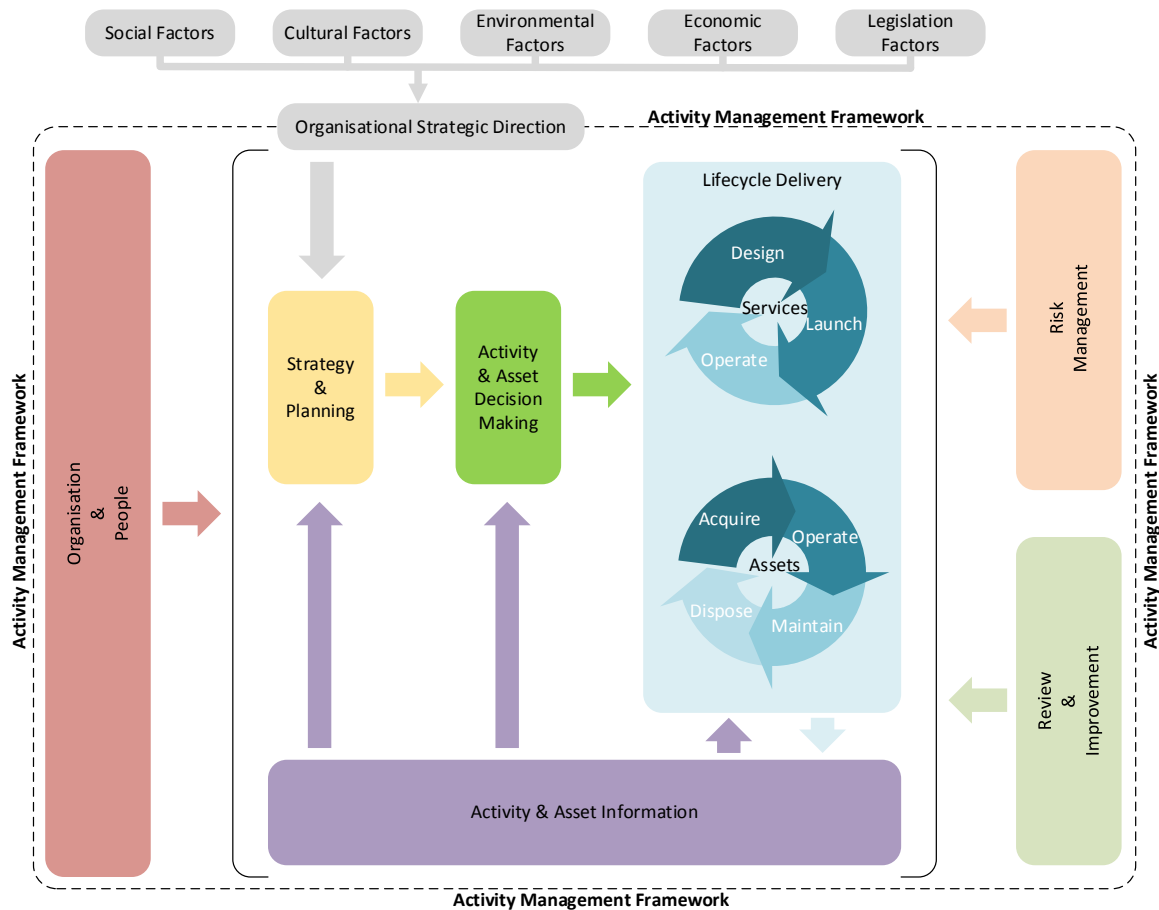
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1. Purpose and Overview of the Framework

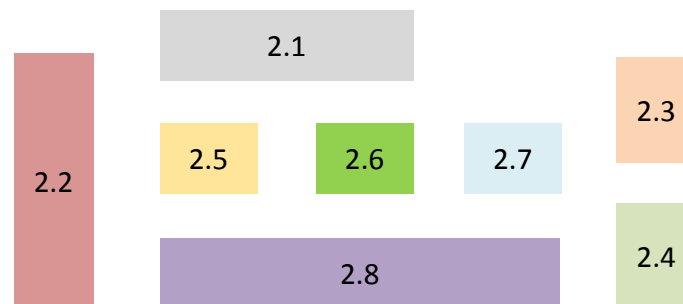
The purpose of the Activity Management Framework to provide clarity and definition around the set of interacting elements of the organisation (the people, tools, and processes) which function to deliver activity management (AM) across the organisation and how AM fits with other organisational frameworks. As a strategy led organisation this framework has been designed to ensure alignment with Waipā DC's vision and strategic priorities which enable the successful delivery of our community outcomes.

1.1. Framework Overview

An overview of the framework is provided in the diagram below.



Each component of the framework is explored in more detail with this document, the relevant section reference is provided in the diagram below.



1.2. Benefits of a Clear Framework

- Provide clarity around the way the organisation delivers its activity management for the purpose of meeting its customer and stakeholder requirements.
- Provides clarity of interrelationships between elements of the framework and relationships with other frameworks
- Provides a formal structure to which a continuous improvement approach can be applied

1.3. Scope of the Framework

The scope of the AM Framework, in terms of those activity areas that fall fully within it is set in the [Strategic Activity Management Plan \(ECM Doc Set ID: 10662986\)](#). For activity areas outside that direct scope, the framework is to support the identification of interrelationships and connections which overall support the organisations objectives.

1.4. Statement of Commitment to Activity Management

Waipa District Council's Executive are committed to the organisation's use of a continuously improving activity management planning framework as a key mechanism for supporting the decision making and activities required to deliver on Council's Community Outcomes and Strategic Objectives.

2. Components of the Activity Management Framework

The components of the framework are listed below and detailed in the following sections of this document.

- Organisational Strategic Direction (Section 2.1)
- Organisation & People (Section 2.2)
- Risk Management (Section 2.3)
- Review & Improvement (Section 2.4)
- Strategy and Planning (Section 2.5)
- Activity & Asset Decision Making (Section 2.6)
- Lifecycle Delivery (Section 2.7)
- Activity & Asset Information (Section 2.8)

2.1. Organisational Strategic Direction

WDC's strategic direction provides an overall guiding direction for the AM Framework. Acknowledgement of that overall guiding direction is vital to ensuring good alignment between Council's overall strategic direction and the focus areas and decision making within the AM Framework. The extent and content of WDC's suite of strategic priorities, documents and process are defined in the [Strategic Framework \(ECM Doc Set ID 10671701\)](#).

2.2. Organisation & People

People are a critical thread running throughout the AM framework, there needs to be:

- strong leadership,
- good coordination,
- a culture of commitment to improving our activity management planning, and
- sufficient and suitably skilled people with the mandate and capacity to deliver AM.

2.2.1. Leadership

Strong AM leaders is required to promote the importance of AM, establish a level of commitment to AM, and create the 'whole of organisation' culture that enables a consistent approach to achieving the AM objectives. Requirements around leadership are explored more fully in the [Strategic Activity Management Plan \(ECM Doc Set ID: 10662986\)](#).

2.2.2. Coordination

Good coordination is required to ensure the integration of the various elements of the AM framework, sharing of good practice, and the avoidance of silos. Requirements around coordination are explored more fully in the [Strategic Activity Management Plan \(ECM Doc Set ID: 10662986\)](#) and delivered through the [AM Organisational Improvement PSG \(Terms of Reference here: ECM Doc Set ID: 10430479\)](#) and the [AM Development Group \(Terms of Reference here: ECM Doc Set ID: 10663016\)](#).

2.2.3. People

Adequate capability (competency) and capacity (number of people) are critical to successful delivery and improvement of AM. The ongoing upskilling and development of a staff member to ensure they are capable, competent and confident to carry out their role is then tracked through the Performance & Development Plans (PDRs). Job specific training is sourced via each department, organisational themes and attributes/competency skills are often sourced through HR.

2.3. Risk Management

The AM Framework needs to include formal risk management. Risk management is a key part of the framework and one with a guiding influence across all other parts. The AM Framework must also operate within the organisation's risk appetite which is detailed in Council's annually refreshed risk appetite statement.

The risk management process must identify, analyse, evaluate and appropriately treat risks that may potentially impact the activities ability to deliver against the organisational objectives. All risk assessment, mitigation and management within the AM Framework will be undertaken in a manner consistent with WDC's [Risk Management Framework \(ECM Doc Set ID: 9966206\)](#).

2.4. Review & Improvement

Continual review and improvement is a key part of the framework and one with a guiding influence across all other parts. The organisation needs to measure and evaluate the performance of its activities, the management of those activities and the framework within which it occurs to determine their effectiveness and efficiency in contributing to the delivery of the organisation's objectives. Reviews of the AM Framework and the activities within will be undertaken in a manner consistent with WDC's [Continuous Improvement Framework¹](#) once that framework is completed.

Other critical elements to the review and improvement process are the improvement plans set out in the AMPs along with any recommendations arising from external reviews of the AMPs and organisational AM processes.

2.5. Strategy and Planning

The strategy and planning part of the AM framework translates Council's overall strategic direction (vision, community outcomes, key strategies and plans, and priorities) into the operational delivery of activities (services). The process will include understanding the external and internal environments, customer and stakeholder needs, and activity portfolio capability, and how these impact AM practices and programmes.

Councils AM strategy and planning is defined, set, and captured within the following documents:

- [Activity Management Policy \(ECM Doc Set ID: 10662944\)](#)
- [Strategic Activity Management Plan \(ECM Doc Set ID: 10662986\)](#)
- [Activity Management Plans](#)

¹ The Continuous Improvement Framework is currently under development, due for completion Dec 2021

2.6. Activity & Asset Decision Making

Activity and asset decision making is about determining the optimal operational and capital investment in activities and (where required) assets. The objective being to ensure delivery of the intended outputs to customers to the desired levels of service in the most efficient and effective manner practicable.

The activity and asset decision making principles are set in the [Strategic Activity Management Plan \(ECM Doc Set ID: 10662986\)](#) and the [Activity Management Plans](#). Those principles must be applied in conjunction with the principles laid out in these other frameworks:

- [Risk Management Framework \(ECM Doc Set ID: 9966206\)](#)
- [Continuous Improvement Framework](#)
- [Project Management Policy \(ECM Doc Set ID: 8023950\)](#) and [Project Management Manual \(ECM Doc Set ID: 8028034\)](#)

Key outputs from the decision making process will be recorded in the AMPs along with any other documents specific to the decision topic.

2.7. Lifecycle Delivery

The lifecycle commences with the identification of the need for the service or asset and ceases with the stopping of the service or decommissioning of the asset. Delivery covers provision of the services and assets using mechanisms and process that ensure that delivery of the services and assets is achieved in the previously determined optimal way.

2.7.1. Services

- **Design** – Setting of service levels and design of the service portfolio to deliver that LOS
- **Launch** – Transition to service delivery through service management setup, change management, and service release
- **Operate** – Service operation through routine delivery management and incident management as necessary

2.7.2. Assets

- **Acquire** – identification, selection and commissioning of assets required to deliver services
- **Operate** – utilisation of assets to deliver services
- **Maintain** – actions for retaining assets as near as practicable to their original condition, thus slowing down deterioration and delaying rehabilitation/replacement.
- **Dispose** – action of decommissioning and disposing of assets

High level guidance and principles for the lifecycle delivery are provided in the [Activity Management Plans](#). Additionally more detailed information is found in any and all operational documentation utilised by activities to guide their service delivery.

2.8. Activity & Asset Information

AM planning is data intensive and tools and processes are necessary to collect, assemble, manage, and analyse the data to support informed decision making. Activity & Asset Information should be guided by well-planned information strategies providing standards and guidelines to ensure quality of data is maintained.

The Information Management Policy ([ECM Doc Set ID: 10105887](#)) and Information Services (IS) Governance Framework ([ECM Doc Set ID: 6322412](#)) provides the organisations with a structure to ensure effective organisational operations and delivery of IS services. Within that framework sits a catalogue of additional policies to manage organisational risk associated with IS.

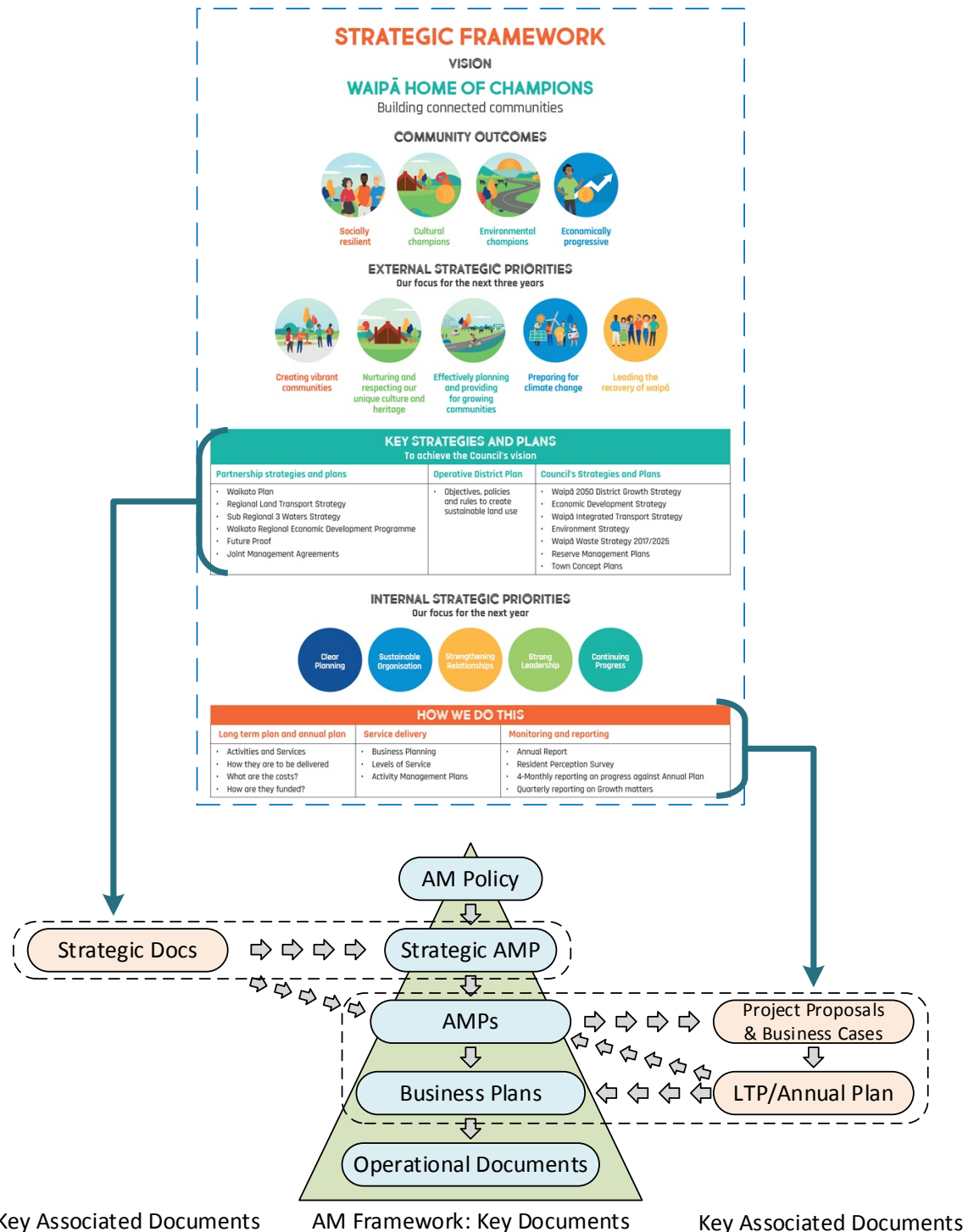
Asset Information Strategies

At this stage there are no formalised Asset Information Strategies, these will need developed as part of the improvement programme. As those Asset Information Strategies are developed the relevant parts will need to align with the Digital Roadmap ([ECM Doc Set ID: 10523758](#)).

3. Key Documents in the AM Framework

3.1. Key Documents Overview

The key documents in the AM framework and their relationship to each other, key documents outside the framework, and the Strategic Framework are shown in the diagram below.



3.2. Activity Management Policy

The policy's purpose is to provide a high level statement setting out Council's approach to Activity Management (AM), the policy will provide:

- AM managers with an understanding of leadership's expectations around AM outcomes
- Principles that will be followed when establishing AM strategies and objectives (which are set in the SAMP)
- Requirements and responsibilities for AM

The organisation's executive leadership are responsible for establishing the Policy.

3.3. Strategic Activity Management Plan

The Strategic Activity Management Plan (SAMP) sets out:

- how organisational objectives are to be converted into asset management objectives
- the AM approach for delivery the objectives
- scope of the AM Framework
- the approach for developing AMPs
- AM improvement plan

3.4. Activity Management Plans

The Activity Management Plans (AMPs) will document:

- Services and assets
- Levels of service
- Demand forecasts
- Risk management
- Lifecycle activities
- Financial forecasts

While documenting the above the AMPs shall have a strong focus on providing clear identification and justification of projects and budgets for inclusion in the LTP with sufficient detail to permit the LTP project documentation to simply reference the AMPs.

3.5. Project Proposals and Business Cases

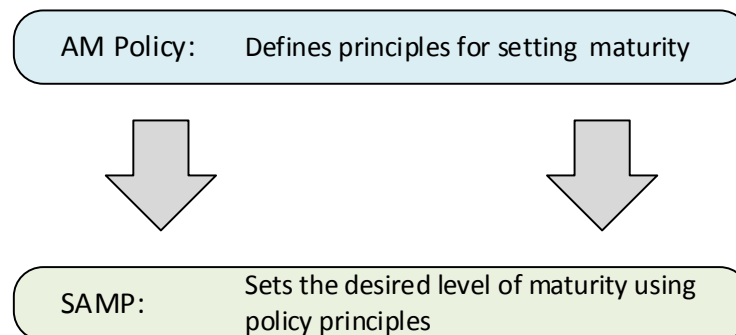
Activity management will regularly identify the need to develop and implement new services, replace or build new assets, and undertake process improvements. These typically will be delivered through projects, starting with project proposals and business cases. These form stages 1 and 2 of the Project Management Framework. Identification and development (and delivery) of projects must be done in alignment with the Project Management Framework ([Project Management Policy 2019](#) ([ECM Doc Set ID: 8023950](#)) and [Project Management Manual 2019](#) ([ECM Doc Set ID: 8028034](#))).

3.6. Business Plans

Business Plans provide activities with a view of work over the short-term 12 month period. Through the Long Term Planning process, a set of external strategic priorities are identified to support the delivery of Council's vision and community outcomes. In order to achieve these priorities Waipa District Council itself needs to be high performing. Each year Council goes through a process of identifying those internal priorities and developing business plans. Those business plans focus staff efforts on selected improvement activity with a view to continually improve Council's internal performance over time. These improvement activities may include improvements planned in activity management practices.

4. Activity Management Maturity

The maturity of the AM framework and the AM activities within it are described as Council's place along a continuum of AM development. Each activity should be at (or aiming toward achieve) a specific maturity level. Principles for determining maturity are set in the [AM Policy \(ECM Doc Set ID: 10662944\)](#). The [Strategic Activity Management Plan \(ECM Doc Set ID: 10662986\)](#) applies the principles set in the policy to determine the level of maturity each activity should be aiming to achieve/maintain.



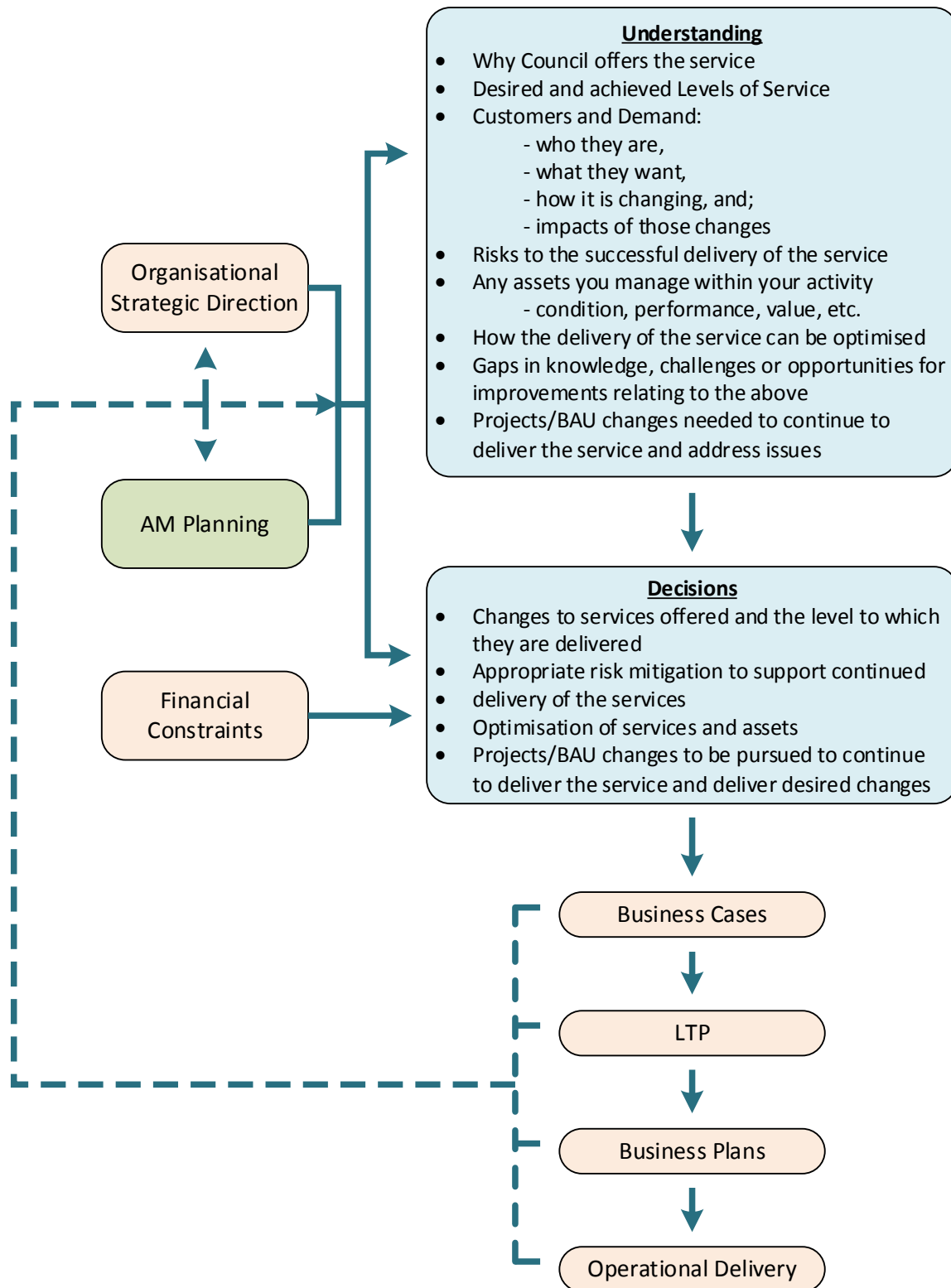
Linkage to Risk Management Framework: one of the factors influencing desired maturity levels is risk, generally the higher the activity's risk exposure the greater the need for more mature AM practices. Therefore due consideration to the risk framework should be given when determining the desired maturity levels.

5. Framework Review

The AM Framework will be reviewed three yearly, the timing of which will be in the first six months following adoption of an LTP. This will ensure the review and any required changes can be completed ahead of AM/AMPs feeding the next LTP.

6. Integration of the AM Framework

To be effective the AM framework needs to be embedded into Council's systems, processes, and culture to ensure it forms part of the way Council understands its business to support informed decision making. The diagram below shows where activity management planning supports Council's informed decision making.



Appendix 2

Activity Management Planning Organisational Improvements: Proposed Work Programme (Version 2 August 2021) *document number: 10663974*

Activity Management Planning

Organisational Improvements: Proposed Work Programme

Version 2 – August 2021

Revision Information

Issue	Author	Reviewers	Date	Details
Vr 1	Neil Taylor - Asset Management Planning Analyst	Kirst Downey, Georgina Knapp, Dawn Inglis	26/7/2021	Initial Draft
Vr2	Neil Taylor - Asset Management Planning Analyst		02/08/2021	Revisions following initial review

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1. Background

In late 2019 KPMG, as part of their programme of internal audits, reviewed Council's asset management planning frameworks and systems ([ECM ID 10394356](#)). Overall Council was rated as **"Developing"**. While the review found some good practices and a genuine desire for improvement in each activity area assessed, overall Waipa DC's asset management planning was limited by:

- an ineffective approach to governance
- persistent resource shortages and staff churn
- an absence of a documented asset management framework
- teams operating varied approaches of differing efficiency and effectiveness, and generating different outcomes.

2. Action to Date (August 2021)

2.1. Exploratory Meetings with Activity Areas

To investigate the KPMG findings and identify any additional opportunities for improvement the Group Manager Service Delivery and the Asset Management Planning Analyst met with all activity areas between 9th April and the 5th May. Discussions points included both Activity Management (AM) issues and opportunities. Additionally time was taken to understand the current planning processes for non-AM areas, the objective being to understand how their processes align with an AM planning approach.

2.2. Findings from Meetings and Next Steps Report

Outputs from meetings were collated and initial next steps drafted and incorporated into a report ([ECM Doc Set ID: 10620939](#)). The report was circulated to all meeting participants and AMP authors for feedback. In particular feedback was sought on whether the discussion from the meetings were accurately recorded and whether the direction of the next steps was appropriate.

2.3. Feedback on Report

Feedback received on the report can be found here: [ECM Doc Set ID: 10647053](#). The key theme in the feedback was strong support for one or other of the two options around the overall objective of improvement work moving forwards. That feedback has been considered in the development of the future work programme proposed within this document.

3. Scope of Proposed Work Programme

3.1. Transformation or Address Internal Audit Recommendations?

A key area explored as part of the meetings with activity areas was the overall objective of improvement work moving forwards. Two scenarios have been considered; Council will aim to achieve either:

- (a) business transformation or,
- (b) delivery on the KPMG internal audit recommendations

It is proposed that option (b) delivery on the KPMG internal audit recommendations is the approach taken.

The business transformation option was deemed an unrealistic target at this time based on the following factors:

- Resourcing and budget limitations
- Organisational focus on navigating the uncertainty and implications of:
 - Water reform
 - Changes to RMA
 - Future role of Local Government

However, wider improvement opportunities, especially those around improving connectivity between AM and non-AM areas should be taken advantage of where this is practicable and achievable without compromising achievement of the audit recommendations.

3.2. Fleet

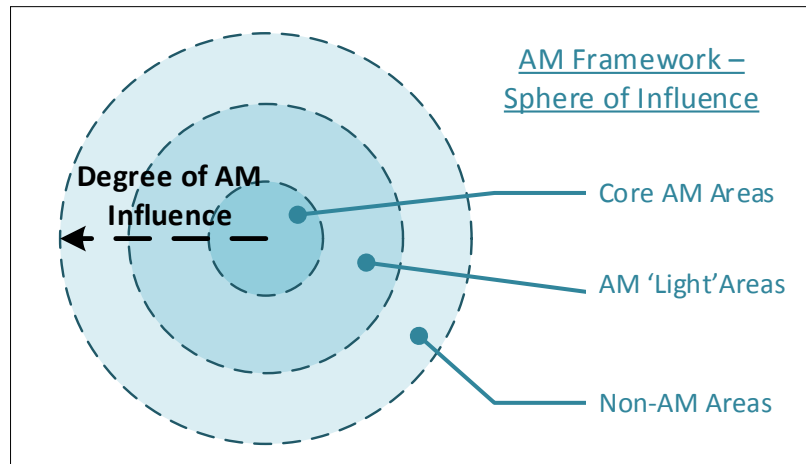
The exception to the above is the proposed inclusion of Fleet into the AM framework to the degree where application of basic AM principles and adoption of a basic AMP is considered appropriate and of value to the organisation.

3.3. Areas of Impact

The KPMG audit focused on those areas of Council already formally involved in AM and which have a AMP. Consideration has been given to expanding the scope of the AM framework to include areas not traditionally covered. In alignment with the proposal to limit the overall objective to delivering on the KPMG recommendations, the proposed expansion of the AM framework will be limited to Fleet.

The degree of influence for the AM framework and where activities would sit within that framework is shown in the diagram and table on the following page.

Sphere of influence for the AM framework



Activity Areas and the AM framework Sphere of Influence

	Activity Area		Notes
Core AM Areas	Property		Full adoption of AM approach
	3 Waters		
	Transportation		
	Community Services	Heritage	
		Libraries	
		Parks	
		Public Toilets	
Cemeteries			
AM ‘Light’ Areas	Fleet		Application of basic AM principles and adoption of a basic AMP
Non-AM Areas	Finance		Not required to produce an Activity Management Plan, but increased connectivity with AMP areas to ensure improved cross activity planning and identification of impacts
	Legal		
	IS		
	Comms		
	District Plan & Growth		
	Business Improvement and Risk Management		
	Strategy		
	Compliance		
	Project Delivery		
	Strategic Partnerships		
	HR		
	Governance		

4. Proposed Work Programme to Progress the KPMG Recommendations

The proposed work programme is provided in the following tables (Source: [ECM Doc Set ID: 10663969](#)). The purpose of each item in the proposed work programme is to assist Waipa DC to address the KPMG recommendations. Multiple work programme items may be required to address a single KPMG recommendation. Alignment between the two is shown in the tables and progress against the KPMG recommendations can be identified by monitoring the progress of the Waipa DC AM improvement actions.

Area	KPMG Recommendation	Waipa DC Action	Lead	Planned Start Date	Planned Completed Date	Status
Asset Management Maturity	Address improvement plan weakness issues and demonstrate clear progress in the maturity level of each portfolio area.	Ensure AMP improvement plans are fully completed	Neil Taylor			Completed
		Set up process for monitoring progress against AMP improvement plans	Neil Taylor	-	Sep-2021	In Progress
		AMP improvement plan progress reported to AM Organisational Improvement PSG	Neil Taylor	Sep-2021	Ongoing	Planned
		Develop organisational wide AM improvement programme to address KPMG recommendations	Neil Taylor	-	Sep-2021	In Progress
		Set up process for monitoring progress against AM improvement programme	Neil Taylor	Aug-2021	Sep-2021	Planned
		Organisational wide AM improvement programme progress reported to executive team	Dawn Inglis	Dec-2021	Ongoing	Planned
		Once KPMG recommendations completed undertake a review of desired maturity levels and determine any remaining gaps between desired and achieved maturity	Neil Taylor	Jul-2023	Sep-2023	Planned
	Provide the property team the resources required to accelerate AM maturity to a steady state of core maturity level. Address known and unknown risk issues as a priority.	Gap analysis of property team AM resourcing	Dawn Inglis	Sep-2021	Oct-2022	Planned
		Identify solution to close gap	Dawn Inglis	Nov-2021	Dec-2021	Planned
		Implementation of solution	Dawn Inglis	Jan-2022	May-2022	Planned

Area	KPMG Recommendation	Waipa DC Action	Lead	Planned Start Date	Planned Completed Date	Status
Planning for Growth	Demonstrate that future demand inputs including population growth and climate changes are being monitored and tracked.	Set up monitoring and reporting of growth rates using building consent data	Dawn Inglis			Completed
		Generate detailed forecast growth rates for each growth cell detailing assumptions made	Dawn Inglis	-	Dec-2021	In Progress
		Set up ongoing reporting comparing actual growth rates against forecast growth rates in each growth cell	Dawn Inglis	Jan-2022	Feb-2022	Planned
		Investigate scope and options for how climate change inputs into future demand can be captured and incorporated into demand forecasts.	Dawn Inglis	Mar-2022	Jun-2022	Planned
		Implement preferred option for incorporating climate change into demand forecasts.	Dawn Inglis	Jul-2022	Ongoing	Planned
	Apply monitoring information to LTPs and AMPs so they can be adjusted regularly to deliver against current demand profiles and assess timing and appropriateness of investment proposals.	Set up ongoing process to routinely update the AMPs with monitoring information and adjust demand forecasts and affected proposed actions to reflect that monitoring information.	Neil Taylor	Mar-2022	Jun-2022	Planned
	Track measures of wellbeing in the community to monitor the impact of growth through surveys, customer focus groups etc.	Reports built and feedback mechanism in place	Georgina Knapp			Integrated into BAU
	Assess and monitor the impact of changing delivery timeframes for growth related projects on the community and infrastructure network.	Project Delivery assessing the impacts of changes associated with growth through cashflow and risk updates and monitoring, monthly reporting and the Growth Forum	Carl Smith			Integrated into BAU

Area	KPMG Recommendation	Waipa DC Action	Lead	Planned Start Date	Planned Completed Date	Status
Reporting, Risk and Review	Apply risk management principles used for project-risks to asset failure risk to determine the specific vulnerable, sensitive, or critical assets and potential hazards, likelihoods and consequences.	Inclusion of asset risk in risk training and operational risk management implementation	Georgina Knapp	-	Dec-2022	In Progress
	Communicate significant asset risk issues to senior management and implement appropriate risk mitigation tactics.	Use existing risk reporting mechanisms to include asset risk	Georgina Knapp	-	Dec-2022	In Progress

Area	KPMG Recommendation	Waipa DC Action	Lead	Planned Start Date	Planned Completed Date	Status
Asset Management Resourcing and Capability	Understand and investigate the demand on existing asset management planning resources and identify capacity and capability gaps and process inefficiencies and put in place a strategy to adequately support AM teams to be able to implement effective AM planning.	Gap analysis of AM resourcing	Dawn Inglis	Sep-2021	Oct-2022	Planned
		Identify solution to close gap	Dawn Inglis	Nov-2021	Dec-2021	Planned
		Implementation of solution	Dawn Inglis	Jan-2022	May-2022	Planned
	Investigate the cause of previous poor performance in the SW and WS maintenance contracts. Establish a process to ensure that stormwater and water supply maintenance work is planned to be more proactive, with preventative work programmed and less reliance on reactive maintenance to catch up with deferred repairs and maintain quality and condition of the network.	Investigate root cause of challenges with SW and WW maintenance contracts	Dawn Inglis	Sep-2021	Jun-2022	Planned
		Assess current state of SW and WW maintenance contracts	Dawn Inglis	Sep-2021	Jun-2022	Planned
		Development action plan to address any issues around the SW and WW maintenance contracts	Dawn Inglis	Sep-2021	Jun-2022	Planned

Area	KPMG Recommendation	Waipa DC Action	Lead	Planned Start Date	Planned Completed Date	Status
Data management and IT systems	Develop a roadmap to close out the data management system options and establish a clear brief of organisational information requirements to inform asset portfolio data models. Establish a clear project delivery structure for the works with senior management sponsorship and formal reporting and assign adequate resources to achieve a successful close out.	Digital solution planned and implemented.	Georgina Knapp	-	Jun-2023	In Progress
	Establish a simple but robust data model for all asset classes that are not well documented. Undertake a review of data gaps and collect and maintain asset registers for all asset classes in accordance with data model requirements. Embed processes of data management in the organisation as has already been started with Promap process mapping.	Develop, document, and adopt a data models for Parks	Neil Taylor	Jun-2022	Sep-2022	Planned
		Develop, document, and adopt a data models for Cemeteries	Neil Taylor	Jun-2022	Sep-2022	Planned
		Develop, document, and adopt a data models for Public Toilets	Neil Taylor	Jun-2022	Sep-2022	Planned
		Develop, document, and adopt a data models for Libraries	Neil Taylor	Jun-2022	Sep-2022	Planned
		Develop, document, and adopt a data models for Property	Neil Taylor	Jun-2022	Sep-2022	Planned
		Develop, document, and adopt a data models for Heritage	Neil Taylor	Jun-2022	Sep-2022	Planned
		Develop, document, and adopt a data models for Fleet	Neil Taylor	Jun-2022	Sep-2022	Planned
		Undertake gap analysis between data models and current asset registers, develop programme to close gap	Neil Taylor	Oct-2022	Dec-2022	Planned
		Implement programme to close gaps between asset registers and data models	Neil Taylor	Oct-2022	Dec-2022	Planned
		Develop, document, and implement processes to maintain asset register standards	Neil Taylor	Jan-2023	Jun-2023	Planned

Area	KPMG Recommendation	Waipa DC Action	Lead	Planned Start Date	Planned Completed Date	Status
Governance Framework	Establish a point of accountability for group level asset management within the executive team.	Executive to identify point of accountability within the executive team	Dawn Inglis			Integrated into BAU
	Address issues of asset management leadership (as defined in ISO 55001) by providing the support and motivation for key functions to operate in a cross functional and collaborative manner to deliver against WDC's corporate objectives and drive continuous improvement.	Convene and chair steering group	Dawn Inglis			Completed
		Report to Exec and Audit and Risk Committee on AM improvement progress	Dawn Inglis	Aug-2021	Ongoing	Planned
		Monitor reporting framework and supporting actions	Dawn Inglis	Aug-2021	Ongoing	Planned
	Establish an AM Steering Group as referred to in the draft AM Policy to support the AM Lead and to communicate AM culture and practices within portfolio teams.	Membership Determined	Neil Taylor			Completed
		Terms of Reference Developed	Neil Taylor			Completed
		TOR and Membership approved by executive team	Dawn Inglis	Aug-2021	Aug-2021	Planned
	Put in place an asset management framework to describe the council's business model and a common structure for asset management business processes, timing and co-ordination. The framework can also be used to show how asset management fits with wider organisational management systems.	AM Framework drafted	Neil Taylor	-	Aug-2021	In Progress
		Draft AM Framework circulated for feedback	Neil Taylor	Aug-2021	Aug-2021	Planned
		Draft AM Framework revised based on feedback	Neil Taylor	Sep-2021	Sep-2021	Planned
		AM Framework adopted by AM Organisational Improvement PSG	Dawn Inglis	Oct-2021	Oct-2021	Planned
	Finalise and endorse the revised AM policy.	Revised AMP Policy Drafted	Neil Taylor	Aug-2021	Aug-2021	Planned
		Revised AM Policy circulated for feedback	Neil Taylor	Sep-2021	Sep-2021	Planned
		AM Policy further revised based on feedback	Neil Taylor	Sep-2021	Sep-2021	Planned
		AM adopted by executive team	Dawn Inglis	Oct-2021	Oct-2021	Planned
	Ensure that the actions in the Future Work Programme to update council strategy documents, vision and outcomes and town concept plans, including place-making initiatives are completed in accordance with the proposed timeframe, in order to inform strategic asset planning	Development, approval and implementation of an integrated strategic planning framework	Kirsty Downey			Completed
		Review of the Council Vision, Community Outcomes and External Strategic Priorities	Kirsty Downey			Completed
		Adoption of the revised Council Vision, Community Outcomes and External Strategic Priorities	Kirsty Downey			Completed
		Review of the Internal Strategic Priorities	Georgina Knapp			Completed
		Adoption of the revised Internal Strategic Priorities for the 2021/22 year	Georgina Knapp			Completed
		Development, community engagement and Elected Member endorsement of the Cambridge Town Concept Plan Refresh	Kirsty Downey			Completed
		Development, community engagement and Elected Member endorsement of the Pirongia Village Concept Plan Refresh	Kirsty Downey			Completed
		Development, community engagement and Elected Member endorsement of the Kihikihi Urban Development Plan	Kirsty Downey	-	Sep-2021	In Progress
		Development, community engagement and Elected Member endorsement of the Ngahinapouri Village Concept Plan Refresh	Kirsty Downey	-	Oct-2021	In Progress
		Development of a district-wide Community/Spatial Plan	Kirsty Downey	-	Oct-2022	In Progress
	Consider the role of the SAMP, finalise and endorse as appropriate	Purpose and content to SAMP determined	Neil Taylor	Oct-2021	Oct-2021	Planned
		Revised SAMP drafted	Neil Taylor	Nov-2021	Dec-2021	Planned
		Revised SAMP circulated for feedback	Neil Taylor	Dec-2021	Dec-2021	Planned
		SAMP further revised based on feedback	Neil Taylor	Jan-2022	Jan-2022	Planned
	Consider and document the roadmap for the switch in focus from a project-based to a strategy-led organisation.	SAMP adopted by executive team	Dawn Inglis	Feb-2022	Feb-2022	Planned
		Development, approval and implementation of an integrated strategic planning framework	Kirsty Downey			Completed
		Review of the Council Vision, Community Outcomes and External Strategic Priorities	Kirsty Downey			Completed
		Adoption of the revised Council Vision, Community Outcomes and External Strategic Priorities	Kirsty Downey			Completed
		Review of the Internal Strategic Priorities for the 2021/22 year	Georgina Knapp			Completed
		Adoption of the revised Internal Strategic Priorities for the 2021/22 year	Georgina Knapp			Completed
		Presentation of the revised integrated strategic planning framework	Kirsty Downey/Georgina Knapp	Aug-2021	Aug-2021	Planned

AUDIT AND RISK COMMITTEE REPORT



To: The Chairperson and Members of the Audit and Risk Committee
From: Deputy Chief Executive / Group Manager Business Support
Subject: **Review of Performance and Effectiveness of the Audit & Risk Committee**
Meeting Date: 20 September 2021

1 EXECUTIVE SUMMARY

Council's Audit and Risk Committee was established by a Council resolution on 29 September 2015 and it met for the first time in December 2015.

This report seeks to review the performance and effectiveness of the Committee utilising the results of what is now the seventh survey to be carried out seeking the perceptions of the various stakeholders in this Committee in regard to a number of matters associated with the role and function of the Committee and the part it plays in Council's governance structure.

The first of these surveys was carried out in late February/early March 2016, with the view to establishing a benchmark. Further surveys were carried out in August 2016, August 2017, November 2018, August 2019, August 2020 and this one in August 2021.

The surveys are a means of determining if there is discernible longitudinal change in perception over the course of the Committee's existence.

2 RECOMMENDATION

That the information in the 'Review of Performance and Effectiveness of the Audit and Risk Committee' report (document 10679150) of Ken Morris, Deputy Chief Executive / Group Manager Business Support, be received.

3 STAFF COMMENT

The Role, Responsibilities and Matters Considered by the Audit and Risk Committee

Council's Audit and Risk Committee was established after due consideration of the increasingly common practice throughout the sector to establish these committees as an important part of the governance structure.

The Committee, like most in the sector, was established with a terms of reference that sees it playing a largely advisory role apart from its ability to exercise authority to:

- Receive and consider external and internal audit reports
- Receive and consider staff reports on audit, internal control and risk management related matters
- Make recommendations to the Finance and Corporate Committee and/or Council on financial, internal control and risk management policy and procedure matters as appropriate
- To approve the Auditors engagement and arrangements letters
- To consider any other matter requested of the Committee by Council or any of its other Committees.

The key responsibilities of the Committee, as more fully set out in the Terms of Reference (refer Appendix 2), are in the areas of:

- External audit and external accountability
- Internal audit; and
- Risk management.

The Committee has had an extensive work programme throughout the time of its existence, including, in no particular order, such matters as:

- Consideration of an appropriate terms of reference
- Agreement of an annual workplan for the Committee
- Review of Council's risk management policy, strategy and framework, reporting mechanisms and the monitoring of risk
- Review of a Risk Improvement Change Management programme
- Review of the sensitive expenditure and fraud and corruption policies
- Review of our performance reporting framework for both financial and non-financial performance
- Approving the introduction of internal audit into the organisation

- Approval of three-yearly and annual internal audit programmes
- Considering our approach to delegations, the procedural policy manual and business improvement
- Insurance arrangements and the changing direction of Crown policy around the 60/40 arrangement
- The appropriateness of Council's 10-Year Plan and Annual Plan assumptions
- Agreement of audit arrangements and engagement letters for the annual audit
- Review of the treasury management policy and strategies, various health and safety policies, and the business resilience policy
- Consideration of the interest declarations made by elected members and senior staff and the processes around recording, monitoring and publishing this information
- Review of the intended accounting policies, key accounting estimates and the results of asset revaluation exercises which are key components in our Annual Reports
- Consideration of certain aspects of Council's approach to procurement and contract management
- The Information Systems Governance Framework
- The Tax Governance Framework
- Procurement Governance Framework
- Business continuity management
- The recommendation of draft Annual Reports to Council for adoption
- Considering the appropriateness of Council's cyber-security risk management practices
- Considering Internal Audit findings and recommendations on Procurement, Business Continuity Management, Contract Management, Health and Safety Culture, Payroll, Risk Management, Compliance Management, Cyber-maturity, Asset Management, the effectiveness of the Professional Services Panel, Fraud Risk; and the sign-off and monitoring of progress on agreed strategy and improvement programmes resulting from these internal audits
- The development of Strategic Risk Profiles (our 'Top Risks') and determining 'risk appetite' considerations in regard to those risks
- Development of a Risk Appetite Statement for Council approval
- 'Deep dives' into various 'Top Risks'
- Review of a report into Council's Project Delivery structure and framework for delivering the significantly increased capital works programme set out in the 2018-28 10-Year Plan

- Consideration of the results of the New Zealand Transport Agency funding audit
- Consideration of particular risks around significant, specific operational risks at the Cambridge Wastewater Treatment Plant
- Consideration of regular quarterly updates on capital programme works delivery and risks
- Consideration of capital works carry-forward programmes
- Consideration of a compliance management strategy and policy
- Consideration of a crisis management plan
- Ongoing review of the progress of the development of the 2021-31 Long Term Plan
- Acceptance of audit management reports and the monitoring of outstanding management report items
- Deep dive discussions of Top Risks with Executive Risk Owner
- Regular litigation updates; and
- The provision of a forum where the Chief Executive and other members of the Executive can share their views of organisational risk.

Many of these matters were previously very much in the domain of management with little in the way of governance understanding or input. The creation of the Audit and Risk Committee has greatly improved the visibility and understanding of a number of these items.

The Survey Results

The latest iteration of what is now an annual stakeholder survey was conducted in August 2021, just in advance of the September 2021 meeting of the Committee.

The results of the survey are set out in full in Appendix 1

Brief observations:

- The August 2021 survey generally shows a clear consolidation of the views of value, appreciation of risk, capability to manage risk, and in the level of support to manage risk, from last year and a favourable trend in comparison with the original baseline survey. This demonstrates the positive impact the Committee has had in increasing understanding of risk matters.
- The range of responses has narrowed compared to last year for most of the questions. This likely reflects the increasing maturity of the Committee and the understanding of the role.
- It is pleasing to note that 13 respondents (86.7%) have assessed the value-add of the Committee at 7 or higher (in fact, 11 are at 8 or higher), 11 have

assessed their appreciation of Council risks at 7 or higher, 12 have assessed their capability to manage risk at 7 or higher, and 14 have assessed the level of support for their role at 7 or higher. These are very good results that demonstrate the value the Committee brings.

- There are some low scores in the graph of knowledge of level of Treasury Management and insurance arrangements. This suggests that these might be areas for development over the next year.
- There were overall higher levels of knowledge for financial management and external audit / external accountability, although some spread of results and in the case of external audit / external accountability, an outlier result.
- In general terms the verbatim comments, which have all been brought through in the appendix, are largely positive with many of them indicating the value-add of the Committee and having an independent chair.
- There are suggestions around better connections between the Committee and other Councillors, more support and building risk management capability for Councillors outside of the Committee and a need for better clarity on the role of the Committee. Growth and central government reforms are suggested areas for future focus. The Committee should discuss whether it wants to take up these suggestions.
- Value was seen in the focus on 'Top Risks', the KPMG internal audits, in the deep dives, and in the general risk discussions with Executive members. There was also value seen in the interactions between governance and management in these Committee meetings. These are good commendations of the work of the Committee.



Ken Morris

DEPUTY CHIEF EXECUTIVE / GROUP MANAGER BUSINESS SUPPORT

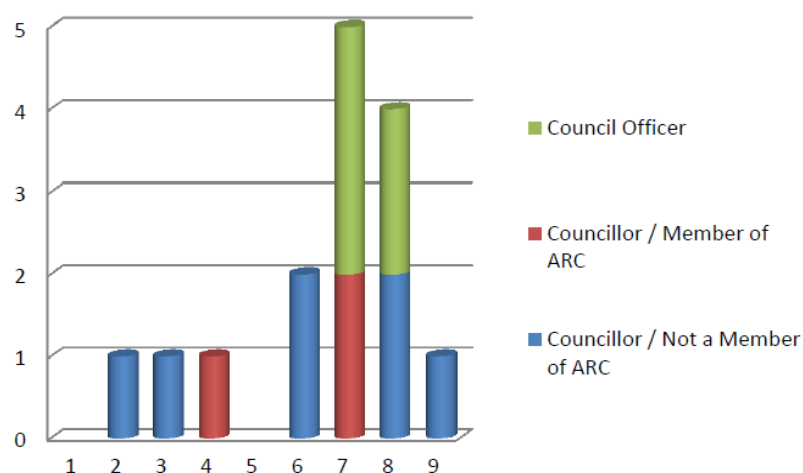
APPENDIX 1

Audit and Risk Committee Evaluation Survey results 2021 (document number 10689115)

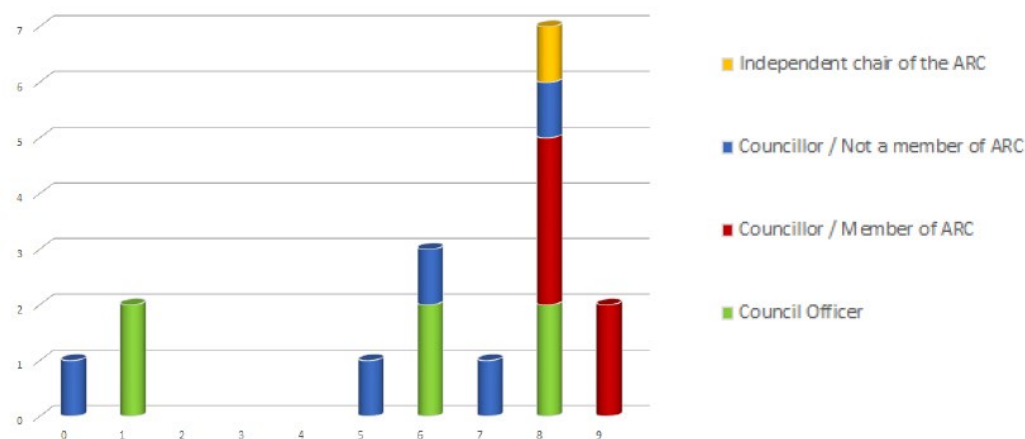
Audit and Risk Committee Evaluation Survey 2021

Please rate on the scale 1 (minimal) to 9 (substantial), what is your overall assessment of the added value the Audit and Risk Committee brings to Waipa District Council

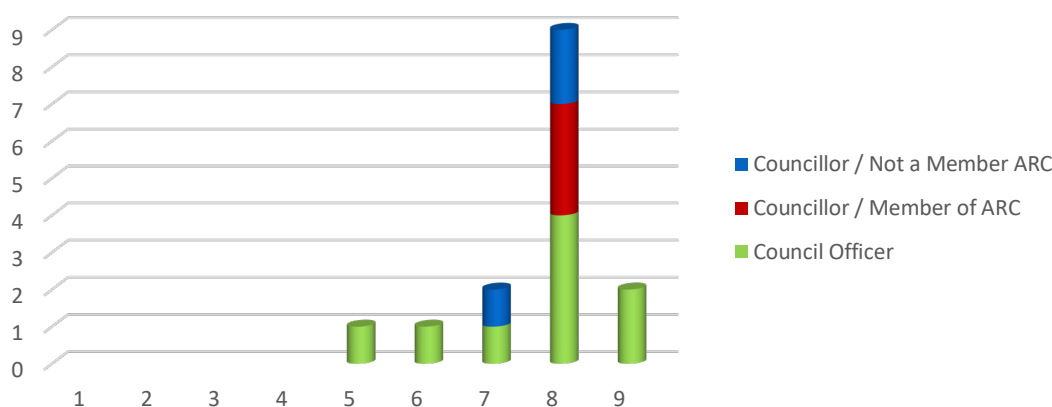
March 2016 results



August 2020 results



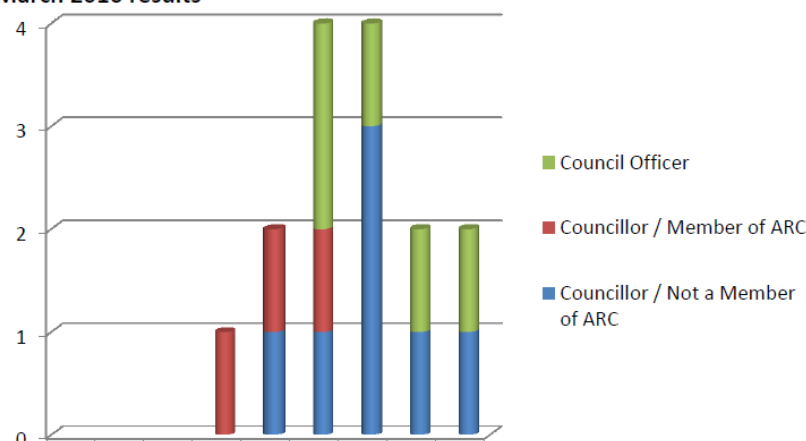
August 2021 result



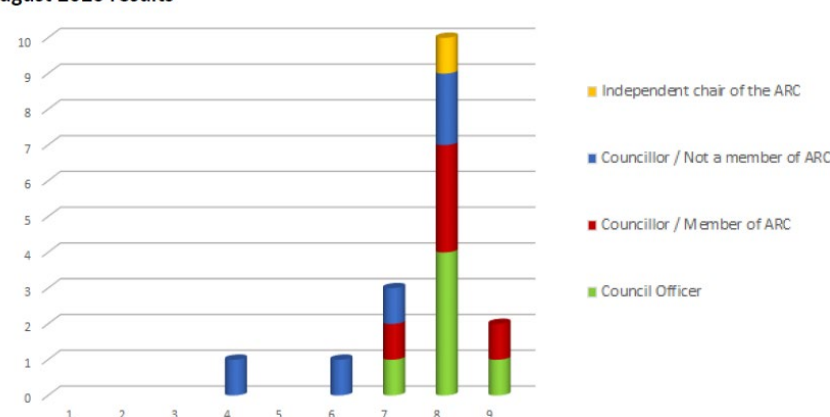
Audit and Risk Committee Evaluation Survey 2021

Please rate on the scale from 1 (very limited knowledge) to 9 (a comprehensive understanding), your appreciation of the risks facing Waipa District Council following nearly 6 years of the Audit and Risk Committee.

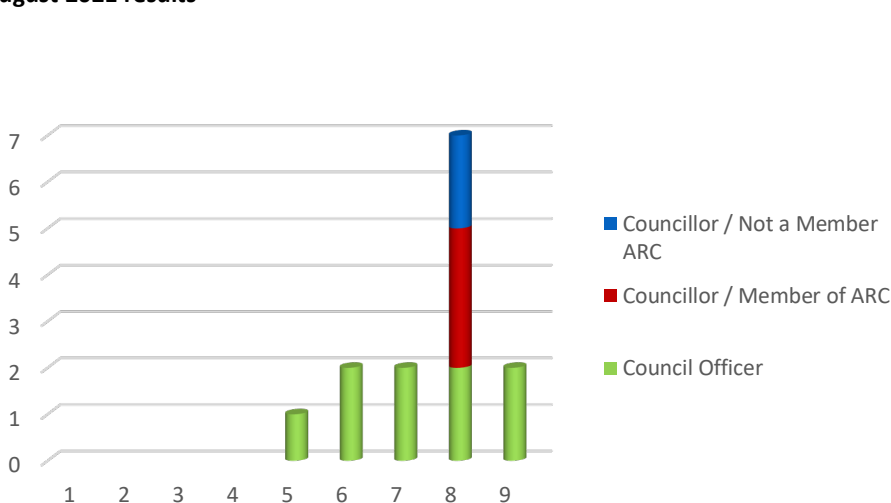
March 2016 results



August 2020 results



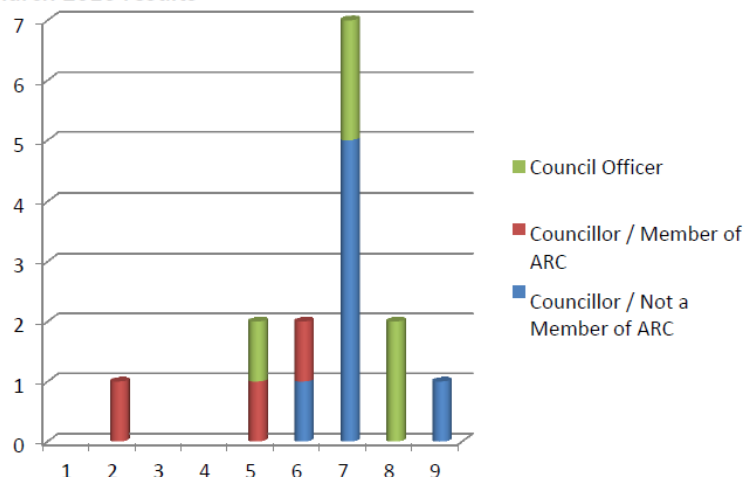
August 2021 results



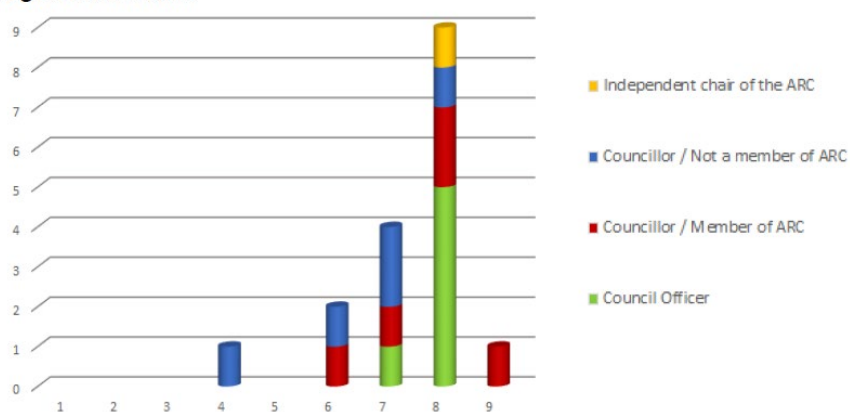
Audit and Risk Committee Evaluation Survey 2021

Please rate on the scale from 1 (not capable) to 9 (extremely capable), your capability to manage risk in your role for Waipa District Council following nearly 6 years of the Audit and Risk Committee.

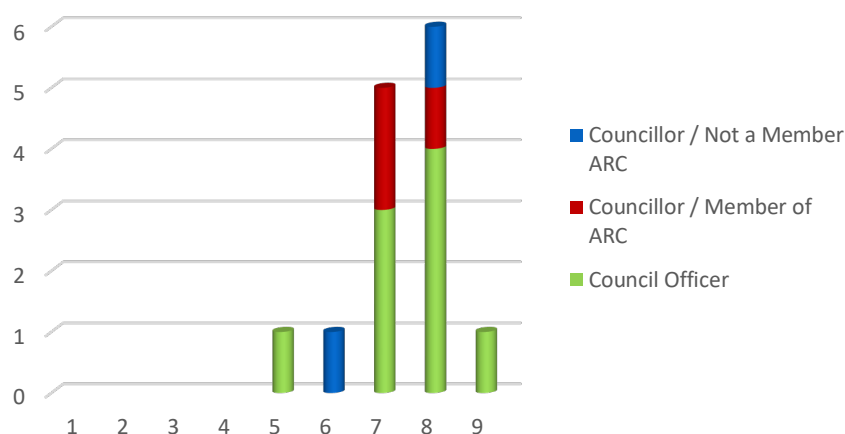
March 2016 results



August 2020 results



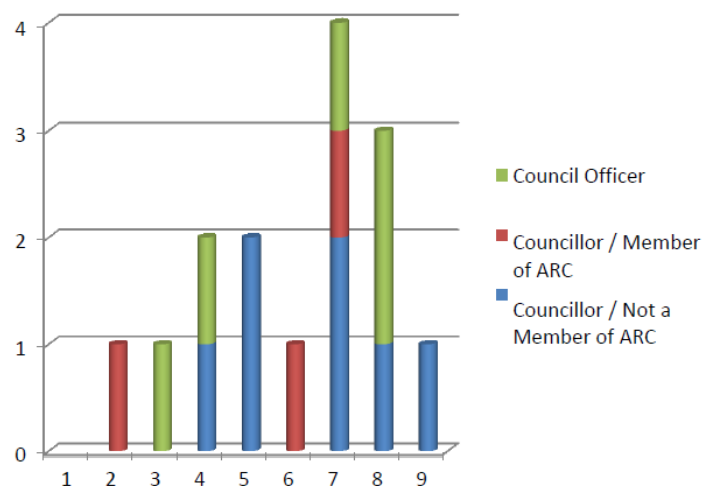
August 2021 results



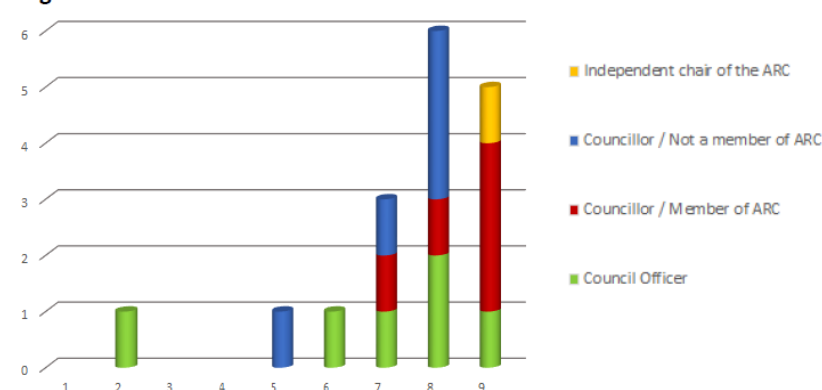
Audit and Risk Committee Evaluation Survey 2021

Please rate on the scale 1 (no support) to 9 (fully supported), the level of support you receive to manage risk in your role at Waipa District Council following nearly 6 years of the Audit and Risk Committee.

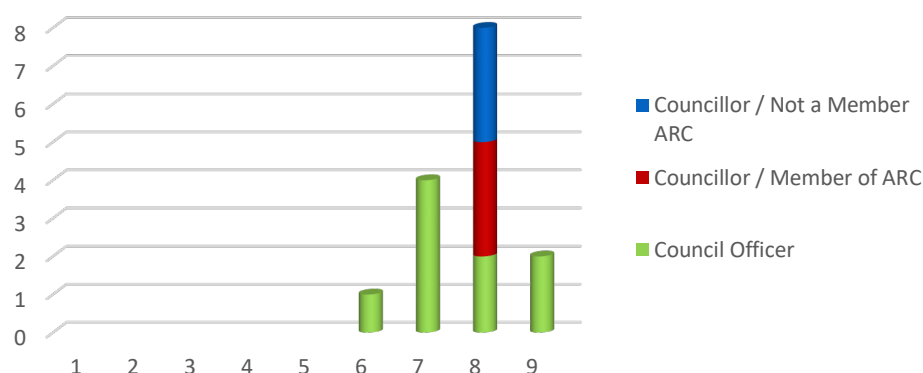
March 2016 results



August 2020 results



August 2021 results

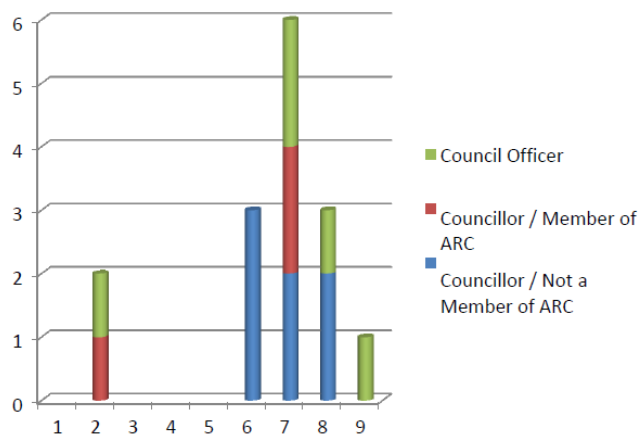


Audit and Risk Committee Evaluation Survey 2021

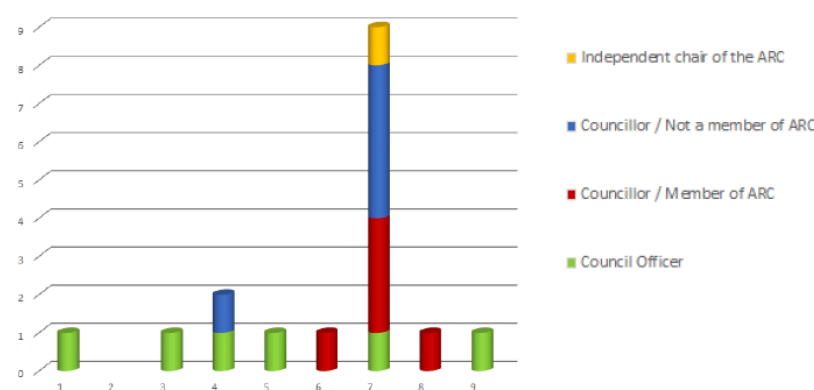
How do you rate on the scale of 1 (limited knowledge) to 9 (extremely knowledgeable), your knowledge of the following matters as they relate to Council:

Treasury management policy

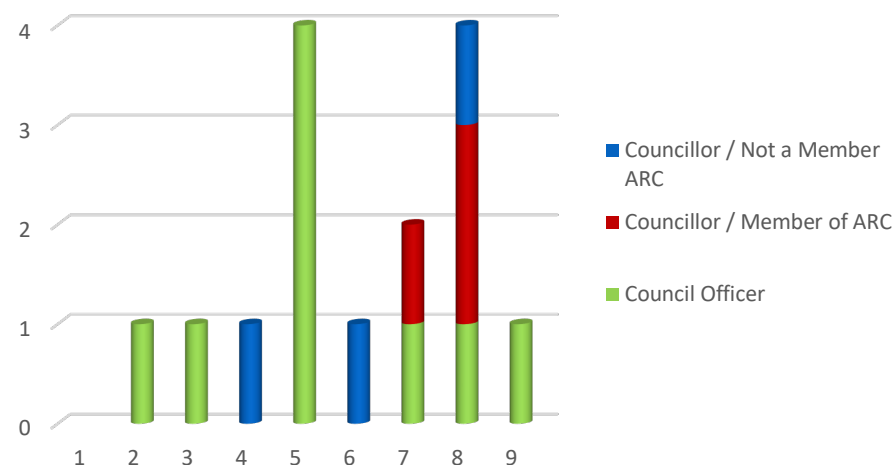
March 2016 results



August 2020 results



August 2021 results

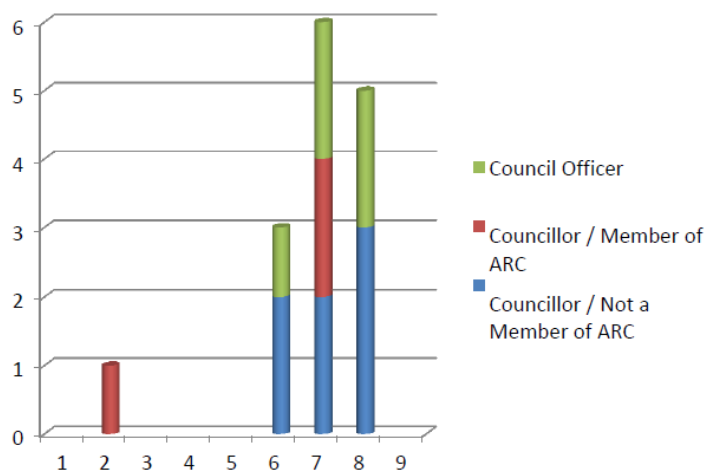


Audit and Risk Committee Evaluation Survey 2021

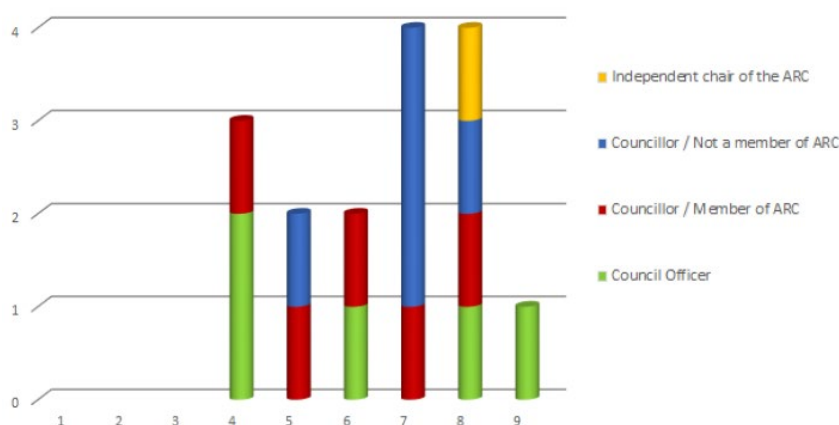
How do you rate on the scale of 1 (limited knowledge) to 9 (extremely knowledgeable), your knowledge of the following matters as they relate to Council:

Insurance arrangements

March 2016 results



August 2020 results



August 2021 results

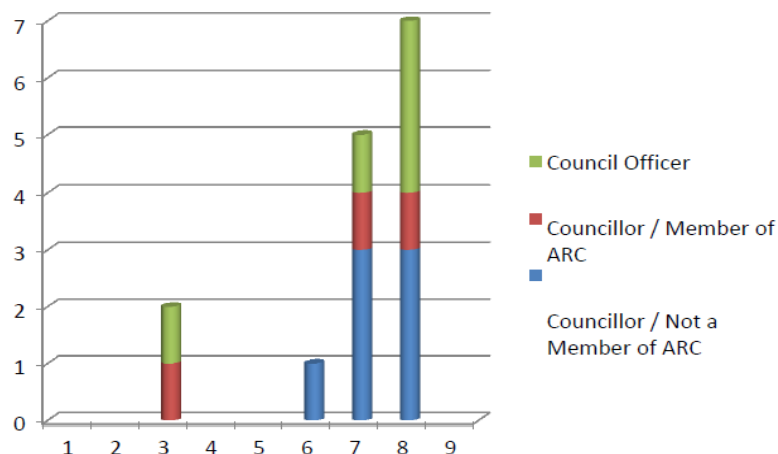


Audit and Risk Committee Evaluation Survey 2021

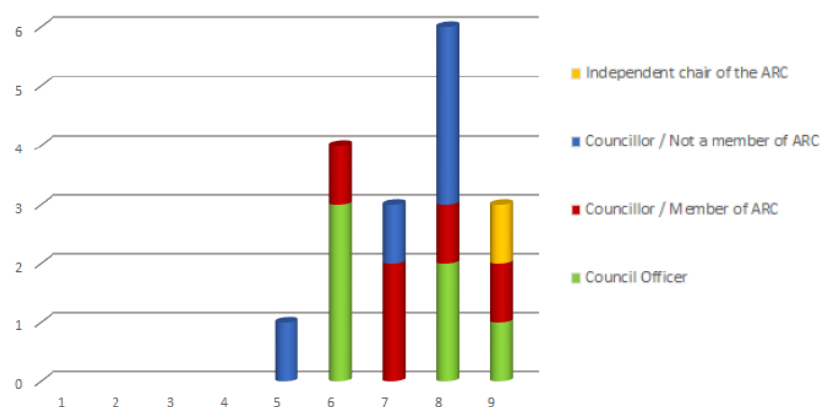
How do you rate on the scale of 1 (limited knowledge) to 9 (extremely knowledgeable), your knowledge of the following matters as they relate to Council:

Financial management polices

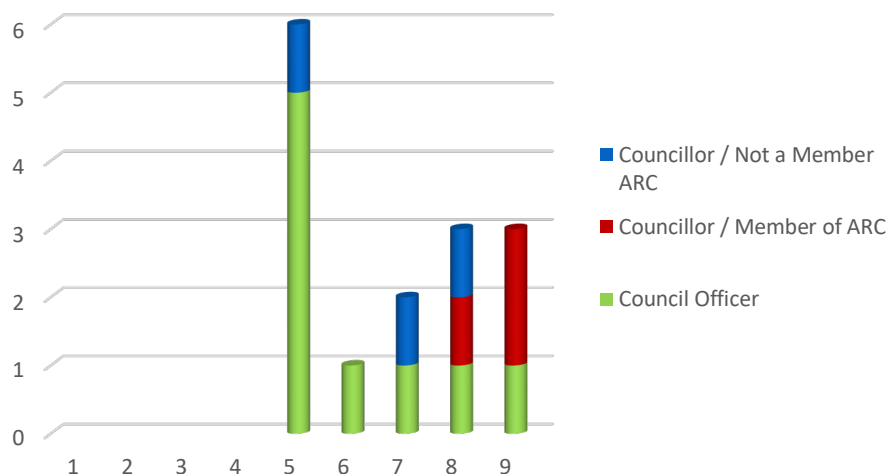
March 2016 results



August 2020 results



August 2021 results

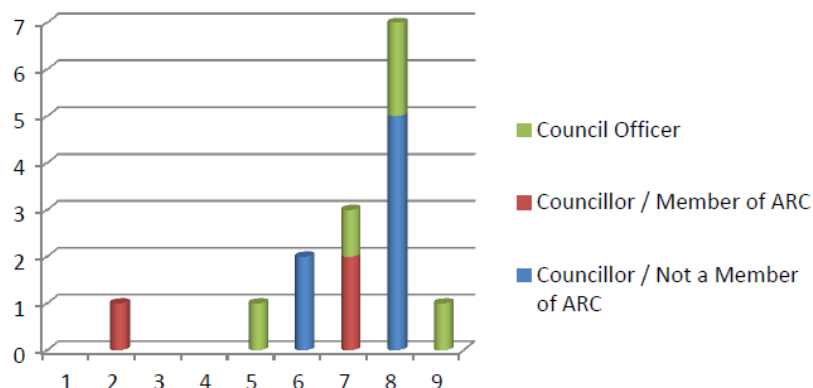


Audit and Risk Committee Evaluation Survey 2021

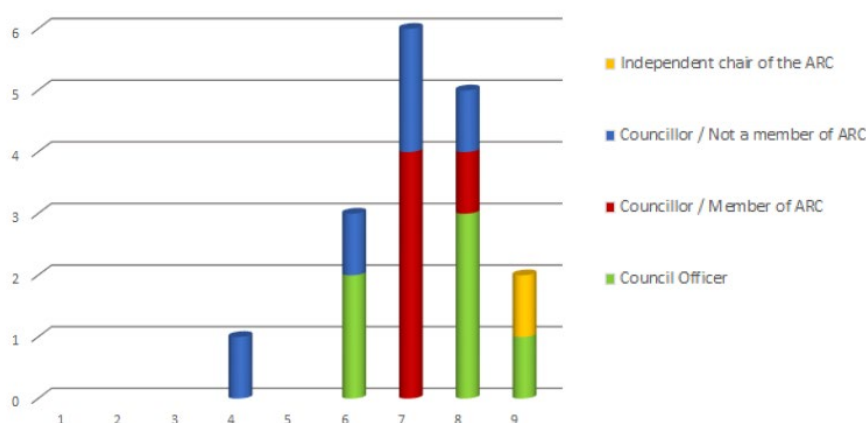
How do you rate on the scale of 1 (limited knowledge) to 9 (extremely knowledgeable), your knowledge of the following matters as they relate to Council:

External audit / external accountability

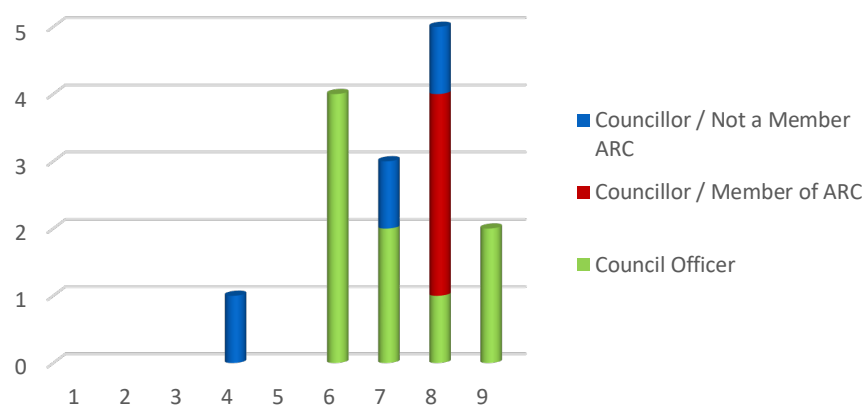
March 2016 results



August 2020 results



August 2021 results



Audit and Risk Committee Evaluation Survey 2021

What areas can you identify where the Audit and Risk Committee should focus more attention or where there is a need for more support?

- It depends on what the role of ARC is. For example, is it there to support staff and provide more focus, or is it there to provide oversight and accountability for risk management? I thought it was the latter, not the former. However, the questions suggest otherwise.
- None
- Councillor's outside Audit and Risk Committee to receive more support and information
- Better connection between ARC and other Councillors - increase in risk management capability across all Councillors.
- None
- The range of risk and measures put in place, accountability and visibility of risk appears to be well covered at Council.
- Growth activity - planning; property; legal
- The direction of central government reforms for local government
- I think the focus is fine as it is now.
- None, I like the diverse programme that has been set up.

What aspects of the work of the Audit and Risk Committee do you think has produced the most value to you in your role with Waipa District Council?

- n/a
- All aspects are valuable
- Made aware of current and future risks and liabilities
- Support of the work we are undertaking to increase the risk management maturity of Council in general. Strong engagement of ARC in the top risks from which to have these conversations across different Council areas. Greater visibility of WDC risk management practices to our external auditors.
- Managing organisational risks, liability risks and health and safety risks
- Valuable input from external chair
- Impact comes from discipline
- Internal audit reviews - keeping our eye on the ball in responding to these
- Internal audits
- The focus on risk through the annual Top Risk review with its focus on strategic risk identification and appetite; the deep dives; and the CE and GM risk discussions
- Comfort that risks are being managed pro-actively and competently
- In depth consideration of identified top risks. Identification of growth as a key risk. Also 'in committee' discussion with CEO and exec directors on their individual and personal opinions on concerns and risks.

Audit and Risk Committee Evaluation Survey 2021

We would like to hear of any negative consequences that you have noticed following the establishment of the Audit and Risk Committee. This feedback is treated anonymously. Please provide your comments here:

- n/a
- None
- Nil. I believe that the Committee is a positive innovation
- None
- Some duplication with also having to report similar material to the F&CC.
- None
- We focus on closing some audit feedback when to do so can put too much pressure on our Organisation!
- None, its good value for the time it takes.
- Nothing to note - the work of this committee is entirely positive in my view
- Not aware of any negatives

Any other comments would be welcome:

- Great there is an independent chair
- None thank you.
- Great work happening through this Committee - let's keep it going!
- Bruce Robertson as independent chair contributes a lot of value to the committee

APPENDIX 2

Terms of Reference for the Waipa District Council Audit and Risk Committee for the 2019-22 Triennium (document number 10220635)

**DRAFT TERMS OF REFERENCE FOR THE
WAIPA DISTRICT COUNCIL AUDIT AND RISK COMMITTEE
FOR THE 2019-22 TRIENNIUM
(As approved by Council on 17 December 2019)**

1. ESTABLISHMENT

This document establishes the responsibilities and explains the role of the Audit and Risk Committee within Council.

2. OBJECTIVES

The general objective of the Audit and Risk Committee is to assist and advise the Waipa District Council in its responsibility and ownership for enterprise risk management, Council's control and compliance framework, and its external accountability responsibilities.

Specific objectives are to:

- Recommend to Council an appropriate enterprise risk management strategy and monitor the effectiveness of that strategy, including the advancement of any projects or programmes of work focussing on the appropriate management of risk
- Monitor the Council's external and internal audit process and the resolution of any issues that are raised
- Assist in any investigations of potentially inappropriate actions by Council staff or elected members, including any allegations of fraudulent activity, bribery or corruption
- Monitor compliance with laws and regulations
- Oversee the preparation of and review key formal external accountability documents such as the Long-term Plan, Annual Plan and the Annual Report in order to provide advice and recommendation in respect to the integrity and appropriateness of the documents and the disclosures made
- Provide a forum for communication between management, internal and external auditors and the governance level of Council
- Ensure the independence and effectiveness of Council's internal audit processes
- Monitor existing corporate policies and recommend new corporate policies to prohibit unethical, questionable or illegal activities
- Support measures to improve management performance and internal controls.

3. MEMBERSHIP

The committee will be appointed by resolution and shall comprise of no greater than six members including His or Her Worship the Mayor as an ex-officio member with full membership and voting rights, and the Chair of the Finance and Corporate Committee.

To perform their role effectively, each Committee member must develop and maintain his or her skills and knowledge, including an understanding of the committee's responsibilities, and of the Council's business, operations and risks.

The Chair of the Committee shall be an external appointee.

The Chief Executive and the Group Manager Business Support shall attend all meetings in a key advisory capacity but are not members and have no voting rights. Other Council officers may be required to attend the Committee meetings as required.

Members will be appointed at the commencement of each triennium term of Council.

4. RESPONSIBILITIES

External Audit and External Accountability

- Engage with Council's external auditors regarding the external audit work programme and agree the terms and arrangements of the external audit
- Oversee the preparation of and review key formal external accountability documents such as the Long-term Plan and the Annual Report in order to provide advice and recommendation to the Finance and Corporate Committee and/or Council in respect to the integrity and appropriateness of the documents and the disclosures made
- To recommend the adoption of the Annual Report and the approval of the Summary Annual Report to Council
- Review of the effectiveness of the annual audit and Long-term Plan audit
- Monitor management response to audit reports and the extent to which external audit recommendations concerning internal accounting controls and other matters are implemented.

Internal Audit

- In conjunction with the Chief Executive and the Group Manager Business Support, agree the scope of any three-yearly and annual internal audit work programmes and assess whether resources available to Internal Audit are adequate to implement the programme
- Monitor the delivery of any internal audit work programme including the review of any internal audit reports
- Assess whether any significant recommendations of any internal audit work

programme have been properly implemented by management. Any reservations the Internal Auditor may have about control risk, accounting and disclosure practices should be discussed by the Committee.

Risk Management

- Review the enterprise risk management framework, and associated strategy, policy and procedures to ensure they are current, comprehensive and appropriate for effective identification and management of Council's financial and business risks, including fraud
- Assist Council with determining a 'risk appetite'
- Review the effectiveness of Council's risk management framework and internal control systems
- Review risk management reporting on a quarterly basis

Other Matters

- Review the effectiveness of the system for monitoring Council's compliance with relevant laws, regulations and associated government policies
- Review the systems and processes that Council has in place to prevent fraud, bribery and corruption, and assist in any investigations related to these matters
- Review whether a sound and effective approach has been followed in establishing Council's business continuity planning arrangements
- Review the development of the financial strategy and the infrastructure strategy as required for the long-term plan
- Engage with internal and external auditors on any specific one-off audit assignments.
- Consider matters referred to the committee by the Chief Executive, Council or other Council committees.

5. MEETINGS, RECORDS AND REPORTING STRUCTURE

- The committee will meet at least four times in each financial year.
- The Group Manager Business Support will be responsible for the preparation of the meeting agendas and will oversee the preparation of any reports for the Committee and the minutes of the Committee meetings.
- A quorum consists of three members.
- A report of the key matters of discussion of each meeting of the Committee will be made to the next Council meeting and accompanied by the draft minutes of the meeting.

6. DELEGATIONS

The Committee is accountable to Council.

The Committee has no decision making powers other than those in these terms of reference.

The Committee may request expert advice through the Chief Executive where necessary.

The Committee is delegated the authority to:

- Receive and consider external and internal audit reports.
- Receive and consider staff reports on audit, internal control and risk management related matters.
- Make recommendations to the Finance and Corporate Committee and/or Council on financial, internal control and risk management policy and procedure matters as appropriate.
- To approve the Auditors engagement and arrangements letters.
- To consider any other matter requested of the Committee by Council or any of its other Committees.

7. SELF-ASSESSMENT AND REVIEW OF TERMS OF REFERENCE

The Committee will continue its practice of an annual self-assessment of its performance and effectiveness, with reference to the perceptions of Committee members, elected members of Council, and senior Council officers.

These Terms of Reference will be reviewed by the Audit and Risk Committee and confirmed by Council at the commencement of every Triennium after consideration of any recommendation made by the Committee in regard to proposed changes or refocus.

AUDIT AND RISK COMMITTEE REPORT



To: The Chairperson and Members of the Audit and Risk Committee
From: Deputy Chief Executive / Group Manager Business Support
Subject: **AUDIT FEES FOR 2020/21 AND 2021/22 AUDITS**
Meeting Date: 20 September 2021

1 EXECUTIVE SUMMARY

A letter has been received from Audit New Zealand proposing their fees for the audit of the Annual Report for the years ending 30 June 2021 and 2022. The 2020 Audit Proposal Letter set the fees for the 2020 audit, and provided for further consideration of the fees for the two following years given concern on the part of Audit New Zealand and the Auditor-General that fees across the local government sector were not reflecting costs.

The proposal seeks increases of close to 9 per cent in each of the years, noting in this that there was an over-run recovery for the 2020 year of around the same magnitude as these increases. This is demonstrated in the table below.

Audit	Fee	Increase on Prior Year
2019/20 – As set	\$138,596	n/a
2019/20 – Actual with over-run charge	\$150,579	n/a
2020/21 – Proposed	\$150,889	8.9% (on 2019/20 set fee)
2021/22 – Proposed	\$164,289	8.9% (on 2020/21 proposed fee)

Audit's argument is that these increases are necessary to ensure the true costs of the audit are recovered. That is consistent with the Auditor-General's previous indications. They indicate that around 40% of each increase reflects salary cost movements and we know that they have been under significant resourcing pressure in what is a staff intensive business, particularly in the current COVID-impacted environment which has ended their ability to pull in overseas resource to supplement their staffing.

Council officers are aware that the Office of the Auditor-General runs fairly extensive audit fee moderation processes to ensure consistency across sectors and across the country in audit fee setting. On this basis we can have confidence that what is being proposed is relatively consistent with the sector and that Waipa District Council will not be an outlier.

On this basis officers recommend that the fees are accepted as proposed and this is reflected in the recommendation provided.

The following appendix accompanies this report:

- Appendix 1 – Waipa DC - 2021-2022 - audit fee proposal letter (document number 10687173)

2 RECOMMENDATION

That –

- a) The information contained in the 'Audit Fees for 2020/21 and 2021/22 Audits' report (document number 10689089), of Ken Morris, Deputy Chief Executive / Group Manager Business Support, be received; and*
- b) The Audit and Risk Committee approve the proposed fees for the 2020/21 and 2021/22 audits, and advise His Worship The Mayor to sign the audit fee proposal letter from Audit New Zealand.*



Ken Morris

DEPUTY CHIEF EXECUTIVE / GROUP MANAGER BUSINESS SUPPORT

APPENDIX 1

Letter from Audit New Zealand – Proposed audit fees for the 30 June 2021 and 30 June 2022 financial years (document 10687173)

745 Cameron Road, Tauranga 3112
 PO Box 621, Tauranga 3144
 Telephone (04) 496 3099

11 May 2021

Jim Mylchreest
 Mayor
 Waipā District Council
 Private Bag 2402
 Te Awamutu 3840

Tēnā koe Jim

Proposed audit fees for the 30 June 2021 and 30 June 2022 financial years

Our audit proposal letter dated 5 May 2020 for the three financial years ending 30 June 2022 included audit fees for only the 30 June 2020 financial year, and allowed for us to agree the fees for the audits of the years ending 30 June 2021 and 2022 at a future date.

The purpose of this letter is to provide information on:

- the hours we plan to spend on the audits and the reasons for any change in hours; and
- our proposed audit fee for each financial year, and the reasons for the proposed change in fee.

Please read this letter in conjunction with our audit proposal letter dated 5 May 2020.

1 Background to the fee increases

In our audit proposal letter dated 5 May 2020, we set out the statutory basis for our audit and how fees are set.

We also referred to a letter that the Auditor-General had sent to Councils in April 2020 setting out his thoughts on the matter of Council audit fees. He reflected that for a number of years there has been a significant and growing under-recovery of audit fees across much of the local government sector, for a range of reasons. He advised that audit fees will, in the future, need to be increased to reflect the real costs.

The Auditor-General has now agreed to allow us to discuss with you an approach to increasing audit fees to better reflect those real costs.

2 Team mix and hours for the years ending 30 June 2021 and 30 June 2022

Audit team member	2020 budget	2020 actual	2021 proposed	2022 proposed
Appointed Auditor	78	93	78	78
EQR Director	14	21	14	14
Audit Manager	110	176	110	110
Other CA qualified staff	160	309	160	160
Non CA qualified staff	560	760	560	560
Other specialists	35	28	35	35
Total audit hours	957	1,387	957	957

3 Proposed audit fee for the years ending 30 June 2021 and 30 June 2022

Our proposed fee for your audits (compared to budgeted and actual data from the previous financial year) are:

Structure of audit fees	2020 budget \$	2020 actual \$	2021 proposed \$	2022 proposed \$
Net audit fee (excluding OAG ASQS fee and disbursements)	123,872	225,426	135,020	147,172
OAG Audit Standards and Quality Support (ASQS) fee	12,724	12,724	13,869	15,117
Total audit fee (excluding disbursements)	136,596	238,150	148,889	162,289
Estimated disbursements	2,000	1,983	2,000	2,000
Cost absorbed by Audit New Zealand		(89,554)		
Total billable audit fees and charges (excluding GST)	138,596	150,579	150,889	164,289

The audit fees allow for the audit team to carry out specific tasks identified in the OAG Sector Brief and for the OAG Audit Standards and Quality Support fee.

We have also estimated the reasonable cost of disbursements (including travel and accommodation where necessary). Disbursement costs are indicative only and will be charged on an actual and reasonable basis.

Reasons for increase in audit fee

The main changes in cost components for future audits are:

Reasons for increased audit fee compared to previous period <i>budgeted fees:</i>	2021	2022
Staff salary cost movements	4,806	5,083
Other changes: this increase is to more accurately reflect the fee based on budgeted hours	6,342	7,069
Total increase (decrease) in audit fees	11,148	12,152

4 Assumptions relating to our audit fee

Our proposed audit fee is based on the assumptions included in our audit proposal letter dated 5 May 2020.

5 Conclusion

As the Appointed Auditor, I am committed to providing you and the Auditor-General with the highest level of professional service. I intend to work with you, the OAG, and the Auditor-General in a partnership environment to resolve any issues that may arise.

If you require any further information, please contact me.

Please counter-sign this letter (below) to confirm that you, and the governing body of Waipā District Council, agree with its contents. Please return a signed copy of the letter to confirmationsnorthern@auditnz.parliament.nz and copy me leon.pieterse@auditnz.parliament.nz. This letter will then form the basis for a recommendation to the Auditor-General on the audit fee that should be set. The schedules of audit hours and fees will also be incorporated into my contract with the Auditor-General to carry out the audit of Waipā District Council as the agent of the Auditor-General.

Nāku noa, nā



Leon Pieterse
Appointed Auditor
Audit New Zealand

I accept the audit fees for the audit of the financial years as stated above.

Full name:	<u>Jim Mylchreest</u>	Position:	<u>Mayor</u>
Authorised signature:	<u></u>	Date:	<u></u>
Entity name:	<u>Waipā District Council</u>		

AUDIT AND RISK COMMITTEE REPORT



INFORMATION ONLY

To: The Chairperson and Members of the Audit and Risk Committee
From: Business Resilience and Risk Advisor
Subject: **RISK DEEP DIVE APPROACH AND SCHEDULE**
Meeting Date: 20 September 2021

1 EXECUTIVE SUMMARY

Robust risk management is essential to Waipā District Council (WDC) to support the achievement of its strategic objectives. Each year Council identifies a set of 'Top Risks': those risks which may stop Council from achieving its objectives.

To support effective risk management practices the agreed work programme for the Audit and Risk Committee provides for a 'Deep Dive Risk Discussion' focused on at least one of these top risks at every meeting. The refreshed top risks for the 2021/22 year are presented in a separate agenda item. The refresh of these risks presents an appropriate time to review ARC's risk deep dive approach and associated schedule for the coming year.

This report outlines a proposed revised deep dive approach and supporting schedule.

2 RECOMMENDATION

That –

- a) The 'Risk Deep Dive Approach and Schedule' report (10684565), of Genny Wilson, Business Resilience and Risk Advisor, be received; and*
- b) The revised schedule included in section 3 of this report be approved.*

3 STAFF COMMENT

The current approach to ARC's deep dive risk discussions is informal. The intention is that a top risk is discussed by the relevant GM owner and that this 'deep dive' discussion be 'free and frank' with good interaction.

A number of elements of the risk are intended to be discussed including testing the risk itself, residual rating and appetite, the effectiveness of the current mitigants, progress against any planned mitigants and whether there are any elements of the risk not taken account of.

Revised approach

It is proposed for the 2021/22 year that a more formal approach is taken to ensure greater consistency in the focus of discussions across the top risks. This approach would include a one to two page written report likely to be included in the public excluded part of the Committee agenda, subject to the requirements of the Local Government Official Information and Meetings Act 1987. The report would be accompanied by the relevant current top risk summary and WDC's risk network diagram.

It is proposed the report will address the following questions in a question and answer format from which further discussion can be based:

1. Have there been any changes to the key risk drivers and if so what are they?
2. Are the existing mitigants remaining effective in your opinion?
3. Has the residual risk rating changed at all in your opinion – what is the trend – same, upwards, downwards?
4. What are the trends for the key risk indicators and what are the results telling Council?
5. What is the progress against the additional planned mitigants and are there any barriers to implementing these actions?
6. Are there any current or emerging risks and/or information that may impact this risk moving forward?

Revised schedule


The intent is that each top risk is the subject of a deep dive at least once per year. The following outlines a proposed schedule for the 2021/22 year. The rotation of the Group Risk discussion with GMs is also shown; in general the GM Group Risk discussion will coincide with the ownership of the deep dive risks discussed at that same meeting.

Work stream	Sept 2021	Dec 2021	March 2022	June 2022	Sept 2022
Deep Dive into 'Top Risks' (Risk) ^{a, b}	N/A	12, 14	10, 11	5, 6, 8	1, 9
CE Risk Discussion	•	•	•	•	•
Group Risk Discussion with GMs					
S&CS				•	
SD			•		
BS	•				
HR					•
DG&R		•			

^a Risk numbers 2, 4 and 7 – These risks are considered to be already covered adequately through existing reporting and discussions with ARC and therefore are not scheduled.

^b Risk numbers 3 and 13 – These risks will be discussed during the quarterly CE risk discussion as relevant therefore are not scheduled.

Top Risk 21/22 #		Risk Owner
1	Inadequate staffing capacity and capability to deliver Council's objectives	Mgr HR
2	Failure to deliver the programme of capital works.	GM SD
3	Failure to respond to COVID-19 Impact	CE
4	Failure to protect information management assets	GM BS
5	Failure of relationships with key stakeholders	GM S&CS
6	Failure of Iwi/Mana Whenua partnerships	GM S&CS
7	Risk to Financial Sustainability	GM BS
8	Failure to manage the response of the Community to Council decisions	GM S&CS
9	Failure to embed a Health and Safety culture	Mgr HR
10	Failure to prepare for climate change impacts	GM SD
11	Failure to prepare for 3 waters reforms	GM SD
12	Failure to forecast and manage growth	GM DG&R
13	Failure to prepare for future of local government review and impacts	CE
14	Failure to realise asset sales	GM BS



Genny Wilson

BUSINESS RESILIENCE AND RISK ADVISOR



Reviewed by Georgina Knapp

MANAGER BUSINESS IMPROVEMENT AND RISK MANAGEMENT



Approved by Ken Morris

DEPUTY CHIEF EXECUTIVE / GROUP MANAGER BUSINESS SUPPORT



To: The Chairperson and Members of the Audit and Risk Committee
From: Deputy Chief Executive / Group Manager Business Support
Subject: **Outstanding Management Report Items**
Meeting Date: 20 September 2021

1 EXECUTIVE SUMMARY

At each meeting of the Audit and Risk Committee a report is considered providing a status update on outstanding audit management report items arising from previously received audit management reports.

Committee members will recall that the June 2021 meeting of the Committee received a report indicating that only one of the outstanding management report items is still considered by Council officers as remaining 'outstanding'. All of the other items were noted as "No further action proposed" pending clearance by Audit New Zealand.

We have not yet received an Interim Report for this year's audit and the audit work on the final audit is yet to be commenced. As a result, none of the "No further action proposed" items have been able to be fully cleared, and there is no value in re-reporting these items.

By the time of the December 2021 Audit and Risk Committee meeting, Audit New Zealand should have completed their audit work and issued a management report that will hopefully clear many of the historic items. A full update on the status of management follow-up action will be provided at that point.

In the interim, the one item that staff believe to still require resolving is provided in section 3 of this report together with a current status update.

2 RECOMMENDATION

That the information contained in the 'Outstanding Management Report Items' report (document number 10687291), of Ken Morris, Group Manager Business Support, be received.

3 STAFF COMMENTS

The one item that Council officers still regard as outstanding is shown in the table below:

2019/2020 Interim Report

Audit Recommendation	Status	Priority	Management response	Status update
Confirmation that all contractor network access is valid				
Establish a central register for contractors working at the District Council that is reconciled against payments made to contractors and the network. Staff who previously worked at the District Council and return to work as a contractor should also follow the same process as a contractor.	December 2020 update The District Council regularly engages a high number of external contractors. We noted that there is no central register of these contractors to record if they are currently working at the District Council. As a result, we were unable to verify that users on the network are valid and are authorised to access the District Council's data and systems. Matter outstanding	Necessary	<i>Management will investigate a process to record active contractors and staff who have returned as contractors.</i>	September & December 2020 update Process for managing contractors and staff who have returned as contractors will be investigated in the 2020/21 year. March and June 2021 update This matter is currently being assessed by the Manager Information Services. Staff will continue to progress this matter. September 2021 update Now investigating use of the Technology One Human Resources and Payroll (HRP) module as central register of all contractor accounts.



Ken Morris

DEPUTY CHIEF EXECUTIVE / GROUP MANAGER BUSINESS SUPPORT



To: The Chairperson and Members of the Audit and Risk Committee
From: Manager Project Delivery
Subject: **CAPITAL PROGRAMME UPDATE – END OF FINANCIAL YEAR REPORT 2021 AND UPDATE ON 2021/2022 CAPITAL PROGRAMME**
Meeting Date: 20 September 2021

1 EXECUTIVE SUMMARY

This report provides a summary of the Service Delivery and Strategy and Community Services capital programme for the 2020/21 financial year end as well as an update on the 2021/22 capital programme as at 31 July 2021.

End of Financial Year Report 2021

Across the Council, \$112 million of capital work was delivered, including vested assets. Within the Service Delivery and Strategy and Community Services areas, 198 projects across six programmes made up the 2020/21 portfolio. Within these programmes, the actual spend at year end was \$85.7 million which was 52.7% of the 2020/21 Annual Plan capital budget. There was an additional \$22 million of carry forwards / commitments. The key commitments transferred into 2020/21 are the growth-related land and infrastructure projects and construction projects that span multiple years.

There were some significant multi-year projects completed in the 2020/21 financial year which included:

- Cambridge Pool Construction - \$24.4m
- Williamson Street Streetscape - \$1.2m
- Waikeria Wastewater Pipeline - \$29.6m
- Te Awamutu Wastewater Treatment Plant Upgrade - \$13.4m
- Parallel Road to Taylors Hill Reservoir Watermain - \$12.3m
- Pukerimu Lane to Parallel Road Raw Watermain Renewal - \$8.5m
- Hanlin Road / Cambridge Road Intersection Construction - \$4.9m

Also during the year there were several Community Services projects completed which included new toilet blocks at both Pirongia and Centennial Park.

The attached appendix provides a summary of Service Delivery and Community Services and Strategy Group's Year End position 2020/21.

Update on 2021/2022 Capital Programme

As per the 2021/22 budget and carry forwards from 2020/21, a total of 170 projects are currently being delivered across the Service Delivery and Community Services and Strategy Groups, with a total forecast budget of \$187.6 million – actual spend and commitments as at 31 July 2021 total \$44.1 million (23.5% of the 2021/22 budgeted forecast). The criteria for a budget allocation to be shown as a committed spend is only when a contract for either professional services or physical works has been approved and signed. Of the forecast budget of \$187.6 million, approximately \$40 million has been budgeted for land purchases.

There are various contracts being prepared to go out to tender prior to the end of December as well as numerous land purchase negotiations underway.

Peter Thomson, Manager Project Delivery, will be present at the meeting to answer any questions.

The following appendix accompanies this report:

- Appendix 1 – Audit and Risk Committee Report –Service Delivery & Community Services and Strategy Programme 2020/21 Year End Update and Programme Update 31 July 2021 (*document number 10682614*).

2 RECOMMENDATION

That the report titled 'Capital Programme Update – End of Financial Year Report 2021 and Update on 2021/2022 Capital Programme' (document number 10668620), of Peter Thomson, Manager Project Delivery, be received.



Peter Thomson
MANAGER PROJECT DELIVERY



Dawn Inglis
GROUP MANAGER SERVICE DELIVERY

APPENDIX 1

Audit and Risk Committee Report – Service Delivery & Community Services and Strategy Programme Capital Programme Update – End of Financial Year Report 2021 and Update on 2021/2022 Capital Programme (*document number 10682614*)

Definitions Used in Appendix:

For End of Financial Year Report 2021:

- LTP Year 3 – the capex sum from the 2018-2028 LTP Year 3
- AP Budget – the capex sum from the 2020/2021 Annual Plan
- Forecast – the capex sum as nominated in the most recent quarterly forecast completed by staff
- Actual – the capex spend to date
- Carryforward – where capex funds are required for projects which have been deferred to future years

For Update to 31 July 2021:

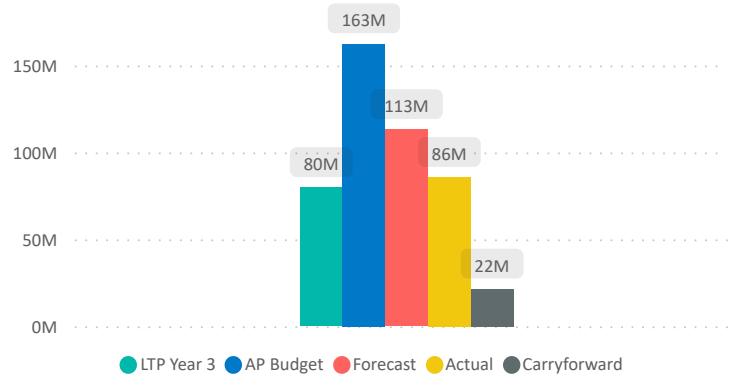
- LTP Year 1 – the capex sum from the 2021-2031 LTP Year 1
- Forecast – the capex sum as nominated in the most recent quarterly forecast completed by staff (including carry forward sums from 2020/2021)
- Actual – the capex spend to date
- Commitments - contract for either capex professional services or physical works has been approved

Audit and Risk Committee Report - Capital Year End Update

30 June 2021

Service Delivery, Strategy & Community Services

Budget vs Actual 2020/21



Projects Completed include:

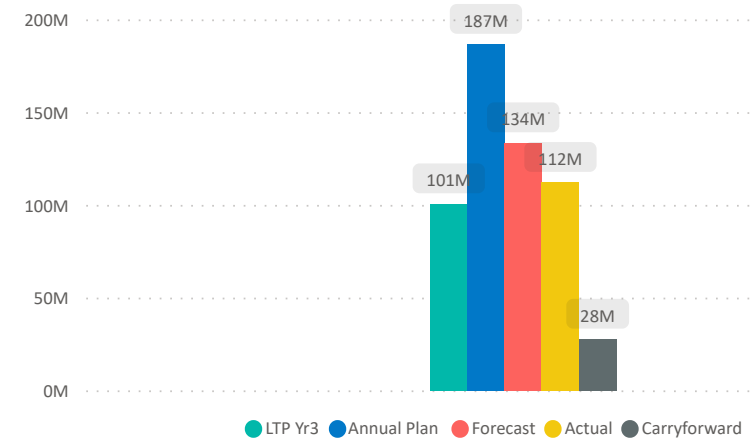
- Cambridge Pool Construction
- Williamson Street Streetscape
- Waikeria WW Pipeline
- Te Awamutu WWTP Upgrade
- Pirongia Toilet Upgrade
- Centennial Park Toilet Construction
- Parallel Rd to Taylors Hill Reservoir Watermain
- Pukerimu Lane to Parallel Rd Raw Watermain Renewal
- Hanlin Rd / Cambridge Rd Intersection Construction

Significant Projects due for completion early 2021/22

- Te Awa Cycleway
- Parallel Road Water Treatment Plant Upgrade
- Christie Ave Pump Station Renewal

Organisational

Budget vs Actual 2020/21



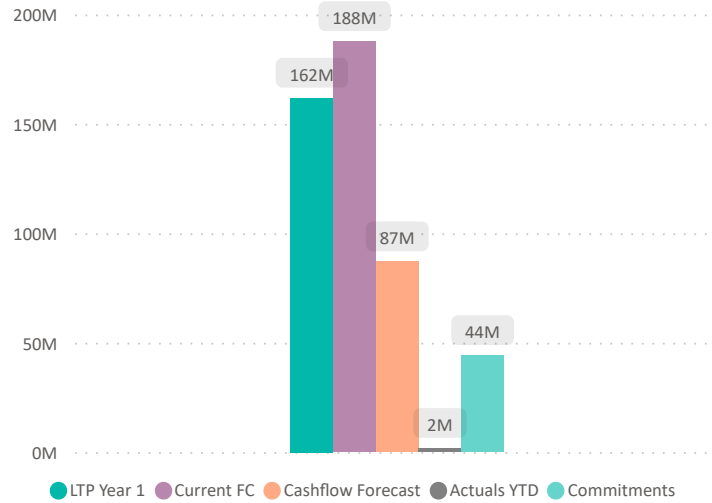
Results Include - Vested Assets

Results Exclude - Vested Assets

Carryforwards - total carried forward from 2020/21 to 2021/22 is \$22.345m - the carryforwards are for completion of current contracts and for growth land and infrastructure projects.

Audit & Risk Committee Report - Service Delivery & Community Services & Strategy Programme Update 31 July 2021

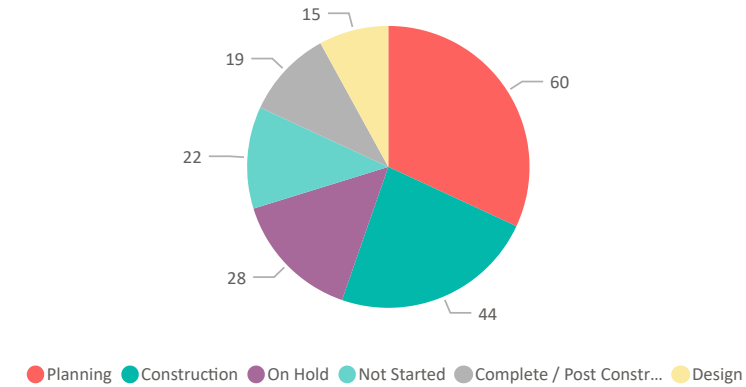
Budget vs Actual 2021/22



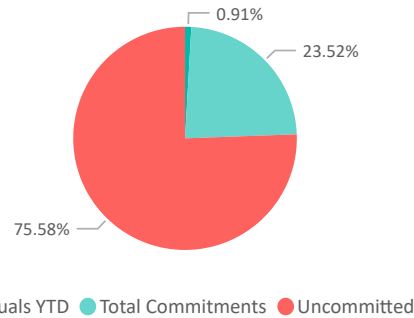
Total No. Budgeted Projects

Jul
170

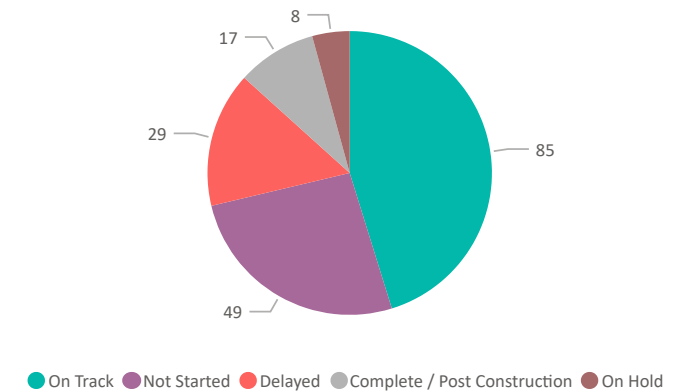
Project Phase



% Uncommitted Forecast



Project Tracking



AUDIT AND RISK COMMITTEE REPORT



To: The Chairperson and Members of the Audit and Risk Committee
From: Governance
Subject: **RESOLUTION TO EXCLUDE THE PUBLIC**
Meeting Date: 20 September 2021

1 RECOMMENDATION

(Section 48, Local Government Official Information and Meetings Act 1987)

THAT the public be excluded from the following parts of the proceedings of this meeting.

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

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
18. Confirmation of PE Minutes – 14 June 2021 19. Capital Programme Risks to 31 August 2021 20. Declaration of Interests by Elected Members and the Leadership Team 21. Litigation Update 22. Risk Discussion with the Group Manager Business Support 23. Organisational Risk Discussion with the Chief Executive	Good reason to withhold exists under section 7 Local Government Official Information and Meetings Act 1987	Section 48(1)(a)

This resolution is made in reliance on section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or Section 7 of that Act, or Sections 6, 7 or 9 of the Official Information Act 1982, as the case may be, which would be prejudiced by the holding of the whole or relevant part of the proceedings of the meeting in public, are as follows:

Item No.	Section	Interest
18,20,22,23	Section 7(2)(a) and Section 7 (2)(b)	<i>To protect the privacy of natural persons, including that of deceased natural persons; and To protect the information which if public would; i. disclose a trade secret; or ii. unreasonably prejudice the commercial position of the person who supplied or who is the subject of the information.</i>
18,21	Section 7(2)(g)	<i>To maintain legal professional privilege</i>
18,19	Section 7(2)(h)	<i>To enable the council to carry out, without prejudice or disadvantage, commercial activities</i>