

# Agenda

**Notice is hereby given of  
an Audit and Risk Committee Meeting**

**Tuesday 8 June 2021**

Commencing at 9:00am

Meeting Room  
Waimate Event Centre  
Paul Street  
Waimate

[www.waimatedc.govt.nz](http://www.waimatedc.govt.nz)

**Notice is hereby given that a meeting of the Audit and Risk Committee will be held in the Meeting Room, Waimate Event Centre, Paul Street, Waimate, on Tuesday 8 June 2021, commencing at 9:00am.**

**Committee Membership**

|               |                    |
|---------------|--------------------|
| Damian Hogue  | Chairperson        |
| Sheila Paul   | Deputy Chairperson |
| Craig Rowley  | Mayor              |
| Miriam Morton | Councillor         |
| Tom O'Connor  | Councillor         |

Quorum – no less than three members

**Significance Consideration**

Evaluation: Council officers, in preparing these reports have had regard to Council's Significance and Engagement Policy. Council and Committee members will make the final assessment on whether the subject under consideration is to be regarded as being significant or not. Unless Council or Committee explicitly determines that the subject under consideration is to be deemed significant then the subject will be deemed as not being significant.

**Decision Making**

The Council, in considering each matter, must be:

- i. Satisfied that it has sufficient information about the practicable options and their benefits, costs and impacts, bearing in mind the significance of the decision;
- ii. Satisfied that it knows enough about and will give adequate consideration to the views and preferences of affected and interested parties bearing in mind the significance of the decisions to be made.

Stuart Duncan  
Chief Executive

## Order Of Business

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**OPENING****1 APOLOGIES****2 VISITORS****3 CONFLICTS OF INTEREST**

As per the Local Authorities (Members' Interests) Act 1968 (as below), the Chair will enquire if there are any Conflicts of Interest to be declared on any item on the agenda, and if so, for any member to declare this interest.

**Local Authorities (Members' Interests) Act 1968**

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

**4 IDENTIFICATION OF MAJOR (URGENT) OR MINOR ITEMS NOT ON THE AGENDA**

1. The Chair will call for any major (urgent business) or minor items not on the agenda to be raised according to Standing Orders, as below:

**a. Standing Orders 3.7.5 – Major Items**

An item not on the agenda for a meeting may be dealt with at the meeting if the local authority by resolution so decides, and the presiding member explains at the meeting at a time when it is open to the public –

- i. The reason why the item was not listed on the agenda; and
- ii. The reason why discussion of the item cannot be delayed until a subsequent meeting.

**b. Standing Orders 3.7.6 – Minor Items**

An item not on the agenda for a meeting may be dealt with at the meeting if –

- i. That item is a minor matter relating to the general business of the local authority; and
- ii. The presiding member explains at the beginning of the meeting, at a time when it is open to the public, that the item will be discussed at the meeting; but
- iii. No resolution, decision, or recommendation may be made in respect of that item except to refer that item to a subsequent meeting of the local authority for further discussion.

**MINUTES****5 CONFIRMATION OF MINUTES****5.1 MINUTES OF THE AUDIT AND RISK COMMITTEE MEETING HELD ON 2 MARCH 2021**

**Author:** Karalyn Reid, Committee Secretary and PA to the Mayor

**Authoriser:** Tina Stevenson, Corporate Services Group Manager

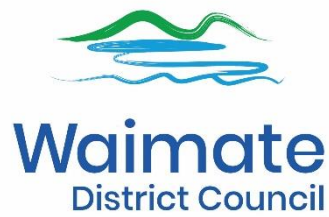
**Attachments:** 1. Minutes of the Audit and Risk Committee Meeting held on 2 March 2021

**PURPOSE**

To present the Minutes of the Audit and Risk Committee Meeting held on 2 March 2021 for confirmation.

**RECOMMENDATION**

That the Minutes of the Audit and Risk Committee Meeting held on 2 March 2021 be adopted as a true and correct record.



# **MINUTES**

## **Audit and Risk Committee Meeting**

**2 March 2021**

**MINUTES OF WAIMATE DISTRICT COUNCIL  
AUDIT AND RISK COMMITTEE MEETING  
HELD AT THE FUNCTION ROOM, WAIMATE EVENT CENTRE, PAUL STREET, WAIMATE  
ON TUESDAY 2 MARCH 2021, COMMENCING AT 9.37AM**

**PRESENT:** Chair Damian Hogue, Cr Sheila Paul, Mayor Craig Rowley, Cr Miriam Morton, Cr Tom O'Connor

**APOLOGIES:** Nil

**IN ATTENDANCE:** Cr Sharyn Cain, Cr Sandy McAlwee, Cr David Owen, Cr Colin Pankhurst  
Stuart Duncan (Chief Executive), Paul Cooper (Regulatory and Compliance Group Manager), Carolyn Johns (Community and Strategy Group Manager), Dan Mitchell (Asset Group Manager), Tina Stevenson (Corporate Services Group Manager), Karalyn Reid (Committee Secretary)  
Partial: Melissa Thomson (Accountant)

## **OPENING**

### **1 APOLOGIES**

Nil

### **2 VISITORS**

11.00am – Audit NZ

### **3 CONFLICTS OF INTEREST**

The Chair asked for any conflicts of interest to be identified. There were no conflicts of interest declared.

### **4 IDENTIFICATION OF MAJOR (URGENT) OR MINOR ITEMS NOT ON THE AGENDA**

Nil

## **MINUTES**

### **5 CONFIRMATION OF MINUTES**

#### **5.1 MINUTES OF THE AUDIT AND RISK COMMITTEE MEETING HELD ON 15 DECEMBER 2020**

##### **COMMITTEE RESOLUTION 2021/1**

Moved: Mayor Craig Rowley

Seconded: Cr Sheila Paul

That the Minutes of the Audit and Risk Committee Meeting held on 15 December 2020 be adopted as a true and correct record.

**CARRIED**

**REPORTS****6 GENERAL REPORTS****6.1 OUTSTANDING AUDIT & RISK COMMITTEE ACTIONS REPORT - PUBLIC****COMMITTEE RESOLUTION 2021/2**

Moved: Cr Miriam Morton

Seconded: Chair Damian Hogue

That the Outstanding Audit & Risk Committee Actions Report – Public is accepted.

**CARRIED****6.2 HEALTH AND SAFETY REPORT****COMMITTEE RESOLUTION 2021/3**

Moved: Mayor Craig Rowley

Seconded: Cr Sheila Paul

That the Health and Safety report is accepted.

**CARRIED****6.3 OFFICE OF THE AUDITOR GENERAL FORUM - VERBAL REPORT FROM THE CHAIR**

The Chair of the Audit and Risk Committee gave a verbal report on the main discussion points from the OAG Forum held on 2 February 2021 relating to the role of the Audit and Risk Committee in Long Term Plan preparation and adoption.

A discussion was held around Council's stance on climate change. The Chief Executive is currently preparing a climate change strategy, and hopes to use in-house expertise, as well as knowledge from other organisations, rather than employing additional staff. It was pointed out Climate Change is on Council's radar and being considered in all areas of Council's business including the Long Term Plan.

**6.4 COUNCIL'S POLICY STATUS****COMMITTEE RESOLUTION 2021/4**

Moved: Mayor Craig Rowley

Seconded: Cr Tom O'Connor

That the Policy Status report is accepted.

**CARRIED****Note:**

The Committee discussed policies coming up for renewal and the expectation to meet the review deadlines in light of the busy workload. The Committee asked about progress of the media and social media policies, which have been noted as 'under development' for some time.



**6.5 RISK TOLERANCE****COMMITTEE RESOLUTION 2021/5**

Moved: Mayor Craig Rowley  
Seconded: Cr Miriam Morton

That the Risk Tolerance report is accepted; and that this item be re-presented to a future Audit and Risk Committee, following training in risk management.

**CARRIED****Note:**

The Committee thanked the Corporate Services Group Manager for the report and guidelines, and asked for this agenda item to be re-presented after Council has held risk management training in order to be able to make a more informed decision on risk tolerance.

**6.6 RISK REGISTER****COMMITTEE RESOLUTION 2021/6**

Moved: Mayor Craig Rowley  
Seconded: Cr Sheila Paul

That the Risk Register Report is accepted, with amendments to 5 'Business Continuity'.

**CARRIED****Note:**

R0005: Strategic - Business Continuity amend wording to 'destroyed and damaged', and review the rating from moderate to significant.

**6.7 2020/21 MAJOR PROJECT UPDATE****COMMITTEE RESOLUTION 2021/7**

Moved: Mayor Craig Rowley  
Seconded: Cr Sheila Paul

That the 2020/21 Major Project Update report is accepted.

**CARRIED****Note:**

'Delivery Plan – Stimulus Funded' – that itemised works be included for future reporting, and that all percentages be reviewed to reflect the entire project status.

The meeting was adjourned at 10.46am for morning tea.  
The meeting was reconvened at 11.00am.

**6.8 AUDIT NZ PRESENTATION - 11.00AM**

Audit NZ Director Rudie Tomlinson and Manager Debbie Bradfield (via Zoom) presented to the Audit and Risk Committee on the 2020 audit and discussed the proposed Long Term Plan timing.

**6.9 AUDIT NEW ZEALAND AUDIT REPORT FOR THE YEAR ENDED 30 JUNE 2020**

The Audit and Risk Committee were presented with the Audit NZ report on the audit of Council for the year ended 30 June 2020.

**COMMITTEE RESOLUTION 2021/8**

Moved: Mayor Craig Rowley

Seconded: Cr Sheila Paul

1. That the Audit New Zealand Audit Report for the year ended 30 June 2020 report is accepted; and
2. That the Audit New Zealand Audit Report for the year ended 30 June 2020 is received.

**CARRIED**

**Note:**

The Audit NZ Director highlighted Downlands Water Scheme and Alpine Energy Share Valuation were the two main challenges in the Council audit for the year ended 30 June 2020.

The Committee expressed their frustration over the additional fees incurred by Council, and were assured the additional fees Audit NZ are seeking to recover were costs incurred for the Waimate audit only. The Chief Executive stated the Office of the Auditor General has confirmed non-budgeted items as legitimate, however the Chief Executive is yet to have a further discussion with the Audit Director to confirm fees.

The Audit Manager confirmed the status of the audit recommendations is discussed when the Interim audit is undertaken, and actions can be taken to close off any items where possible.

The Audit Director commented that they have no concerns with the internal audit processes of Council and of the excellent relationship they have with staff.

Discussions are being held between Audit NZ and Council on Long Term Plan work, with the high likelihood the Long Term Plan (LTP) may not be adopted by 30 June. Audit have subsequently reset audit dates, however, there are consequences of missing the LTP deadline, as it is viewed as a statutory breach. This will have an impact on rates, with a delay in adopting rates resolution, it will be important to get legal advice to establish risks and implications to Council.

**6.10 EXTERNAL AUDIT RECOMMENDATIONS PROGRESS REPORT TO MARCH 2021**

The Audit and Risk Committee reviewed the External Audit Recommendations Progress Report.

**COMMITTEE RESOLUTION 2021/9**

Moved: Cr Sheila Paul

Seconded: Cr Tom O'Connor

That the External Audit Recommendations Progress Report to March 2021 report is accepted.

**CARRIED**

**Note:**

The Chair asked for the External Audit Recommendations Progress report to be updated for the next meeting in order for the Committee to review the recommendations that are able to be signed off as acknowledged and accepted.

**PUBLIC EXCLUDED****7 EXCLUSION OF THE PUBLIC REPORT****RESOLUTION TO EXCLUDE THE PUBLIC****COMMITTEE RESOLUTION 2021/10**

Moved: Mayor Craig Rowley

Seconded: Cr Sheila Paul

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

The general subject matter of each 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 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 for the passing of this resolution  |
|---|--|--|
| <b>7.1 - Public Excluded Minutes of the Audit and Risk Committee Meeting held on 15 December 2020</b> | s6(a) - the making available of the information would be likely to prejudice the maintenance of the law, including the prevention, investigation, and detection of offences, and the right to a fair trial | s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7 |
| <b>7.2 - Cyber Security - Public Excluded</b>   | s7(2)(j) - the withholding of the information is necessary to prevent the disclosure or use of official information for improper gain or improper advantage  | s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7 |

**CARRIED**

**8 RE-ADMITTANCE OF THE PUBLIC REPORT****COMMITTEE RESOLUTION 2021/11**

Moved: Mayor Craig Rowley

Seconded: Cr Miriam Morton

That Council moves out of Closed Council into Open Council.

**CARRIED****MEETING CLOSURE**

There being no further business, the Chair closed the meeting at 11.59am.

The Minutes of this meeting are to be confirmed at the Audit and Risk Committee Meeting scheduled on Tuesday 1 June 2021.

.....  
**CHAIRPERSON**

**REPORTS****6 GENERAL REPORTS****6.1 OUTSTANDING AUDIT & RISK COMMITTEE ACTIONS REPORT - PUBLIC**

**Author:** Karalyn Reid, Committee Secretary and PA to the Mayor

**Authoriser:** Tina Stevenson, Corporate Services Group Manager

**Attachments:** 1. Audit & Risk Actions Report - Public [↓](#) 

**PURPOSE**

For the Outstanding Audit & Risk Committee Actions Report – Public to be presented for the information of the Audit & Risk Committee.

**RECOMMENDATION**

That the Outstanding Audit & Risk Committee Actions Report – Public is accepted.

| Meeting  | Officer/Director | Section         | Subject       |
|--|------------------|-----------------|---------------|
| Audit and Risk Committee 15-Dec-20   | Stevenson, Tina  | General Reports | Risk Register |
| COMMITTEE RESOLUTION 2020/43   |                  |                 |               |
| That the Risk Register Report is accepted, with the below amendments.  |                  |                 |               |
| <b>Amendments:</b>   |                  |                 |               |
| R0003: Correction to the wording, should be 'irreconcilable'   |                  |                 |               |
| R0020: Pandemic – add supply chain disruption to the risk description  |                  |                 |               |
| <b>Note:</b>   |                  |                 |               |
| R0014: Cyber Security (prior to mitigation) had been moved from moderate to significant.   |                  |                 |               |
| The Chief Executive verbally updated the Committee on his opinion of risk involved with staff work overload and high leave balances. He reiterated the reason has been mostly unanticipated large work projects undertaken this year, staff turnover and Covid-19, and suggested a need for additional resourcing in the finance area. He noted that he will be encouraging key staff to take leave by mid-2021, but in the meantime will continue to monitor the situation.   |                  |                 |               |
| The Committee asked for a separate Council workshop to be held around risk management, and that the Chief Executive lead a discussion as an agenda item at the upcoming Council Retreat scheduled for 2 February 2021, possibly using outside assistance through the Office of the Auditor General, or LGNZ policy team.   |                  |                 |               |
| The Committee asked that future changes to the risk register be tracked.   |                  |                 |               |
| <b>Note:</b>   |                  |                 |               |
| 28 May 2021: A broad proposal for a Risk Management Workshop to be presented by a Risk Management specialist has been received, with a subsequent request made for a refined proposal and estimated costings. The detailed proposal is expected to be received by mid-June 2021., Management will then consider and confirm the content with the specialist and identify the most appropriate timing for the workshop to occur., As this workshop will provide a base for Risk Management work to follow; including the development of a Risk Management Policy, consideration of Risk Tolerance and Risk Register refresh, the workshop will be scheduled before the end of 2021. |                  |                 |               |

| Meeting   | Officer/Director | Section         | Subject        |
|---|------------------|-----------------|----------------|
| Audit and Risk Committee 02-Mar-21  | Stevenson, Tina  | General Reports | Risk Tolerance |
| COMMITTEE RESOLUTION 2021/5   |                  |                 |                |
| That the Risk Tolerance report is accepted; and that this item be re-presented to a future Audit and Risk Committee, following training in risk management.   |                  |                 |                |
| <b>Note:</b>  |                  |                 |                |
| 28 May 2021: A broad proposal for a Risk Management Workshop to be presented by a Risk Management specialist has been received, with a subsequent request made for a refined proposal and estimated costings. The detailed proposal is expected to be received by mid-June 2021., Management will then consider and confirm the content with the specialist and identify the most appropriate timing for the workshop to occur., As this workshop will provide a base for Risk Management work to follow; including the development of a Risk Management Policy, consideration of Risk Tolerance and Risk Register refresh, the workshop will be scheduled before the end of 2021., The Risk Tolerance item can then be re-presented subsequent to this workshop. |                  |                 |                |

**6.2 HUMAN RESOURCES MANAGERS REPORT**

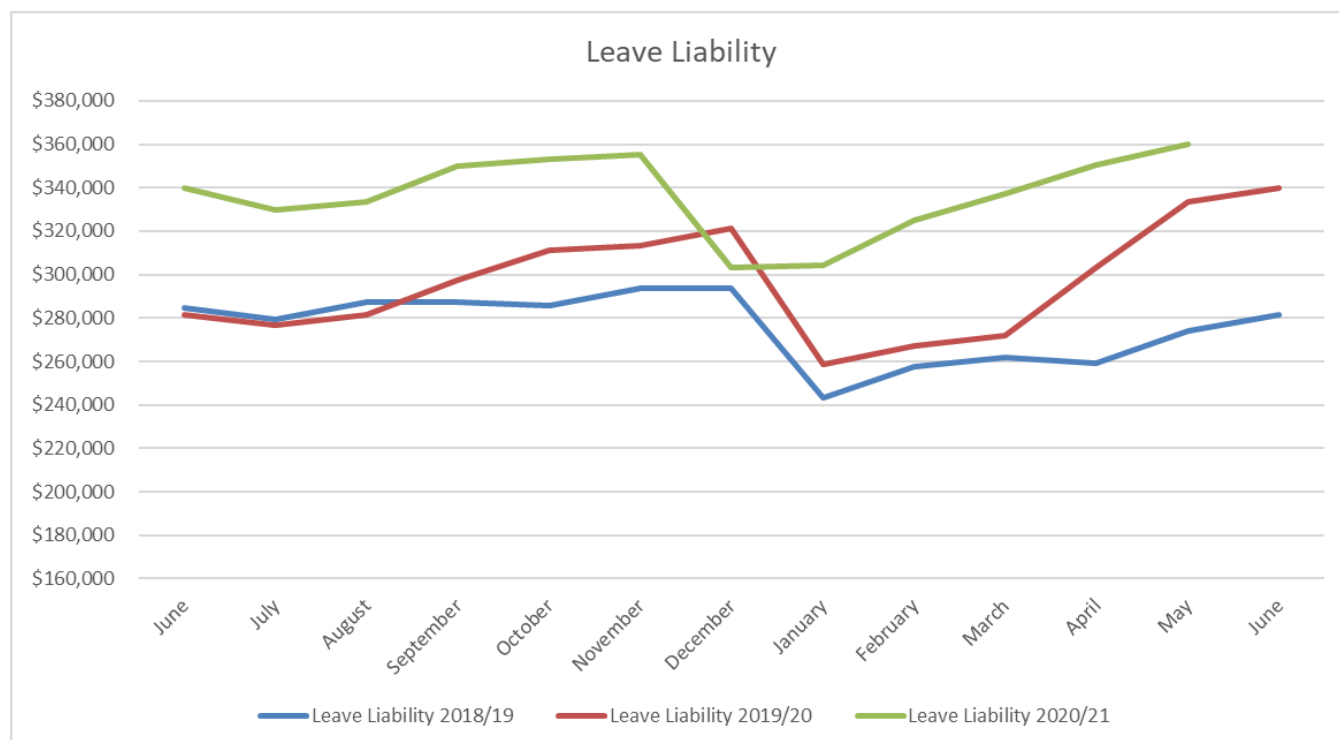
**Author:** Fiona Hester-Smith, Human Resources Manager

**Authoriser:** Fiona Hester-Smith, Human Resources Manager

**Attachments:** Nil

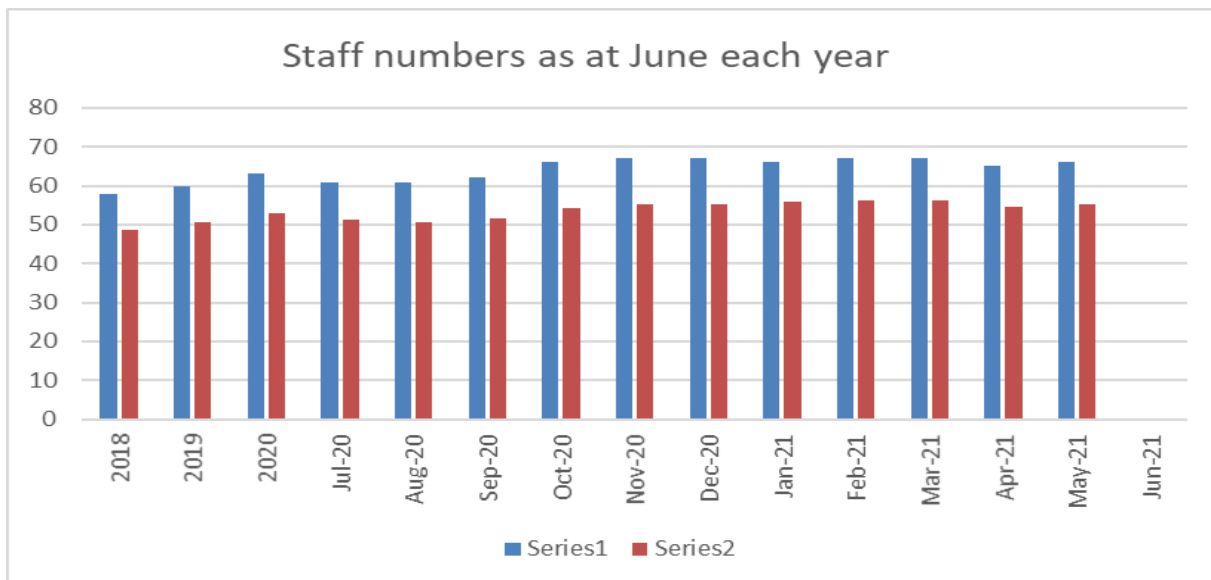
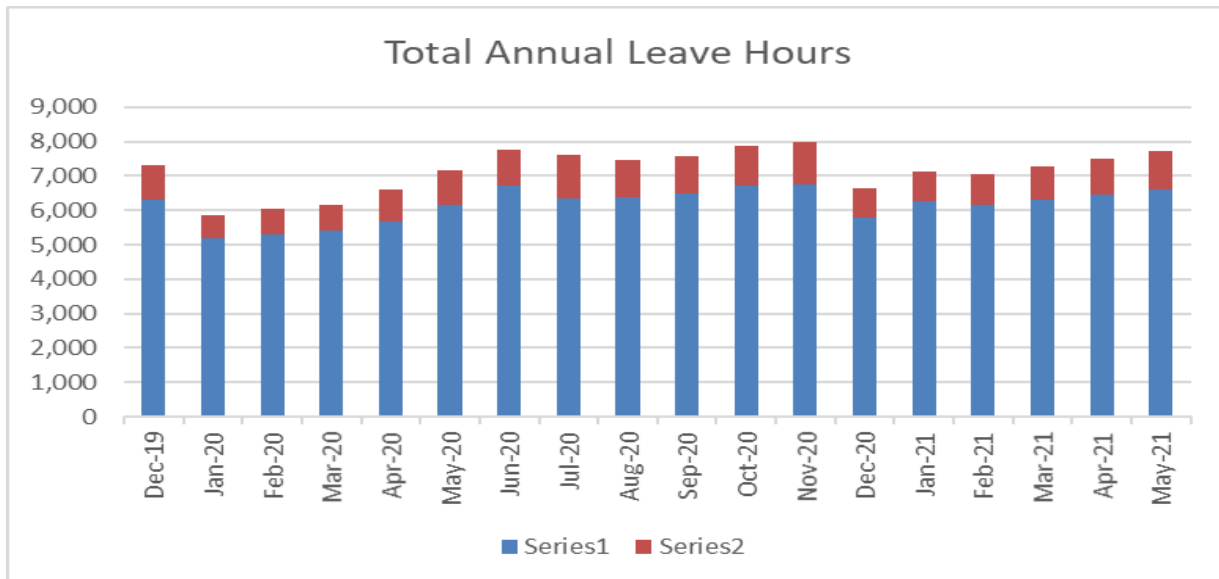
**PURPOSE**

1. The Human Resources Report is submitted for the information of the Audit and Risk Committee.



2. We currently have 14 staff with excess leave. Which is a drop in 4 since my last report. (Note: excess leave is any leave over one year's entitlement. e.g. if an employee has a yearly entitlement of 150.00 hours and they have a balance of 160.00 hours, then 10 hours will be counted as excess leave.)

3. The below graph shows the proportion of excess leave (red) to the balance of the leave liability as current leave (blue)



### RECOMMENDATION

That the Human Resources Manager's report is accepted.



**6.3 OAG FORUM - VERBAL REPORT FROM THE DEPUTY CHAIR**

**Author:** Karalyn Reid, Committee Secretary and PA to the Mayor

**Authoriser:** Tina Stevenson, Corporate Services Group Manager

**Attachments:** Nil

**PURPOSE**

For the Deputy Chair to give the Audit and Risk Committee a verbal report from the Office of the Auditor General (OAG) zoom session held remotely on Tuesday 1 June for Audit and Risk Committee Chairs and Deputy Chairs.


This session was on local government finance and accountability documents, and explored the process and linkages between councils' annual plans, long-term plans, financial statements and annual reports, from the point of view of an independent audit and risk committee member.

We understand the recording of this zoom session will be made available.

**6.4 2020/21 MAJOR PROJECT UPDATE**

**Author:** Dan Mitchell, Asset Group Manager

**Authoriser:** Dan Mitchell, Asset Group Manager

**Attachments:** 1. 2020/21 Major Projects Update [↓](#) 

**PURPOSE**

The 2020/21 Major Project list to May 2021 is submitted for the information of the Audit and Risk Committee.

**RECOMMENDATION**

That the 2020/21 Major Project Update report is accepted.

2020-21 Major Project Report  
As at May 2021

| Financial Year          | Project   | Project Description  | Budget      | Spend to Date | % Complete | Status |        | Comments / Issues / Risks / Reasons   |
|-------------------------|---|--|-------------|---------------|------------|--------|--------|---|
|                         |   |  |             |               |            | Time   | Budget |   |
| Water Supply            |   |  |             |               |            |        |        |   |
| 2016/17 (carry forward) | Lower Waihao DWSNZ CAP funded upgrade                           | Planned project that will increase service levels for 2016/17  | Subsidised  | \$350,798     | 25%        |        |        | A joint Request for proposal (Early Contractor Involvement) has been completed but is yet to be advertised. Timeline has been put at risk due to Government's Three Waters Reform process. Some analytical monitoring equipment has been installed in previous financial year.  |
| 2018/19 (carry forward) | Cannington DWS NZ Compliance upgrade                            | Drinking Water Standards upgrades to meet compliance.<br>(Install Monitoring and Control in the interim, while waiting for Government direction on legislation and standards).               | \$125,080   | \$125,079     | 100%       |        |        | On hold until Government can give clear direction on Drinking Water Standards changes and funding. Monitoring and control has been installed including a new shed, power to site and telemetry.   |
| 2020/21                 | Hook / Waituna - Drinking Water Intake/Plant Compliance Upgrade | Drinking Water Standards upgrades to meet compliance   | \$250,700   | \$10,518      | 4%         |        |        | Carried over from 2018/19. A joint Request for Proposal (Early Contractor Involvement) has been completed but is yet to be advertised. Timeline has been put at risk due to Government's Three Waters Reform process.   |
| 2020/21                 | Lower Waihao - Drinking Water Intake/Plant Compliance Upgrade   | Drinking Water Standards upgrades to meet compliance   | \$921,375   | \$26,207      | 3%         |        |        | A joint Request for proposal (Early Contractor Involvement) has been completed but is yet to be advertised. Timeline has been put at risk due to Government's Three Waters Reform process. Some analytical monitoring equipment has been installed in previous financial year.  |
| 2019/20 & 2020/21       | Otaio / Makikihi - Tavistock Bore - Treatment Filter & UV       | Drinking Water Standards upgrades to meet compliance   | \$143,400   | \$71,065      | 100%       |        |        | Project managed in house. Medium Pressure UV and analytical equipment have been purchased and analytical equipment installed. Pipework and electrical control installed and commissioned. Completed.  |
| 2020/21                 | Waihaorunga - Drink Water Intake/Plant Compliance Upgrade       | Drinking Water Standards upgrades to meet compliance.<br>(Install Monitoring and Control in the interim at Tavendales, while waiting for Government direction on legislation and standards). | \$526,500   | \$63,242      | 100%       |        |        | On hold until Government can give clear direction on Drinking Water Standards changes and funding. Monitoring and control has been installed at Waihaorunga Main. Monitoring and control is also programmed at Tavendales Plant, in agreement with the MoH and DWA.   |
| 2020/21                 | Waikakahi - Drinking Water Intake/Plant Compliance Upgrade      | Drinking Water Standards upgrades to meet compliance   | \$1,474,200 | \$0           | 0%         |        |        | Note, New Treatment Plant upgrade is on hold with the agreement of DWA until 2020/21 and clearer direction on legislation and standards. Investigation has started into alternate source, which did not yield any usable water. Turbidity meter installed at shed. Further investigation on source as part of stimulus funding (Delivery Plan). |
| 2019/20                 | Urban Water - Rising Main Renewals                              | New water main   | \$130,400   | \$10,098      | 8%         |        |        | Easements for Stage 5 Rising Main. Remaining to be used for Urban pipe renewal / pressure management.   |
| 2019/20                 | Urban Water - Lateral Renewals                                  | Toby and lateral renewals  | \$63,180    | \$14,019      | 22%        |        |        | Ongoing Toby and lateral renewals   |
| 2019/20                 | Urban Water - Tim Rd Plant - Treatment Filter & UV              | Drinking Water Standards upgrades to meet compliance   | \$278,588   | \$156,980     | 56%        |        |        | Project managed in house. Medium Pressure UV and analytical equipment have been purchased, and analytical equipment installed. Pipework in progress. Electrical and control works awarded.  |
| 2019/20                 | Urban Water - AC Water Main Renewals                            | Renewal of aged and poor condition AC water main, with PVC   | \$115,830   | \$63,920      | 55%        |        |        | Contract 19/24 Parsonage Road, and 20/23 Paul St water mains renewal.   |
| 2019/20                 | Urban Water - CI Water Main Renewals                            | Renewal of aged and poor condition CI water main, with PVC   | \$212,780   | \$213,301     | 100%       |        |        | Contract 19/24 Parsonage Road, and 20/23 Paul St water mains renewal.   |
| Sewerage and Sewage     |   |  |             |               |            |        |        |   |
| 2019/20                 | Investigate inflow and infiltration                             | Infiltration investigation from surface influences i.e. illegal storm water connections  |             |               |            |        |        | Project now part of delivery plan. Consultant engaged and work has commenced.   |
| 2020/21                 | Sewer - Waimate Urban Renewals                                  |  | \$530,897   | \$469,589     | 88%        |        |        | High Street Upgrade(s) completed. Remainder re-allocated to Queen Street Upgrade. New enabling manhole on Queen Street installed. Contract awarded.   |

| Financial Year                         | Project  | Project Description  | Budget      | Spend to Date | % Complete | Status |        | Comments / Issues / Risks / Reasons  |
|--|--|--|-------------|---------------|------------|--------|--------|--|
|  |  |  |             |               |            | Time   | Budget |  |
| 2019/20                                | Sewer - Edward Street Upgrade (Renewal)                          |  | \$551,000   | \$22,405      | 4%         |        |        | Project to be informed by inflow investigation works. Contingent on latter works being completed before committing to final design. Part delivery plan funded  |
| <b>Storm water Drainage</b>            |  |  |             |               |            |        |        |  |
| 2020/21                                | Storm water - Consent & Management Plan                          |  | \$30,000    | \$119,287     | 70%        |        |        | Consent application lodged and currently on hold. Some difficulty in obtaining approval from land owners at the various points of discharge.   |
| 2020/21                                | Storm water - Queen Street Upgrade                               |  | \$133,640   | \$32,759      | 25%        |        |        | Project now part of delivery plan. Tender documents went to market. Tender awarded. Potential budget increase. In discussion with contractor to find ways of reducing costs.   |
| <b>Delivery Plan - Stimulus Funded</b> |  |  |             |               |            |        |        |  |
| 2020/22                                | Delivery Plan Works - See separate report                        | Various Projects   | \$4,600,000 |               |            |        |        | Stimulus Funding is \$3.36M. Council Funding is \$1.24M. Projects started include Reform Consultancy, New Staff, Reservoir and Break Tank Upgrades, Desludging of WWTP Ponds, Update of Rural and Urban Hydraulic Models, Sewer Inflow Investigation and Queen Street Upgrade. A number of transactions not reflected in financials presented as they relate to early purchase of stock (water meters, tanks etc.) Some projects contingent on others and therefore pose a risk if not managed well. Detailed report to follow |
| <b>Waste Management</b>                |  |  |             |               |            |        |        |  |
| 2020/21                                | Waste Management - Weighbridge                                   |  | \$120,060   | \$73,459      | 61%        |        |        | Supplier selected, procurement in process. Weighbridge, booth and software to be operational prior to 1 July 2021.   |
| <b>Property</b>                        |  |  |             |               |            |        |        |  |
| 2018/19                                | Waimate Library extension  |  | \$1,400,000 | Nil           | 0%         |        |        | Delayed due to investigation into Library / LGC redevelopment proposal   |
| 2016/17 (carry forward)                | Public toilets (new) Waimate town and review of District toilets |  | \$200,000   | Nil           | 0%         |        |        | Investigation and option presentation delayed due to Library project options   |
| 2021                                   | Local Government Centre Flood Damage                             | Recovery from January 2021 flooding event / renovation opportunity | \$500,000   | \$189,292.23  | 90%        |        |        | Refurbishment of front office (includes relining walls, electrical, plastering, painting, carpet, joinery, furniture). Extended to include replacement of concrete roof tiles with long-run iron.  |

**Status Key:**

|  |  |
|--|--|
|  | On track with time / budget for completion within the plan year    |
|  | High Risk (budget and/or timeframe)                                |
|  | Some risk (budget and/or timeframe) - Highlight issues in comments |
|  | Not started / External to Council                                  |

**6.5 RISK REGISTER**

**Author:** Tina Stevenson, Corporate Services Group Manager

**Authoriser:** Tina Stevenson, Corporate Services Group Manager

**Attachments:** 1. Risk Register - June 2021 [↓](#) 

**PURPOSE**

1. To provide the Audit and Risk Committee with Council's updated Risk Register for consideration.

**Risk Register**

2. In accordance with the Audit and Risk Committee Annual Work Plan, the Committee is to 'monitor corporate risk assessment' at each meeting. We provide the register to the Audit and Risk Committee regarding Council's key risks and mitigation measures.
3. The updates to the register are 'tracked' for easy identification.
4. The updates include some minor amendments suggested by the Committee at the March 2021 meeting.
5. Additionally, the risk description for the 'Human Resources Stress and Work Overload' risk (R0021) has been amended to include 'High employee leave balances' and a new extreme rated risk for 'Service Delivery' proposed as an addition (R0022), for the Committee's consideration.
6. We ask the Committee to consider the updated Risk Register and provide any feedback or suggested amendments.

**RECOMMENDATION**

That the Risk Register Report is accepted.

## PUBLIC KEY RISK REGISTER – ~~MARCH~~JUNE 2021

### RISK IMPACTS

| Rating Level         | Consequence Description  | Score |
|----------------------|--|-------|
| <b>Catastrophic</b>  | <ul style="list-style-type: none"> <li>• Catastrophic loss of public or stakeholder confidence, or breakdown in standards, which requires major recovery action to restore reputation or effectiveness; or</li> <li>• Clearly threatens operations or ability of organisation over an extended period to achieve its objectives, or</li> <li>• Major unexpected financial overspend or loss of \$1 million or above</li> <li>• Loss of life</li> <li>• Prolonged national media and political attention</li> </ul> | 5     |
| <b>Major</b>         | <ul style="list-style-type: none"> <li>• Major unexpected financial overspend or loss of \$500,000 to \$1 million</li> <li>• Significant dissatisfaction expressed by stakeholders,</li> <li>• Serious harm, or</li> <li>• Unexpected failure to meet a standard and/or legislation.</li> </ul>  | 4     |
| <b>Moderate</b>      | <ul style="list-style-type: none"> <li>• Failure leading to review of project or operation that will require changes to processes or goals; or</li> <li>• Likely to cause some damage or, disruption or breach of controls; or</li> <li>• Moderate financial overspend or loss of \$100,000 to \$500,000</li> <li>• Regional media attention, loss of image</li> <li>• Injury to staff or contractor</li> </ul>  | 3     |
| <b>Minor</b>         | <ul style="list-style-type: none"> <li>• Localised or isolated failure to meet stakeholder requirements or standards,</li> <li>• Unlikely to cause damage or threaten the effectiveness of the project,</li> <li>• Minor financial impact, involves management time, up to \$100,000</li> </ul>  | 2     |
| <b>Insignificant</b> | <ul style="list-style-type: none"> <li>• Very low impact that will not be visible, negligible</li> </ul>   | 1     |



## RISK LIKELIHOOD

| Likelihood      | Likelihood Description  | Scoring | Probability %<br>(to assist assessment) |
|-----------------|---|---------|---|
| <b>Frequent</b> | Will almost certainly occur, and at least once in a month   | 5       | 91-100                                  |
| <b>Often</b>    | Will probably occur 6-12 times per year   | 4       | 71-90                                   |
| <b>Likely</b>   | 1-5 times per year – likely to occur at least once in the next two - three months.<br>There is a chance in the foreseeable future | 3       | 51-70                                   |
| <b>Possible</b> | May occur at least once in the next year.<br>Little chance of occurrence in foreseeable future                                    | 2       | 21-50                                   |
| <b>Rare</b>     | Not expected to occur this year but may occur in a future period – unlikely in foreseeable future                                 | 1       | 1-20                                    |

## SCORING RISKS

| Likelihood          | Consequence          |              |                 |              |                     |
|---------------------|----------------------|--------------|-----------------|--------------|---------------------|
|                     | Insignificant<br>(1) | Minor<br>(2) | Moderate<br>(3) | Major<br>(4) | Catastrophic<br>(5) |
| <b>Frequent (5)</b> | 5                    | 10           | 15              | 20           | 25                  |
| <b>Often (4)</b>    | 4                    | 8            | 12              | 16           | 20                  |
| <b>Likely (3)</b>   | 3                    | 6            | 9               | 12           | 15                  |
| <b>Possible (2)</b> | 2                    | 4            | 6               | 8            | 10                  |
| <b>Rare (1)</b>     | 1                    | 2            | 3               | 4            | 5                   |

| Risk Score   | Level of risk           | Action Required   | Attention of / assigned to   |
|--------------|-------------------------|---|--|
| <b>15-25</b> | <b>Extreme risk</b>     | Requires immediate assessment of actions  | Audit and Risk Committee / Council / Chief Executive (as required), statutory bodies |
| <b>8-12</b>  | <b>Significant risk</b> | Requires remedial assessment and action via the annual planning process           | Chief Executive / Leadership Team  |
| <b>4-6</b>   | <b>Moderate risk</b>    | Address via new procedures and/or modification of existing practices and training | Group Manager, programme manager, work stream leaders                                |
| <b>1-3</b>   | <b>Low risk</b>         | No formal requirement for further action, unless escalation of risk is possible   | Work stream leaders, project managers  |

## RISK AREAS

| Risk ID | Type of Risk | Category                   | Division                | Who is responsible for following up and managing this risk | What could happen?  | How likely is it to occur? | How severe is it when it does occur | Risk Matrix value | Combined rating      | What are we doing about the risk?   | What other actions need to happen to manage this risk  | Risk Rating with Risk Mitigation actions applied | Any occurrence of events | Comments   |
|---------|--------------|----------------------------|-------------------------|--|---|----------------------------|-------------------------------------|-------------------|----------------------|---|--|--|--------------------------|--|
| Risk ID | Type of Risk | Category                   | Division                | Who is Accountable?  | Risk Description  | Likelihood                 | Impact                              |                   | Risk level           | Current risk mitigation   | Future risk mitigation   |  | Incidents                | Comments   |
| R0001   | Strategic    | Business Continuity        | All                     | Chief Executive  | Impact of severe weather, fire, natural disasters on Council infrastructure, Council-owned Forestry   | 3                          | 4                                   | 12                | Significant          | <ul style="list-style-type: none"> <li>Policies</li> <li>Asset Management Plans</li> <li>Civil Defence</li> <li>Phone-In Facilities</li> <li>Insurance Cover</li> <li>Secondary Ops centre (Gorge Road)</li> </ul>  | Consider contingency fund to cover unbudgeted repair works to protect existing works program.  | Significant                                      |                          | Flooding is the highest risk/impact - we need to be prepared<br>Wind secondary Infrastructure survives very well at present  |
| R0002   | Strategic    | Governance                 | Mayor                   | Mayor  | Councillors: confidentiality, conflicts of interest, bad decisions, ignorance of ignoring statute, failing to meet timelines, "loose tongues", disposal of papers (particularly sensitive council papers) | 2                          | 4                                   | 8                 | Significant          | <ul style="list-style-type: none"> <li>Workshop topics</li> <li>Publications (Auditor General)</li> <li>Email to Councillors via Council network</li> <li>Education</li> <li>Professional Advice</li> <li>LGNZ Advice</li> <li>Members handbook</li> <li>Legal opinions</li> <li>Identify conflicts of interest</li> <li>Use of Council facilities</li> <li>Leadership</li> </ul> | <ul style="list-style-type: none"> <li>Continuation of Formal and Informal training</li> <li>Being transparent / information sharing</li> </ul>  | Moderate   |                          | Individuality will always come in to play  |
| R0003   | Strategic    | Reputation                 | Councillors             | Councillors  | Non-functional Council (Council unable to make resolutions due to irreconcilable differences)   | 1                          | 4                                   | 4                 | Moderate             | <ul style="list-style-type: none"> <li>Councillor workshops, Councillor retreats and keeping all elected members informed (no surprises)</li> </ul>   | <ul style="list-style-type: none"> <li>Government intervention</li> <li>General Elections</li> </ul>   | Moderate   |                          |  |
| R0004   | Strategic    | Reputation                 | All                     | Chief Executive  | <ul style="list-style-type: none"> <li>Neglecting to act at correct or prescribed time</li> <li>Tending towards Customer Service issue predominantly</li> <li>We do not react when we should</li> </ul>   | 2                          | 5                                   | 10                | Significant          | <ul style="list-style-type: none"> <li>Appropriate relationship maintained between Mayor and CE</li> <li>Regular timeline reviews</li> <li>Open communication between Leadership Team and Elected Members</li> <li>Evidence based reporting to Council</li> </ul>   | Regular Planning meetings  | Moderate   |                          |  |
| R0005   | Strategic    | Business Continuity        | All                     | Chief Executive  | Local Government Building destroyed or damaged by Earthquake/ Fire / Flood  | 4.2                        | 5                                   | 5.10              | Significant Moderate | <ul style="list-style-type: none"> <li>IT Information recovery (off-site back-ups)</li> <li>Insurance coverage</li> <li>Impact on staff from injury, lack of workplace</li> <li>Business Continuity plan</li> <li>Secondary Ops centre (Gorge Road)</li> <li>Flood protection including redirection of overland flows</li> </ul>  | Availability of Waimate Event Centre, Gorge Road Office and Works yard as secondary operational centres  | Significant/Moderate                             |                          | Fire is major issue - other events likely to impact whole District.<br><br>Has been lifted to Moderate post mitigation actions. Flood mitigation measures will take time to implement. |
| R0006   | Strategic    | Business Continuity        | Planning and Regulatory | Regulatory and Compliance Manager                          | IANZ Accreditation - potential loss of accreditation  | 2                          | 3                                   | 6                 | Moderate             | <ul style="list-style-type: none"> <li>Constant monitoring of IANZ assessments. To be reviewed by CE and Audit Committee</li> </ul>   |  | Low  |                          |  |
| R0007   | Strategic    | Strategic Planning         | All                     | Chief Executive  | Non-completion of Performance measures and failure to understand their significance   | 1                          | 1                                   | 1                 | Low                  | <ul style="list-style-type: none"> <li>Good procedures and systems in place</li> <li>Better understanding of measures</li> </ul>  | Audit Team monitoring  | Low  |                          |  |
| R0008   | Strategic    | Legislation and compliance | All                     | Chief Executive  | <ul style="list-style-type: none"> <li>Compliance with all Statutes</li> <li>Government's 3 waters review may result in new regulation and aggregation</li> <li>Four wellbeing's</li> </ul>               | 2                          | 3                                   | 6                 | Moderate             | <ul style="list-style-type: none"> <li>Archive mechanisms in place</li> <li>CE Review</li> <li>Audit and Risk Committee</li> <li>Legislation/LGNZ newsletters regularly</li> <li>Published timelines</li> <li>Working to due process and prescribed timelines</li> <li>Liaise with Audit NZ</li> </ul>  | <ul style="list-style-type: none"> <li>Distribute Anderson Lloyd newsletters to Councillors</li> <li>Internal Audit projects</li> </ul>  | Low  |                          | Revisit pending Aon Insurance conversation   |
| R0009   | Strategic    | Market Forces              | Finance                 | Corporate Services Group Manager                           | <ul style="list-style-type: none"> <li>Insurance cost and changes in nature of the cost</li> <li>Other standard costs on the increase</li> <li>Changes in property Valuations (QV)</li> </ul>             | 2                          | 3                                   | 6                 | Moderate             | <ul style="list-style-type: none"> <li>LAPP</li> <li>Use of Insurance Broker</li> <li>All of Government Contracts availability</li> </ul>   | <ul style="list-style-type: none"> <li>Review insurance cover required. Review what needs to be fully insured, have limited cover, have fire cover only, or be self-insured.</li> <li>Other Shared Services/All of Government contracts that may become available</li> </ul> | Moderate   |                          | Further "Pick and Mix" reviews required on insurance covers with Probability/Consequences to be reviewed during insurance renewal process.   |



| Risk ID | Type of Risk                 | Category                             | Division                | Who is responsible for following up and managing this risk | What could happen?   | How likely is it to occur? | How severe is it when it does occur | Risk Matrix value | Combined rating | What are we doing about the risk?   | What other actions need to happen to manage this risk  | Risk Rating with Risk Mitigation actions applied | Any occurrence of events   |   |
|---------|------------------------------|--------------------------------------|-------------------------|--|--|----------------------------|-------------------------------------|-------------------|-----------------|---|--|--|--|---|
| Risk ID | Type of Risk                 | Category                             | Division                | Who is Accountable?  | Risk Description   | Likelihood                 | Impact                              |                   | Risk level      | Current risk mitigation   | Future risk mitigation   |  | Incidents  | Comments  |
| R0010   | Operational                  | Legal and Contractual                | All                     | Chief Executive  | <ul style="list-style-type: none"> <li>Incurrence of Legal costs</li> <li>Minimise the cost of Legal Opinions, mitigate conflicting opinions and monitor New Legislation</li> <li>Breach of Public Liability creating exposure and cost</li> </ul> | 3                          | 4                                   | 12                | Significant     | <ul style="list-style-type: none"> <li>Up to date Policies, specifically Procurement, HR and Delegations Policy</li> <li>Standard Conditions of contract</li> <li>File of Legal opinions maintained.</li> <li>legal activity to be approved by CE (re delegations Policy)</li> <li>Annual report of legal matters discussed with Council (confidential)</li> </ul>  | CE with sole delegation to instruct Legal advisors and involved in all litigation  | Moderate   |  | Predicting occurrence of events not easy  |
| R0011   | Operational / Strategic      | Fraud / Theft / Bribery / Corruption | All                     | Chief Executive / Corporate Services Group Manager         | <ul style="list-style-type: none"> <li>Theft of assets, portable &amp; attractive items or cash</li> <li>Acceptance of bribes</li> <li>Acceptance of Gifts</li> </ul>  | 3                          | 3                                   | 9                 | Significant     | <ul style="list-style-type: none"> <li>Review Councils Fraud Policy and training for the nominated fraud officers</li> <li>Maintain accurate asset registers and asset owners</li> <li>Staff awareness and training</li> <li>Whistle blower policy</li> </ul>   |  | Moderate   |  | Fraud awareness and Bribery & Corruption training was undertaken by all available staff and elected members in March 2019. Council's Fraud Policy was reviewed and adopted by Council in October 2019. Asset stocktakes are undertaken by class of asset as appropriate.  |
| R0012   | Operational                  | Non Compliance                       | Assets                  | Asset Group Manager  | Supply of non-potable water  | 3                          | 5                                   | 15                | Extreme         | <ul style="list-style-type: none"> <li>SCADA monitoring and reporting</li> <li>Testing for bacterial compliance</li> <li>Monitoring adverse weather events</li> <li>Monitoring and regulating catchment activities (Regional and District Plans)</li> <li>Maintenance of approved Water Safety Plans alongside regular implementation reviews</li> <li>Inclusion of "Critical Control Points" and associated procedures</li> <li>Residual chlorination</li> </ul> | Programmed upgrades of all supplies to achieve compliance with the Health Act 1956, Health (Drinking Water) Amendment Act 2007, and the Drinking Water Standards for New Zealand 2005 (Revised 2008) (DWSNZ). See Waimate District Council 2018-28 Long Term Plan. | Moderate   | Bacterial transgressions have occurred in the past with appropriate measures implemented. These include the transgression response procedures required by DWSNZ or the issue of Boil Water Notices (Permanent and Temporary) where controls are considered inadequate. | Predicting occurrence of events not easy. Council has participated in the Canterbury Drinking Water Reference Group and the CE Forum directed investigation into voluntary aggregation of water services (attended by DIA and ECan representatives). Enhanced monitoring and control implemented for high risk schemes prior to full upgrades to meet DWSNZ.          |
| R0013   | Strategic / Operational      | Financial                            | Finance                 | Corporate Services Group Manager                           | <ul style="list-style-type: none"> <li>Unaffordable rates</li> <li>Not operate within budget</li> <li>Unable to maintain agreed levels of service</li> <li>Increased borrowing / debt limits</li> <li>Alpine Energy share revaluation</li> </ul>   | 4                          | 3                                   | 12                | Significant     | <ul style="list-style-type: none"> <li>Report income and expenditure against budget monthly and annually</li> <li>Performance reporting quarterly and annually</li> </ul>   | Continually monitor internally   | Moderate   |  | Budget variation reports are provided to Council on a quarterly basis   |
| R0014   | Operational                  | Cyber security                       | All                     | Corporate Services Group Manager                           | <ul style="list-style-type: none"> <li>Cyber threats</li> <li>Compromised availability of systems</li> <li>Sensitive information exposed</li> </ul>  | 3                          | 3                                   | 9                 | Significant     | <ul style="list-style-type: none"> <li>Commissioning of Cyber Security Review Report</li> <li>Cyber Security Project</li> <li>Preventative operational processes</li> </ul>   | Completion of Cyber Security Project to achieve project outputs  | Moderate   |  | The Cyber Security Project has been completed. Training was delivered to staff and elected members during February and March 2019. Customisation of reports to describe cyber-security threats and incidents has progressed. A Computer Systems Use policy was reviewed and completed in February 2020. Further prioritised options to mitigate have been identified. |
| R0015   | Operational                  | Roadway Quality Assurance            | Assets                  | Asset Group Manager  | <ul style="list-style-type: none"> <li>Contracts not being performed to the standard required</li> <li>Unsafe bridges</li> </ul>   | 3                          | 2                                   | 6                 | Moderate        | <ul style="list-style-type: none"> <li>Audits carried out</li> <li>Inspections completed</li> <li>Failures identified</li> </ul>  | <ul style="list-style-type: none"> <li>Increased audit numbers</li> <li>Increased work inspections</li> </ul>  | Low  |  |   |
| R0016   | Operational                  | Management of Closed Landfill Sites  | Assets                  | Asset Group Manager  | <ul style="list-style-type: none"> <li>Illegal dumping at closed sites</li> <li>Exposure of legacy materials</li> <li>Leachate causing contamination</li> </ul>  | 2                          | 3                                   | 6                 | Moderate        | <ul style="list-style-type: none"> <li>Sites are visually monitored by staff</li> <li>Some sites groundwater monitored</li> <li>Identify contingent liability associated with sites</li> </ul>  | Increase monitoring frequency  | Moderate   | Hook landfill where erosion exposed old material. River realigned to protect edge of closed landfill.  | Once new contract commences 1 Jul2021, provision of CCTV will be considered after an operational period is complete.  |
| R0017   | Operational and reputational | Compliance & Enforcement             | Regulatory & Compliance | Regulatory & Compliance Group Manager                      | Conduct a regulatory function subsequently found in proceedings to be in error or ultra  | 3                          | 3                                   | 9                 | Significant     | <ul style="list-style-type: none"> <li>Follow enforcement policy guidance</li> <li>Provide appropriate and current training to staff</li> </ul>   | <ul style="list-style-type: none"> <li>Provide training for staff and managers</li> <li>Continued vigilance to ensure</li> </ul>   | Moderate   |  | Council may choose to warrant enforcement officers to issue   |

|         |                         |  |          | Who is responsible for following up and managing this risk | What could happen?   | How likely is it to occur? | How severe is it when it does occur | Risk Matrix value | Combined rating | What are we doing about the risk?  | What other actions need to happen to manage this risk   | Risk Rating with Risk Mitigation actions applied | Any occurrence of events   |  |
|---------|-------------------------|--|----------|--|--|----------------------------|-------------------------------------|-------------------|-----------------|--|---|--|--|--|
| Risk ID | Type of Risk            | Category                                 | Division | Who is Accountable?  | Risk Description   | Likelihood                 | Impact                              |                   | Risk level      | Current risk mitigation  | Future risk mitigation  |  | Incidents  | Comments   |
|         |                         |  |          |  | vires (done beyond one's legal power or authority).  |                            |                                     |                   |                 | <ul style="list-style-type: none"><li>• Liaise closely with manager around work being conducted so assess risk to organisation</li><li>• Seek legal advice where appropriate</li></ul>   | <ul style="list-style-type: none"><li>• current best practice is followed</li><li>• Monitor current case law</li><li>• Ensure regular meetings occur between manager and regulatory practitioners to ensure on going risk assessment is undertaken</li></ul>                                |  |  | infringement notices under section 372 of the Act. Any enforcement activities are to follow policy guidelines, and any enforcement action beyond minor instances should be backed by legal advice.   |
| R0018   | Strategic / Operational | Investments                              | Finance  | Corporate Services Group Manager                           | <ul style="list-style-type: none"><li>• Lesser return on investment compared to that anticipated, resulting in reduced income to use to potentially offset against rates</li><li>• Loss on value of investment</li><li>• Volatility of market prices i.e. forestry</li></ul>   | 3                          | 3                                   | 9                 | Significant     | <ul style="list-style-type: none"><li>• Follow our Investment Policy</li><li>• Monitoring returns on investments</li><li>• Participation in Shareholder, company and board represented meetings for Alpine Energy Limited to ensure District's wishes are heard</li><li>• Engaged Forestry Consultants to provide advice</li></ul>   | <ul style="list-style-type: none"><li>• Consider alternative investment opportunities</li><li>• Ensure active participation in Shareholder, company and board represented meetings for Alpine Energy Limited</li><li>• Reduce reliance on investment returns used to offset rates</li></ul> | Moderate   | <ul style="list-style-type: none"><li>• Present economic climate is exhibiting low returns on investments due to low interest rates</li><li>• Reduction of Alpine Energy Dividend in 2020/21 financial year expected to continue for the foreseeable future.</li></ul>   | The 2020/21 Annual Plan and 2021-31 Long Term Plan budgets incorporated a reduction in reliance on Alpine Energy Dividend funds used to offset rates in order to spread our exposure to the anticipated income reduction.  |
| R0019   |                         | Climate mitigation and adaptation        |          | Chief Executive  | <ul style="list-style-type: none"><li>• Higher proportion of extreme weather events</li><li>• Financial (from disaster mitigation and recovery and transitioning to low carbon economy)</li><li>• Legal - Planning provisions need to recognise for the management of significant risks from natural hazards.</li></ul>  | 3                          | 4                                   | 12                | Significant     | <ul style="list-style-type: none"><li>• Update planning and GIS provisions including possible prohibition of building in certain areas or restricted designs.</li><li>• Liaise with Ecan, LGNZ and other TA's</li><li>• Show leadership through action</li></ul>   | <ul style="list-style-type: none"><li>• Flood erosion protection</li><li>• Infrastructure relocation</li><li>• Map carbon footprint and identify opportunities to reduce emissions</li></ul>  | Significant                                      | <p>We are experiencing a change in climatic conditions.</p> <p>Under the Resource Management Act 1991 (RMA) local government is required to consider the effects of a changing climate on communities. It is also required to incorporate climate change into existing frameworks, plans, projects and standard decision-making procedures. A climate change perspective is now integrated into activities such as flood management, water resources, planning, building regulations and transport</p> | <p>Council is about to review its District Plan.</p> <p>Climate mitigation and adaptation requires global investment and is a long-game.</p> <p>New Zealand accounts for 0.17% of the world's greenhouses gases, but we rank much higher on a per capita basis (18 per person per year)</p> <p>WDC as a minor player in the overall ability to reduce this risk, therefore the risk is assessed at remaining Significant.</p>  |
| R0020   | Operational             | Pandemic                                 |          | Chief Executive  | <ul style="list-style-type: none"><li>• Part or all of community locked down for extended periods, including Council.</li><li>• Inability to deliver statutory functions.</li><li>• Loss of revenue.</li><li>• Potential high levels of sickness/mortality across all of staff, leadership and governance.</li><li>• Significant impacts on corporate planning cycle (A/P's &amp; LTP's)</li><li>• Council heavily relied on to provide for welfare needs in the community (food, shelter and access to medical services).</li><li>• Supply Chain Disruption</li></ul> | 1 to 2                     | 4 to 5                              | 8 to 10           | Significant     | <ul style="list-style-type: none"><li>• Completed a Pandemic Plan that aligns with the National Pandemic Plan and has incorporated local learnings from the COVID-19 response.</li></ul>   | <ul style="list-style-type: none"><li>• Consider developing some generic business continuity planning to provide a high level framework across a number of scenarios.</li></ul>   | Significant                                      | COVID-19 had all Council sites closed for 7 weeks and only very limited services available throughout the lockdown period – particularly at Alert Level 4.   | The Waimate District Council Pandemic Plan was developed at the beginning of the COVID-19 lockdown period and updated after the lockdown period to incorporate the learnings from it.  |
| R0021   | Operational             | Human Resources Stress and Work Overload | All      | Chief Executive  | <ul style="list-style-type: none"><li>• Potential high levels of sickness/depression/mortality across all of staff, leadership and governance</li><li>• Decision making impaired</li><li>• Vehicle/workplace accident increase</li><li>• High staff turnover</li><li>• <a href="#">High employee leave balances</a></li></ul>  | 4                          | 3                                   | 12                | Significant     | <ul style="list-style-type: none"><li>• Ensuring adequate staff resources</li><li>• Job descriptions are reviewed for impact employees</li><li>• Communication across the organisation manager / staff regular meetings</li><li>• Maintain positive work culture and team building</li><li>• Encourage breaks/leave</li><li>• Workplace Support available</li><li>• Health Monitoring</li><li>• Communication is vital !</li></ul> | <ul style="list-style-type: none"><li>• Constantly monitor staff to ensure the steps minimise harm</li><li>• Review levels of resourcing</li><li>• Monitor workload of staff</li><li>• Continuation of wellbeing / team building events</li></ul>   | Significant                                      | <p>Two external / unplanned events have created massive work streams for Councils, COVID-19 being a large disrupter; and the Three Waters Reforms being a large unplanned work stream.</p> <p>1. The disruption from COVID primarily impacted on Councils BAU and more directly on the Annual Plan and LTP productivity with this project being set-back approximately six weeks.</p> <p>2. The Governments Three Waters Reform, scoping, planning, design and associated Request for</p>              | <p>Both of these disrupters are external and beyond the control of the WDC. It is disappointing that the Government is fast-tracking the implementation of major policy changes beyond Local Governments ability to adapt, scope, plan, build and adopt these changes in a controlled and timely manner and no relief to existing statutory deadlines.</p> <p>With regards to staff health and wellbeing, we expect to be operating at maximum capacity until June 2021. It is clear that WDC requires additional resources in the</p> |

|         |                         |                  |                     | Who is responsible for following up and managing this risk | What could happen?  | How likely is it to occur? | How severe is it when it does occur | Risk Matrix value | Combined rating | What are we doing about the risk?   | What other actions need to happen to manage this risk   | Risk Rating with Risk Mitigation actions applied | Any occurrence of events  |   |
|---------|-------------------------|------------------|---------------------|--|---|----------------------------|-------------------------------------|-------------------|-----------------|---|---|--|---|---|
| Risk ID | Type of Risk            | Category         | Division            | Who is Accountable?  | Risk Description  | Likelihood                 | Impact                              |                   | Risk level      | Current risk mitigation   | Future risk mitigation  |  | Incidents   | Comments  |
|         |                         |                  |                     |  |   |                            |                                     |                   |                 |   |   |  | Information (RFI) added approximately 800 hours work (or two staff at 10 weeks)   | finance area. Council can expect leave liabilities to grow and remain high for the short to medium term (8 months).<br><br>All staff will be closely monitored. |
| R002    | Strategic / Operational | Service Delivery | Assets (and others) | Chief Executive  | <ul style="list-style-type: none"> <li>3W's Reform process is likely to affect service delivery arrangements for the 3W's post 1 July 2024.</li> <li>Short timeframes available to consult with the community regarding opting out of reforms</li> <li>Short timeframe to identify risks to the organisation associated with opting in or opting out of reforms</li> <li>Possible decision required before Water Services Act is active. For example, Councils decision could be influenced by compliance methods that are currently unavailable in current legislation.</li> </ul> | 4                          | 5                                   | 20                | High            | <ul style="list-style-type: none"> <li>Actively involved in the reform process.</li> <li>Engagement with stakeholder (Committees, Representatives from organisations etc.)</li> </ul> | <ul style="list-style-type: none"> <li>Organisational modelling of the impact of changes to Service Delivery</li> </ul> | High   | <ul style="list-style-type: none"> <li>Ongoing – expected to see enactment of the Water Service Act in November 2021.</li> <li>Active regulation will commence November 2021</li> </ul> | Waimate District Council will be required to make significant decisions towards the end of 2021.  |

## PUBLIC EXCLUDED

## 7 EXCLUSION OF THE PUBLIC REPORT

## RESOLUTION TO EXCLUDE THE PUBLIC

**RECOMMENDATION**

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

The general subject matter of each 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 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 for the passing of this resolution  |
|---|---|--|
| <b>7.1 - Public Excluded Minutes of the Audit and Risk Committee Meeting held on 2 March 2021</b> | s6(a) - the making available of the information would be likely to prejudice the maintenance of the law, including the prevention, investigation, and detection of offences, and the right to a fair trial  | s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7 |
| <b>7.2 - Health &amp; Safety Incident Report</b>  | s7(2)(a) - the withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons<br>s7(2)(d) - the withholding of the information is necessary to avoid prejudice to measures protecting the health or safety of members of the public          | s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7 |
| <b>7.3 - Cyber Security Report</b>  | s7(2)(j) - the withholding of the information is necessary to prevent the disclosure or use of official information for improper gain or improper advantage   | s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7 |
| <b>7.4 - Security Camera Footage Requests</b>   | s7(2)(a) - the withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons  | s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7 |
| <b>7.5 - Insurance Report</b>   | s7(2)(a) - the withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons<br>s7(2)(j) - the withholding of the information is necessary to prevent the disclosure or use of official information for improper gain or improper advantage | s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7 |

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|--|--|--|
| <b>7.6 - Delivery Plan / Stimulus Funding Update</b> | s7(2)(b)(ii) - the withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information<br><br>s7(2)(h) - the withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities | s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7 |
|  |  |  |

**8 RE-ADMITTANCE OF THE PUBLIC REPORT  
MEETING CLOSURES**