
ORDINARY MEETING
OF
KĀWAI MĀHIRAHIRA - AUDIT AND RISK SUBCOMMITTEE
AGENDA

Time: **1:30pm**
Date: Tuesday, 12 October 2021
Venue: Virtual meeting

MEMBERSHIP

Mayor Foster
Councillor Condie (Deputy Chair)
Liz Kelly
Councillor Pannett
Councillor Paul
Linda Rieper (External)
Bruce Robertson (Chair)
Councillor Rush
Roy Tiffin (External)

Have your say!

You can make a short presentation to the Councillors at this meeting. Please let us know by noon the working day before the meeting. You can do this either by phoning 04-803-8334, emailing public.participation@wcc.govt.nz or writing to Democracy Services, Wellington City Council, PO Box 2199, Wellington, giving your name, phone number, and the issue you would like to talk about. All Council and committee meetings are livestreamed on our YouTube page. This includes any public participation at the meeting.

AREA OF FOCUS

The Audit and Risk Subcommittee oversees the work of the Council in discharging its responsibilities in the areas of risk management, statutory reporting, internal and external audit and assurance, monitoring of compliance with laws and regulations, including health and safety.

Quorum: 5 members (at least one external member must be present for a quorum to exist).

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1. Meeting Conduct

1.1 Karakia

The Chairperson will open the meeting with a karakia.

Whakataka te hau ki te uru,	Cease oh winds of the west
Whakataka te hau ki te tonga.	and of the south
Kia mākinakina ki uta,	Let the bracing breezes flow,
Kia mātaratara ki tai.	over the land and the sea.
E hī ake ana te atākura.	Let the red-tipped dawn come
He tio, he huka, he hauhū.	with a sharpened edge, a touch of frost,
Tihei Mauri Ora!	a promise of a glorious day

At the appropriate time, the following karakia will be read to close the meeting.

Unuhia, unuhia, unuhia ki te uru tapu nui	Draw on, draw on
Kia wātea, kia māmā, te ngākau, te tinana,	Draw on the supreme sacredness
te wairua	To clear, to free the heart, the body
I te ara takatū	and the spirit of mankind
Koia rā e Rongo, whakairia ake ki runga	Oh Rongo, above (symbol of peace)
Kia wātea, kia wātea	Let this all be done in unity
Āe rā, kua wātea!	

1.2 Apologies

The Chairperson invites notice from members of apologies, including apologies for lateness and early departure from the meeting, where leave of absence has not previously been granted.

1.3 Conflict of Interest Declarations

Members are reminded of the need to be vigilant to stand aside from decision making when a conflict arises between their role as a member and any private or other external interest they might have.

1.4 Confirmation of Minutes

The minutes of the meeting held on 15 September 2021 will be put to the Kāwai Māhirahira | Audit and Risk Subcommittee for confirmation.

1.5 Items not on the Agenda

The Chairperson will give notice of items not on the agenda as follows.

Matters Requiring Urgent Attention as Determined by Resolution of the Kāwai Māhirahira | Audit and Risk Subcommittee.

The Chairperson shall state to the meeting:

1. The reason why the item is not on the agenda; and
2. The reason why discussion of the item cannot be delayed until a subsequent meeting.

The item may be allowed onto the agenda by resolution of the Kāwai Māhirahira | Audit and Risk Subcommittee.

Minor Matters relating to the General Business of the Kāwai Māhirahira | Audit and Risk Subcommittee.

The Chairperson shall state to the meeting that the item will be discussed, but no resolution, decision, or recommendation may be made in respect of the item except to refer it to a subsequent meeting of the Kāwai Māhirahira | Audit and Risk Subcommittee for further discussion.

1.6 Public Participation

A maximum of 60 minutes is set aside for public participation at the commencement of any meeting of the Council or committee that is open to the public. Under Standing Order 31.2 a written, oral or electronic application to address the meeting setting forth the subject, is required to be lodged with the Chief Executive by 12.00 noon of the working day prior to the meeting concerned, and subsequently approved by the Chairperson.

Requests for public participation can be sent by email to public.participation@wcc.govt.nz, by post to Democracy Services, Wellington City Council, PO Box 2199, Wellington, or by phone at 04 803 8334, giving the requester's name, phone number and the issue to be raised.

2. General Business

DRAFT 2020/21 ANNUAL REPORT AND AUDIT PROCESS

Kōrero taunaki

Summary of considerations

Purpose

1. This report to Kāwai Māhirahira - Audit and Risk Subcommittee is to review the draft 2020/21 Annual Report with Financial Statements and Statements of Service Provision for Wellington City Council (the Council) for the year ended 30 June 2021.

Strategic alignment with community wellbeing outcomes and priority areas

Aligns with the following strategies and priority areas:

- ☒ Sustainable, natural eco city
- ☒ People friendly, compact, safe and accessible capital city
- ☒ Innovative, inclusive and creative city
- ☒ Dynamic and sustainable economy

Strategic alignment with priority objective areas from Long-term Plan 2021–2031

N/A – this Annual Report is the last report against the 2018-28 Long-term Plan

- ☐ Functioning, resilient and reliable three waters infrastructure
- ☐ Affordable, resilient and safe place to live
- ☐ Safe, resilient and reliable core transport infrastructure network
- ☐ Fit-for-purpose community, creative and cultural spaces
- ☐ Accelerating zero-carbon and waste-free transition
- ☐ Strong partnerships with mana whenua

Relevant Previous decisions

The proposed format and disclosures for the 2020/21 Annual Report were reviewed and agreed by the Subcommittee at its meeting on 10 March 2021. The draft Statements of Service Provision and Financial Statements were also workshopped with the Subcommittee on 9 and 21 September 2021 and, where possible, amendments recommended by the Subcommittee and other elected members at those workshops have been made.

Significance

The decision is **rated medium significance** in accordance with schedule 1 of the Council's Significance and Engagement Policy. Outline the criteria that apply as set out in the Council's [Significance and Engagement Policy](#). This is a mandatory consideration, regardless of the level of significance. Democracy Services will peer review the level of significance.

Financial considerations

- ☒ Nil ☐ Budgetary provision in Annual Plan / Long-term Plan ☐ Unbudgeted \$X
2. Includes full financial statements for the Council and the Group for the 2020/21 financial year. These are still subject to an independent audit by AuditNZ, due to be completed by 14 October 2021.
 3. There are no financial implications arising from this paper as it is a backwards reflection of performance. The results for the year are strong and there is unlikely to be an impact on our future credit rating.

Risk

- ☒ Low ☐ Medium ☐ High ☐ Extreme
4. Overall, the review and adoption of the Annual Report is of low risk. Council-controlled organisation Wellington Water was qualified on two key performance indicators, which will have a flow on effect to the Council's Annual Report. This effect will be confirmed by AuditNZ by 14 October.

Authors	Amy Jackman, Advisor Planning and Reporting Nicky Blacker, Specialist Financial Advisor Brendan Murphy, Fin Reprt & TreasuryAccountant
Authoriser	Baz Kaufman, Manager Strategy and Research Richard Marshall, Manager Financial Accounting & Transactional Services Jennifer Parker, Acting Chief Strategy & Governance Officer Sara Hay, Chief Financial Officer

Taunakitanga

Officers' Recommendations

Officers recommend the following motion

That Kāwai Māhirahira - Audit and Risk Subcommittee:

1. Receive the information.
2. Receive the draft 2020/21 Annual Report for Wellington City Council and Group for the year ended 30 June 2021, noting the audit is not complete until 14 October 2021.
3. Agree that the financial statements for the year ended 30 June 2021 fairly reflect the financial position, results of operations and service performance achievements of the Wellington City Council and Group.
4. Recommend that the Finance and Performance Committee:
 - a. Recommend that the Council confirm the Accounting Policies contained in the draft financial statements (Attachment 2, Public Excluded) for adoption for the financial statements for the year ended 30 June 2021.
 - b. Recommend that the Council adopt the draft Financial Statements and Statements of Service Provision for Wellington City Council and Group within the draft Annual Report for the year ended 30 June 2021, subject to the resolution of any matters identified during the meeting and receiving final audit clearance from Audit New Zealand.
 - c. Recommend that the Council adopt the Annual Report for Wellington City Council and Group for the year ended 30 June 2021 (Attachment 1 and 2, Public Excluded).
5. Adopt the draft response to Audit New Zealand fraud questions to governing body (Attachment 4, Public Excluded) on behalf of the Council.
6. Delegate the Chair and Deputy Chair of the Audit and Risk Subcommittee the authority to deal with any significant issues arising after this meeting that are under the delegations of the Subcommittee, ensuring they are appropriately addressed through discussions with Officers and liaison with other Subcommittee members if necessary.
7. Delegate to the Chief Executive Officer the authority to make minor editorial changes that may arise as part of the finalising of the draft 2020/21 Annual Report before presentation to the Finance and Performance Committee.
8. Note that although the Subcommittee is made aware of any issues with the Group entities' audits it does not review the financial statements of the Group entities in detail. Due to the size and structure of the Group, the individual results of operations from each Group entity are unlikely to be material, either individually or taken as a whole, in relation to the consolidated financial statements.

Whakarāpopoto

Executive Summary

5. The draft Annual Report (Attachment 1 and 2), including the Financial Statements and Statements of Service Provision, is subject to final review and clearance by Audit New Zealand ahead of the adoption set for the 28 October Council meeting.

- As the final sign off is still to come from Audit New Zealand, the attachments to this report are Public Excluded to allow that process to be completed.
 - The Council has a rigorous process of internal review and editing to ensure the accuracy of the report. These checks continue throughout the audit and until the adoption.
6. This report outlines the process the Council has followed in preparing the draft financial statements and the assurance program it has in place for the finalisation of the Annual Report.
 7. The Subcommittee has primary responsibility for the review of the Council's annual financial statements (Attachment 2). This responsibility is delegated to it by the Finance and Performance Committee. The overall responsibility for the adoption of the Annual Report remains with Council.
 8. The draft financial statements include all known year-end adjustments required in order to fairly reflect the Council's and Group's results of operation, cash flows and financial position for the 2020/21 financial period.
 9. The draft 2020/21 Annual Report includes a full narrative about our performance story and work programme for the year. It is supported by all our performance measures and outcome indicators.
 10. Audit New Zealand will provide an update to the Subcommittee on 12 October 2021 on the current status of the Audit, ahead of the expected conclusion of the audit on 14 October 2021.
 - Subcommittee members will also have an opportunity to ask Audit New Zealand questions regarding the draft financial statements and statements of service provision.
 11. While some of Council's subsidiary entities are still in the process of finalising their financial statements and performance results, we do not expect this to have any marked impact on the results.

Takenga mai

Background

12. As a result of the continued impact of the COVID-19 pandemic, Parliament passed legislation in July 2021 to extend the statutory reporting time frames by up to two months for several different entities, including local authorities.
 - This means that the Council is required to prepare and adopt an Annual Report containing audited statements of service provision and financial statements within six months of balance date.
13. However, in the Parliamentary debate on extending the deadline a promise was made by the Auditor-General that top priority Councils would still be completed within the regular October deadline. Wellington City Council was named as one of these Councils, and we are scheduled to adopt the report on 28 October 2021.

Process and Timetable

14. Following the legislation change, the timetable for the development and adoption of the Annual Report was confirmed as follows:

Date	Action
10 March 2021	<i>Audit and Risk Subcommittee meeting</i> Subcommittee reviewed and conditionally approved draft format for the 2020/21 Annual Report.
6 September 2021	Audit New Zealand commence final audit fieldwork.
9 September 2021	Audit and Risk Subcommittee and Finance and Performance committee workshop on performance in detail and issues.
21 September 2021	Audit and Risk Subcommittee workshop on financial results, key judgements, major provisions and issues.
12 October 2021	<i>This Audit and Risk Subcommittee meeting</i> <ul style="list-style-type: none"> • Subcommittee to review draft Annual Report. • Audit New Zealand to provide update. • Subcommittee to recommend adoption of 2020/21 Annual Report to Finance and Performance Committee.
21 October 2021 (scheduled)	<i>Finance and Performance Committee meeting</i> <ul style="list-style-type: none"> • Committee to recommend adoption of 2020/21 Annual Report to Council
28 October 2021 (scheduled)	<i>Council meeting</i> <ul style="list-style-type: none"> • Council to adopt 2020/21 Annual Report. • Management Letter of Representation issued to Audit New Zealand. • Audit New Zealand sign audit opinion. • Media release – financial results for the year ending 30 June 2021.
TBC November 2021	Release of published Annual Report.

15. Section 111 requires the Council to comply with generally accepted accounting practice (GAAP) in preparing the Annual Report. GAAP is defined by the Local Government Act to mean:
- approved financial reporting standards (within the meaning of section 2(1) of the Financial Reporting Act 1993) so far as those standards apply to local authorities and council-controlled organisations; and
 - in relation to matters for which no provision is made in approved financial reporting standards and that are not subject to any applicable rule of law, accounting policies that –
 - are appropriate to the local authority or council-controlled organisation; and
 - have authoritative support within the accounting profession in New Zealand
16. Alongside the Audit New Zealand process, Wellington City Council reviews the report, data and content to ensure accuracy and transparency. This includes:
- workshops with elected members on financial and non-financial performance information

- a sign off process that includes peer reviews of data, management review, and ELT review of the entire document and supporting data
- cross-checking of previous results against last year's reported information
- ensure the financial statements comply with the PBE Accounting Standards, LGA requirements, and Local Government (Financial Reporting and Prudence) Regulations 2014.

Kōrerorero

Discussion

Format of Financial Statements

17. There have been no significant changes to the format of the financial statements presented to the Finance, Audit and Risk Subcommittee at the 10 March 2021 meeting.
18. There have been no significant changes to the financial statements presented to the Audit and Risk Subcommittee at the 21 September 2021 workshop.
19. Some minor disclosure changes have been made since the 21 September workshop, as outlined in Additional Information (Attachment 3 – Public Excluded)

Group Consolidation and Reporting

20. The attached financial statements include the results of operations of Wellington City Council as a separate legal entity together with Wellington Venues Project and the Council's interests in its joint venture arrangements. The financial statements also include the various Group interests in Council-controlled entities and associates.
21. The Subcommittee has the primary responsibility for the review of the Council's consolidated financial statements. This includes both the Council and the Group.
22. Although the Subcommittee is made aware of any issues with the Group entities' audits, it does not review the financial statements of the Group entities in detail. However, due to the size and structure of the Group the individual results of operations from each Group entity are unlikely to be material, either individually or taken as a whole, in relation to the consolidated financial statements.
23. In preparing the Group financial statements consolidated results are set out in the consolidation packages returned in July. Where adjustments have been made subsequent to the completion of these consolidation packages these are assessed and adjusted if material.
24. Most Group entities are now in the final stages of their audit process and there are no significant matters related to the financial results of groups entities that have been brought to the Council's attention.

Management Letter of Representation

25. The management letter of representation is to be signed by the Mayor, Chief Executive and Chief Financial Officer. The letter of representation forms part of the overall audit procedures carried out by Audit New Zealand. The letter of representation will be

signed on the same day the Annual Report is adopted by Council and the audit opinion is received.

26. The Mayor, Chief Executive and Chief Financial Officer obtain support for their sign-off through Council business unit managers completing a package of schedules for key financial information.
27. Letters of representation are also obtained from our Group entities these include specific representations relating to the financial results of the entities.

Audit New Zealand fraud questions

28. Audit New Zealand has placed an increased emphasis on the disclosure of possible and actual fraud within Council, with the expectation that Council provide an assurance to them on this matter.
29. The Subcommittee has received and provided responses to a range of questions presented by Audit New Zealand. Audit New Zealand has not raised any concerns in regard to the responses to these questions.
30. The written response to the Audit New Zealand questions is included as Attachment 5 – Public Excluded.

Financial Statements

31. The Financial Statements are included as Attachment 2 – Public Excluded. These are still subject to the ongoing Audit. A summary is included in the Additional Details document (Attachment 3 – Public Excluded).

Underlying result

32. A detailed breakdown of the Underlying result is in Attachment 4 – Public Excluded. It is still subject to the ongoing Audit. A summary is included in the Additional Details document (Attachment 3 – Public Excluded).

Annual Report non-financial content

33. The aim of the Annual Report is to produce a concise, readable and audit compliant performance story for 2020/21. This includes explaining our forward direction and the environment we operate in. This year this includes the ongoing impact of the COVID-19 pandemic.

Content

34. The Annual Report is structured in four sections plus appendices. These will be split into two volumes, consistent with how we publish our Long-term Plan.
35. **Volume 1:** The overview of all performance and the details of the non-financial performance.
 - **Section 1: Summary of Our Year:** introduction from the Mayor and CEO, and financial and non-financial performance summaries.

- It will provide the majority of content for the Annual Report summary document which recognises that some readers will only be interested in a summary of performance.
 - **Section 2: Our Performance in Detail:** the Statements of Service Provision for each of the Council's seven activity areas, including results from Council-controlled organisations.
 - Details of all outcome indicators and key performance measures are included in this section. This year is the final year of reporting against the 2018-28 Long-term Plan.
 - Variances within 10% of target are considered substantially met. Commentary on trends and variance to targets are only included for those not met (10%+ below target) and exceeded (10%+ above target).
 - **Section 3: Our leadership and our people:** overview of our Governance structure (including elected members, community boards, advisory groups and stakeholders), and our Management structure (including ELT profiles, staff diversity, accountability and assurance, and health and safety).
36. **Volume 2:** Detailed financial statements and notes, treasury reports, and funding impact statements.
- **Section 4: Financial Statements** contains the financial statements which are covered earlier in this report.
37. The summary Annual Report 2020/21 will be produced following the completion of the Audit. This summary will provide a synopsis of the full Annual Report for those who wish to only look at an overview instead of the full detailed document.

Audit New Zealand

38. Audit New Zealand will provide the Subcommittee a verbal update at the meeting on the status of the audit, as at 12 October.
39. The audit is due to receive verbal clearance on 14 October, ahead of the release of the committee papers for the Finance and Performance Committee meeting on 21 October.

Kōwhiringa

Options

40. Not applicable

Whai whakaaro ki ngā whakataunga

Considerations for decision-making

Alignment with Council's strategies and policies

41. The Annual Report is a detailed look at Council financial and non-financial performance in the 2020/21 year. This includes how we have performed in implementing Council's strategies and policies.

Engagement and Consultation

42. No consultation is required for the Annual Report, but it includes information on consultations that were carried out in 2020/21 on key projects.

Implications for Māori

43. The Annual Report contains a review of our relationship with mana whenua and the Māori community for the 2020/21 year, including changes that were made and the focus for the future.

Financial implications

44. The Annual Report includes full Financial Statements for 2020/21. There are no financial implications arising from this paper as it is a backwards reflection of performance. The results for the year are strong and there is unlikely to be an impact on our future credit rating.

Legal considerations

45. The Annual Report is a requirement under the Local Government Act 2002. Failure to adopt by 31 December 2021 will breach the act.

Risks and mitigations

46. Overall, this proposal is rated as low risk on the Council's risk framework. It also includes information on our Council risks and assurance processes in Section 3.

Disability and accessibility impact

47. The final Annual Report and summary will be uploaded to the Council website as a fully designed pdf and as an accessible document.

Climate Change impact and considerations

48. The progress made on Te Atakura in 2020/21 features in the Environment & Infrastructure chapter in Section 2 of the report.

Communications Plan

49. The Annual Report and summary will need to be published within one month of adoption. Copies will be available in the libraries, service centres and on the Council's website, as well as available on request. Some information from this public excluded report will be made public once the Audit is concluded and the report is final. This will be done through the Finance and Performance Committee paper.

Health and Safety Impact considered

50. There are no impacts on Health and Safety, but the Annual Report includes a summary of the H&S performance for 2020/21.

Ngā mahinga e whai ake nei

Next actions

51. Once the Audit is finalised, the final Annual Report will be presented to the Finance and Performance Committee to recommend to Council for adoption.
52. The Annual Report is scheduled to be adopted by the Council on 28 October 2021.

Attachments

- | | |
|---------------|--|
| Attachment 1. | Draft Annual Report Volume 1 - Confidential ↓ |
| Attachment 2. | Draft Annual Report Volume 2 - Financial Statements -
Confidential |
| Attachment 3. | Additional Annual Report Information - Confidential |
| Attachment 4. | Detailed breakdown of underlying result - Confidential |
| Attachment 5. | Responses to Audit NZ fraud questions - Confidential |

ENTERPRISE RISK MATURITY SURVEY RESULTS

Kōrero taunaki

Summary of considerations

Purpose

1. This report provides the Kāwai Māhirahira | Audit and Risk Subcommittee with a summary of the annual Enterprise Risk Maturity Survey results and discussion on how we will use these results to make risk maturity improvements.

Strategic alignment with community wellbeing outcomes and priority areas

Aligns with the following strategies and priority areas:

Strategic alignment with priority objective areas from Long-term Plan 2021–2031

- ☐ Sustainable, natural eco city
- ☐ People friendly, compact, safe and accessible capital city
- ☐ Innovative, inclusive and creative city
- ☐ Dynamic and sustainable economy
- ☐ Functioning, resilient and reliable three waters infrastructure
- ☐ Affordable, resilient and safe place to live
- ☐ Safe, resilient and reliable core transport infrastructure network
- ☐ Fit-for-purpose community, creative and cultural spaces
- ☐ Accelerating zero-carbon and waste-free transition
- ☐ Strong partnerships with mana whenua

Relevant Previous decisions

On 9 June 2021 you approved the Risk Management Team's work plan. The work plan outlined that this survey would be conducted in Q1 and the results used to identify priority areas for improvement.

Significance

The decision is **rated low significance** in accordance with schedule 1 of the Council's Significance and Engagement Policy. This is a report on the results of an internal survey and will not substantially change existing workplans for internal services. Criteria applied:

- Has very little public interest
- Low consequence for Wellington City
- Low impact on Council being able to perform its role

Financial considerations

☒ Nil

☐ Budgetary provision in Annual Plan / Long-term Plan

☐ Unbudgeted \$X

2. None

Risk

☒ Low

☐ Medium

☐ High

☐ Extreme

Authors	Ronil Deo, Senior Advisor Management Kim Wright, Principal Advisor Risk Management
Authoriser	Richard Leverington, Manager Risk and Assurance Jennifer Parker, Acting Chief Strategy and Governance Officer

Taunakitanga

Officers' Recommendations

Officers recommend the following motion

That Kāwai Māhirahira - Audit and Risk Subcommittee:

- 1) Receive the information.
- 2) Agree to receive further updates on our progress to increase enterprise risk maturity at each Kāwai Māhirahira | Audit and Risk Subcommittee meeting.

Whakarāpopoto

Executive Summary

4. This report summarises the results of our annual Enterprise risk maturity Survey. For an organisation of our size and complexity, the overall recommended minimum recommended maturity level for Enterprise Risk is 4 out of a possible 5. This year our participants assessed our overall maturity at 1.92 out of 5. This is a slight drop on the previous year's result, just below half of the target for minimum maturity (4).
5. Our results are slightly better than the public sector average (1.85). However, they are still far from where we should be. This result is a strong indication we have considerable work to do to lift risk management maturity in our Council. We will use the survey results to focus on areas of greatest need and for medium and long-term planning for the more challenging areas that need addressing.

Takenga mai

Background

6. Wellington City Council undertakes an annual Risk Maturity self-assessment using the all-of-government Department of Internal Affairs (DIA) survey tool. This is the fourth year we have completed the survey. Twelve attributes, grouped into four themes (elements), are used to provide a broad view of risk maturity. These attributes and elements allow us to identify where we should focus our efforts to lift maturity. The survey is provided to all Tier 3 and above managers as well as our organisation Risk Champions network members.

Kōrerorero

Discussion

7. Wellington City Council undertakes an annual Risk Maturity self-assessment using the all-of-government Department of Internal Affairs (DIA) survey tool. This is the fourth year we have completed the survey. Twelve attributes, grouped into four themes (elements), are used to provide a broad view of risk maturity. The survey is

provided to all Tier 3 and above managers as well as our organisation Risk Champions network members.

8. The survey went live only two working days before the COVID-19 alert level lockdown was announced. Unfortunately, the rapid move into lockdown resulted in a significant diversion of leadership and managers' attention into new arrangements and responsibilities to ensure our council could function as well as practicable to support elected members, our staff, and our customers. Our participation rate was lower than we would have liked at 48% of our 69 invitees, although in absolute numbers similar to previous years as we invited more people to take the survey. The survey measures maturity in these four areas (elements): Leadership and direction; People and development; Processes and tools; and Business performance. Our people rated our strongest element as Leadership and direction, and our weakest as People and development. Each element area has several contributing attributes, and these provide more detail on what drives our overall rating.
9. Our highest scoring attributes are Businesses resilience (2.34), Continuous improvement (2.20) and Governance, policy, and accountability (2.15). These scores reflect that while we have a long way to go, we are seeing incremental change and that these improvements are supported by our leaders,
10. Managing Risk in Partnerships (1.42) and Change and transformation (1.70) are our lowest scored attributes, will require significant effort across Council to improve. In the updated Strategic Risk Register "Poor partnering" and "Inability to adapt to significant change" are included as threats yet to be assessed. Assessing these two threats in our Strategic Risk Register, and identifying options for mitigating their risks, is the first step in a long-term effort to improve our risk management and maturity in these areas.
11. The results reflect improvements needed in areas we had already identified in our Risk Management Team workplan. In particular we have a strong focus this year on improving processes, frameworks, and tools for strategic and operational risks, and in developing our Risk Champions network and providing more accessible and useful risk management training resources.
12. Our medium-term goal (next 3 years) is to show a significant lift in risk maturity year-on-year. Our longer-term goal (3-5 years) is to reach the 4 out of 5 minimum maturity level. To reach this level across all attributes will be challenging (see Appendix 1, Table 3 for detail on requirements). We recognise our target may not sound ambitious, we believe it is pragmatic, achievable, and recognises that while some attributes are easier to address, others will be more challenging.

Alignment with Council's strategies and policies

13. This report is about improving internal capability, practice and maturity. It is not directly aligned to our external policies and strategies Wellington City.

Engagement and Consultation

14. No consultation applicable to the results report. Internal consultation via survey was used to create the information summarised in this report.

Implications for Māori

15. No implications for iwi

Financial implications

16. No financial implications

Legal considerations

17. No legal implications

Risks and mitigations

18. No risks to Council. This work has been undertaken to support improvements in our organisational risk maturity. It informs our medium to long-term areas of focus to improve risk management practice.

Disability and accessibility impact

19. No implications

Climate Change impact and considerations

20. No implications

Communications Plan

21. Not applicable

Health and Safety Impact considered

22. No health and safety implications

Ngā mahinga e whai ake nei

Next actions

23. We will continue to focus on the priority areas of our workplan to deliver the more improved resources, tools, and training to lift operational risk practice and support capability building. We will continue to use the Strategic Risk Register and Enterprise Risk Framework to advance risk understanding and management for our more challenging, all-of-organisation risks.
24. We will report on progress of the Risk Management team against our 2021/22 workplan at each subcommittee.

Attachments

- Attachment 1. Enterprise Risk Survey Results 2021 



OUR RISK MANAGEMENT MATURITY HEALTH CHECK

ENTERPRISE RISK MATURITY BENCHMARK SURVEY RESULTS | 2020-21

Presented to Audit and Risk Subcommittee 12 October 2021

Absolutely Positively
Wellington City Council
Me Heke Ki Pōneke

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1. Executive Summary

This report highlights the results of Wellington City Council's fourth Annual Enterprise Risk Maturity Benchmark Survey. Risk Maturity is assessed using the All-of-Government (AoG) Enterprise Risk Maturity Assessment Framework (gERMAF) (Figure 1), administered by the Department of Internal Affairs (DIA).

The purpose of this self-assessment is to support Council to track our maturity over time and identify areas for improvement to lift risk management capability across the organisation. The results will help us to better manage risks and opportunities at strategic and operational level, in line with Risk Management Standard ISO31000 (2009) principles and frameworks.

Council's recommended minimum maturity level is 4 out of a possible 5, based on our size and complexity. This target score has been consistent since 2017-18 as there has been no significant changes in our size or function (Appendix 2).

The results show survey participants rated our current overall risk maturity level at 1.92 out of 5 (Figure 2, Pg. 5), compared to the 2019-20 score of 2.134. In short, our maturity is perceived lower than last year and less than half of the minimum maturity score for an agency of our size and complexity. We have a lot of work to do as an organisation to lift this rating.

The six lowest scored attributes are Managing Risk in Partnerships, Risk Monitoring & Reporting, Change and Transformation, Resourcing, Skills & Training, Culture, Innovation and Risk Appetite and Roles & Responsibilities (Figure 3).

To improve and uplift Council's current maturity level, the Risk Management Team has work in process to implement activities in its annual work plan for the 2021-22 year. This plan was approved by the Audit and Risk Subcommittee. The key activities include a review and update of strategic and operational risk assessment tools, processes, methodologies and reporting, building our Risk Champions network and working directly with our Business Units. The team will analyse respondents' survey comments on strengths and opportunities for further consideration as part of our work plan where appropriate.

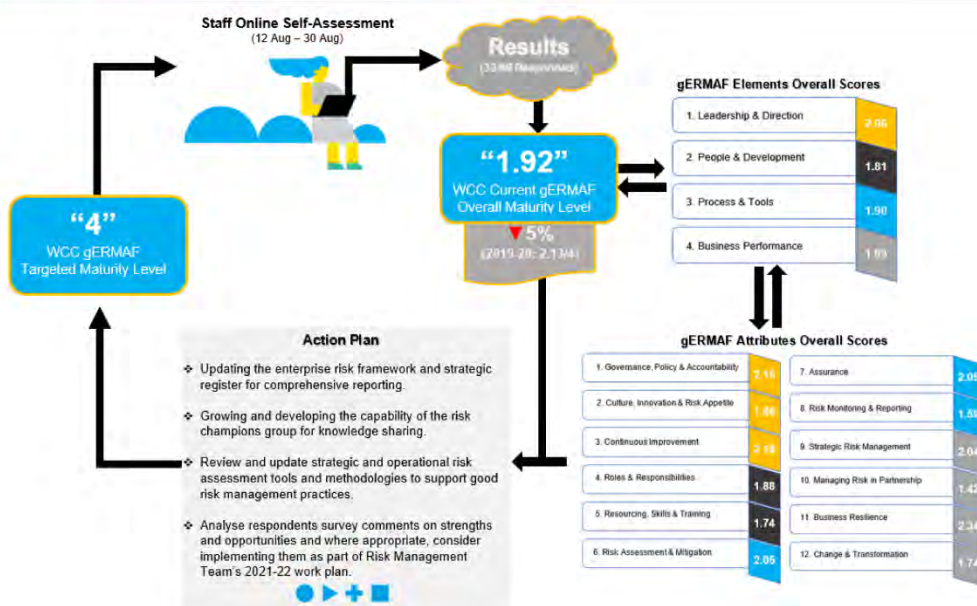
Note on participation: this year we invited the largest number of staff to participate yet (69), and 33 staff completed the survey, similar overall numbers to 2019-20 (34) and 2018-19 (35). We attribute this year's low participation rate to the prioritisation and refocus of much work due to the COVID-19 lockdown as the survey went live only two working days before the 17 August Level 4 lockdown. Invitations to participate were sent to Tier 3 and above managers, and to the WCC Risk Champions.

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Figure 1: gERMAF Overview showing the four main themes of risk maturity "elements" and their composite twelve areas explored in the survey "attributes"

2. Annual survey process overview

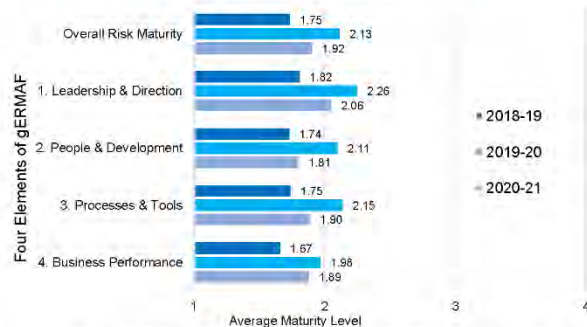


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3. Complete Results and Commentary

Figure 2: What is WCC Risk Maturity at gERMAF Element Level?



Elements: The four elements indicate key areas for improving risk maturity. Council's overall average risk maturity has decreased from last year's result. In 2020-21, respondents rated our maturity level at 1.92 compared to 2.13 in the 2019-20. However, we are showing improvement from the 2018-19 results.

Current status: The element where there is greatest opportunity for improvement is People and Development (1.81 avg. down from 2.11 in 2019-20). This element is driven by the attributes, *roles and responsibilities*, and *resources, and skills and training*. Other lower scoring elements are Process and Tools (1.89 avg.) and Business Performance (1.90 avg.). Leadership and Direction is rated as the strongest element (2.06 avg.), although, like the other elements, this rating has dropped from the previous year.

Way forward: We recognise that there have been some challenges in uplifting risk maturity across Council. Risk management is the role of all managers, as well as many of our non-managers, and we all need to do better.

The following approved activities in the Risk Management team 2021-22 annual work plan are being implemented to improve maturity:

- Update of the Enterprise risk framework and strategic risk register to include information on risk acceptance and risk targets, and more comprehensive reporting on risks and their management
- Growing and developing the capability of the Risk Champions group, to provide a network for share sharing knowledge and practice
- Review and update current operational risk assessment methodologies, tools and training to support operational Business Unit and project and programme level risk management.
- Support Business Units to understand, assess and manage their risk, to lift capability and capacity across council through facilitation and "critical friend" advice

The Risk Management team's role is to support and lift maturity and performance. That said, all of our leaders, all of our managers, and many of our staff, have some role in managing operational risk. Improving risk management is an all-of-organisation challenge. As we improve our frameworks, resources and training, we can in turn support our people to improve their capability and confidence in managing risks.

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Figure 3: What is WCC Risk Maturity at the gERMAF Attributes Level?



Elements: Each of the four elements of the survey is further broken down into twelve attributes. These provide more detail on our strengths and weaknesses

Current Status: The maturity rating has dropped on every attribute assessed. The lowest attribute ratings are *Managing Risk in Partnerships* and *Risk monitoring and reporting*.

Remaining attributes are relatively strong with Business Resilience being the strongest, followed by Continuous Improvement, Governance, Policy and Accountability, Risk Assessment and Mitigation, and Assurance and Strategic Risk Management.

The biggest declines from last year with drops of 0.25 or more, are in *Governance, policy and accountability*, *Resourcing, skills and training* and *Risk Monitoring and Reporting*.

Way forward: The Risk Management team's work plan includes a strong focus on improving frameworks, tools, and resources and lifting monitoring and reporting. We have updated the Enterprise Risk Framework and work is underway to improve the framework, supporting resources and training for operational risk assessment to align with the updated Enterprise approach.

However, *Managing risks in partnerships*, and *Change and transformation* our weakest areas, will require significant cross-council effort, outside of the Risk Management team's workplan. These are both areas that are rated as low in other Public Service Agencies (Pg. 8).

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Figure 4: Do risk management perspectives vary based on organisational role?

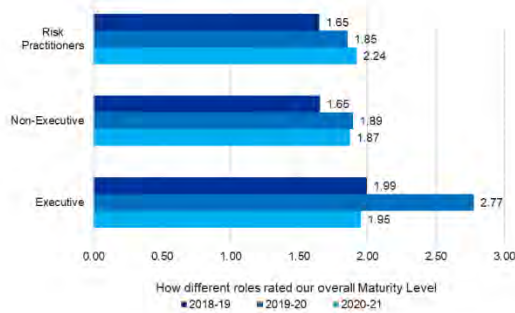
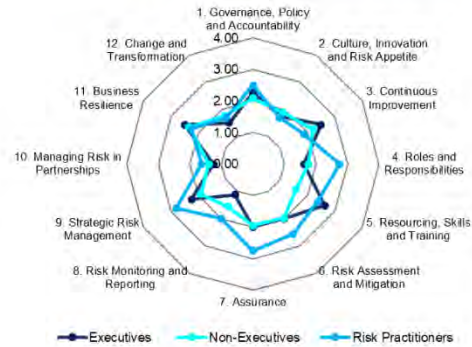


Figure 5: 2020-21 gERMAF Attributes Maturity – by role



Roles: Respondents include Executive level staff, Non-Executives and Risk Practitioners. Risk practitioners are those whose primary role is Risk Management expertise, that is, members of the Risk Management and/or Assurance and Business Integrity teams.

Current Status: When considering the perception of overall gERMAF maturity level, there is significant gap between Executives and Non-Executives compared to Risk Practitioners. At the attributes level, the main differences are in attributes: *Roles and responsibilities*, *Resourcing, skills and training* and *Risk monitoring and reporting*. This difference could indicate an optimism bias from the risk practitioners, or that our risk management processes, tools, systems are not as visible and accessible to staff outside the Risk Management team. Scores clearly shows that the Risk Practitioners are seeing improvement, whereas the other two groups show quite different views about year-on-year improvement.

Way forward: Through our 2021-22 work plan, the Risk Management team is focussed on increasing the visibility and accessibility of risk management tools, advice, resources and training for both strategic and operational risk management.

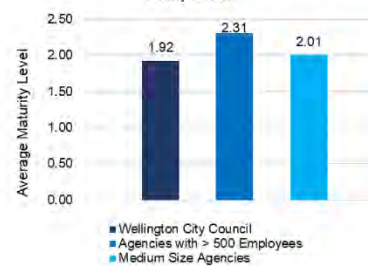
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Figure 4: WCC Maturity Comparison with other public sector agencies 2020-21



Figure 7: 2020-21 gERMAF Overall Maturity Score Comparison



Attributes	Wellington City Council	Agencies with > 500 Employees	Public Service Departments
1. Governance, Policy and Accountability	2.15	2.61	2.14
2. Culture, Innovation and Risk Appetite	1.86	2.42	1.72
3. Continuous Improvement	2.18	2.37	1.71
4. Roles and Responsibilities	1.88	2.29	1.80
5. Resourcing, Skills and Training	1.74	1.87	1.62
6. Risk Assessment and Mitigation	2.05	2.51	1.97
7. Assurance	2.05	2.22	1.88
8. Risk Monitoring and Reporting	1.59	2.35	1.90
9. Strategic Risk Management	2.04	2.47	1.79
10. Managing Risk in Partnerships	1.42	1.84	1.33
11. Business Resilience	2.34	2.45	2.35
12. Change and Transformation	1.74	2.31	1.86
Average	1.92	2.31	1.86

Comment: Wellington City Council's self-assessment maturity ratings are similar to those of public service agencies using the gERMAF. We ideally would see scores similar to average for the Agencies with >500 employees. Our medium-term (next two to three years) is to reach the level of our peer agencies. Our long term aspirational goal (four to ten years) is to reach the minimum expected levels of an overall score of 4 out of 5. This will require considerable effort across the organisation.

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Appendix 1 – Maturity Element and Attribute Descriptions

Table 1: Attribute Description

Elements	Attributes	Descriptions
Leadership & Direction	Governance, Policy & Accountabilities	There is a comprehensive governance framework in place that explicitly assigns individual roles and responsibilities for managing risks, including risks with core partners.
	Culture, Innovation & Risk Appetite	Organisational values and behaviours clearly support risk informed decision making and there is a comprehensive risk appetite statement in place that includes a common definition of innovation.
	Continuous Improvement	There is a regular formal review of risk management practices to identify improvements.
People & Development	Roles & Responsibilities	Risk management roles and responsibilities are documented and communicated for all risk areas and are consistently reflected in position descriptions.
	Resources, Skills & Training	Risk management activities are adequately resourced with assessment of skills and training undertaken on a regular basis.
Processes & Tools	Risk Assessment & Mitigation	Risk assessment processes and templates are defined and applied consistently across the Council. Risk mitigation plans align to agreed tolerance levels.
	Assurance	Risk-based assurance is consistently provided over Council changes, policy and operational areas including activities undertaken by core partners.
	Risk Monitoring & Reporting	The senior management team regularly receives risk information aligned to business outcomes to support decision making and management action.
Business Performance	Strategic Risk Management	Strategic risks and opportunities are explicitly identified and documented in the Council's strategic plan together with planned responses.
	Managing Risk in Partnerships	There is a comprehensive partnering policy that addresses how to identify, assess and manage risks, including arrangements for risk ownership and sharing of risk information.
	Business Resilience	Disruptive and extreme events are comprehensively assessed on a regular basis and there are mechanisms in place to monitor, respond, anticipate and learn from these events.
	Change & Transformation	There is a comprehensive risk assessment process for approving significant change initiatives based on a portfolio view of risk related to change and transformation.

Source: All-of-Government Enterprise Risk Maturity Assessment Framework – Core Expectations -
<https://www.digital.govt.nz/assets/Standards-guidance/Governance/AoG-enterprise-risk-maturity-assessment-framework.xlsx>

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Table 2: Risk Maturity Level

The AoG Enterprise Risk Maturity Assessment Framework enables agencies to objectively measure their risk management capability against a continuum of five possible maturity levels:

M1	M2	M3	M4	M5
Risk management practices are not documented and rely on the dedicated efforts of a few individuals. There is no or limited awareness of the value of enterprise risk management by senior business leaders with decision making being wholly subjective and opinion based. As a result, overall business performance is largely determined by 'chance' and may vary greatly from expected outcomes.	Basic risk management practices are documented but there is a lack of detailed guidance and risk management practices are not consistently applied across all business units. Senior business leaders have a high-level appreciation of the value of enterprise risk management and promote its adoption. There is some use of evidence-based data to support risk informed decision making and provide assurance that risks are being managed effectively. As a result, overall business performance is somewhat determined by 'chance' and may vary from expected outcomes.	Risk management practices are well defined, documented and there is consistent application across all business units. Senior business leaders actively promote the value of enterprise risk management across the agency. There is good use of evidence-based data and more sophisticated risk management techniques to support risk informed decision making and provide risk-based assurance that risks are being managed effectively. As a result, overall business performance is predictable with limited variation from expected outcomes.	Risk management practices are partially integrated within the agency's structures, processes, systems and people capability. Risk management extends beyond organisational boundaries to include some inter-agency, sector and AoG outcomes. Senior business leaders proactively encourage a continuous improvement risk culture with input from the business. There is strong use of evidence-based data and advanced risk management techniques to support risk informed decision making and provide integrated assurance that risks are being managed effectively. As a result, overall business performance is consistently strong against expected outcomes.	Risk management practices are fully integrated within the agency's structures, processes, systems and people capability, and independently verified as 'best in class'. The agency takes the lead in managing system level risks in support of inter-agency, sector and AoG outcomes. Senior business leaders view risk management as a core competency to drive value and sustainable public outcomes. There is excellent use of evidence-based data and innovative risk management techniques to support risk informed decision making and provide dynamic and iterative assurance that risks are being managed effectively. As a result, overall business performance is optimised and often exceeds expected outcomes.

Source: Spreadsheet AoG Self-Assessment Tool (xlsx) [Enterprise risk maturity | NZ Digital government](#)

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Table 3: Detailed Self-Assessment Criterion

Element	Assessment	M1	M2	M3	M4	M5
Governance, Policy & Accountability	Governance, Policy & Accountability	<ul style="list-style-type: none"> The governance framework for overseeing risk management is not formally documented An independent governance body does not exist There is no internal audit function and the provision of assurance is primarily focused on meeting external audit requirements There is limited guidance on how risks should be managed and escalated There is limited evidence of risk focused discussions taking place at senior leadership team meetings Limited action is taken based on the results of assurance activities 	<ul style="list-style-type: none"> A formal governance framework exists that sets out high level accountability for overseeing risk management An independent governance body (e.g. Audit and Risk Committee) exists but is largely passive e.g. reviews and approves risk management strategy / annual audit plan An internal audit function has been set up with a focus on controls and compliance monitoring in specific areas There is some guidance on how risks should be managed and escalated across the agency but this tends to have an operational focus, e.g. health and safety Application of the risk management guidance is not consistent across all business units There is some evidence of risk focused discussions taking place at senior leadership team meetings; however, there is limited evidence of challenge regarding risk and assurance information or proactive action being taken as a result, or action is taken in isolation to other business units 	<ul style="list-style-type: none"> There is a comprehensive governance framework in place that explicitly assigns individual accountabilitys for managing top risks, including risks with core delivery partners An independent governance body exists that regularly reviews and monitors top risks and progress against the risk management strategy / annual audit plan The internal audit function has a broad remit with a focus on risk assurance and process improvements There is a formal risk management policy together with clear guidance for escalating risks (e.g. to whom) that has been approved by the senior leadership team and the governance body Application of the risk management policy and guidance is consistent across all business units The senior leadership team provides specific direction around the management of top risks and there is some evidence of challenge regarding risk and assurance information, action taken considers the potential impact on other business units and core delivery partners 	<ul style="list-style-type: none"> There is a comprehensive governance framework in place with explicit accountabilitys for managing top risks, including some system level risks in support of inter-agency, sector and AoG outcomes An independent governance body exists that challenges and directs the senior leadership team on managing top risks and the results of assurance activities The internal audit function is well established and provides assurance across a range of risks, including system level risks Senior business leaders clearly understand the need to escalate risks and there is good evidence of this happening There are mechanisms in place for sharing risk and assurance insights and lessons learned with senior business leaders Risk is a standing agenda item at senior leadership team meetings and there is good evidence of risk focused discussions and challenge regarding risk and assurance information e.g. deep dive into specific risks; action taken considers the potential impact on some inter-agency, sector and AoG outcomes 	<ul style="list-style-type: none"> The risk management policy is formally reviewed by the independent governance body every one to two years or when significant changes occur The effectiveness of the governance body and internal audit function are independently reviewed every three to five years and benchmarked against a recognised achievement standard as 'best in class' Risks, including system level risks in support of inter-agency, sector and AoG outcomes, are escalated in near time There are mechanisms in place for sharing risk and assurance insights and lessons learned with other agencies and partners New and emerging risks are discussed at senior leadership team meetings with strong evidence of proactive action being taken in support of inter-agency, sector and AoG outcomes
		<ul style="list-style-type: none"> There is no clear link between organisational values and behaviours and risk informed decision making There is limited understanding of the concept of risk appetite by senior business leaders There is no formal definition of innovation and what it means for the agency's risk appetite 	<ul style="list-style-type: none"> Risk informed decision making is implied in organisational values and behaviours There is a basic understanding of the concept of risk appetite by senior business leaders, although tolerance levels for different types of risk have not been defined The agency has a common definition of innovation but this is not linked to risk appetite in any way Risk appetite, including the desire for innovation, is considered informally as part of strategic planning and decision making processes 	<ul style="list-style-type: none"> There is an explicit link between organisational values and behaviours and risk informed decision making There is a comprehensive risk appetite statement in place that has been approved by the senior leadership team Risk tolerance levels for individual risks have been defined using basic risk rating criteria (e.g. High, Medium, Low) The agency has a common definition of innovation and there is some link to risk appetite e.g. tolerance levels for change and transformation risk have been agreed Risk appetite and the desire for innovation are formally considered as part of strategic planning and decision making processes 	<ul style="list-style-type: none"> Risk informed decision making is encouraged and supported through internal communications with a clear link to organisational values and behaviours The risk appetite statement incorporates some system level risks in support of inter-agency, sector and AoG outcomes Risk information, beyond basic risk rating criteria, is used to challenge the senior leadership team on what tolerance levels should be, including the acceptable level of risk for different types of innovation Risk appetite and the desire for innovation are integrated into strategic planning and decision making processes through risk focused discussions and analysis 	<ul style="list-style-type: none"> Risk informed decision making is fully integrated into organisational values and behaviours and is visibly encouraged, supported and rewarded by senior business leaders Risk appetite discussions are supported by a range of qualitative and quantitative tolerances that include inter-agency, sector and AoG outcomes Risk appetite and the desire for innovation form an integral part of strategic planning and decision making processes and are regularly reviewed There is strong evidence of risk appetite being applied to strategic options analysis and contingency planning
		<ul style="list-style-type: none"> There is no formal review of the effectiveness of risk management practices There is no formal risk management strategy or assessment of resources required to deliver improvements 	<ul style="list-style-type: none"> The effectiveness of risk management practices is periodically reviewed on a formal basis e.g. internally by the risk management or internal audit function every two to three years Improvement opportunities are documented in a basic risk management strategy that has been approved by the independent governance body There is no formal endorsement of the resources required to deliver improvements from the senior leadership team 	<ul style="list-style-type: none"> The effectiveness of risk management practices is regularly reviewed on a formal basis e.g. internally by the risk management or internal audit function every one to two years There is a comprehensive risk management strategy that has been approved by the independent governance body There is formal endorsement of the resources required to deliver improvements from the senior leadership team and regular updates on progress against the risk management strategy 	<ul style="list-style-type: none"> The effectiveness of risk management practices is informed by regular feedback from business units and core partners The risk management strategy includes some initiatives to improve the management of system level risks in support of inter-agency, sector and AoG outcomes Risk management outcomes are partially integrated into business performance reporting to the senior leadership team 	<ul style="list-style-type: none"> The effectiveness of risk management practices is independently reviewed every three to five years and benchmarked against a recognised achievement standard (such as this framework) as 'best in class' Inter-agency, sector and AoG risk management outcomes are fully integrated into business performance reporting to the senior leadership team

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Element	Attribute	M1	M2	M3	M4	M5
People & Development	Roles & Responsibilities	<ul style="list-style-type: none"> Risk management roles and responsibilities are not formally documented Risk management is being carried out by individuals on a self-initiated 'best endeavours' basis. Senior business leaders do not expect or require assurance over their area of responsibility. 	<ul style="list-style-type: none"> Risk management roles and responsibilities are documented and communicated in traditional areas, such as corporate risk management and compliance functions. Corporate risk management roles and responsibilities are focused on risk reporting and compliance. There may be some link to position descriptions, terms of reference, contracts and goals but this is not consistent across the agency. Some senior business leaders may require assurance over their area of responsibility but this is ad hoc across the agency. 	<ul style="list-style-type: none"> Risk management roles and responsibilities are documented and communicated for all risk areas and across all business units. Corporate risk management roles and responsibilities are focused on driving elements of good practice across the agency. Risk management roles and responsibilities are consistently reflected in position descriptions, terms of reference, contracts, goals and the agency's policy framework. There is limited evidence that good risk management behaviours are rewarded. Senior business leaders routinely expect and request assurance over their area of responsibility. 	<ul style="list-style-type: none"> Risk management roles and responsibilities are well understood and are generally incorporated into individual performance objectives. Corporate risk management roles and responsibilities are focused on driving good practice across the agency and there is a senior risk management advisor to provide leadership and direction. There is some evidence that good risk management behaviours are rewarded. Senior business leaders routinely expect and request assurance over their area of responsibility, and may ask for ad hoc reviews. 	<ul style="list-style-type: none"> Risk management is regarded as a core competency and risk management roles and responsibilities are explicitly incorporated into individual performance objectives with a high degree of consistency across the agency. Corporate risk management roles and responsibilities are focused on optimising good practice across the agency and there is a head of risk / chief risk officer who is seen in the agency as the senior risk management advisor. There is strong evidence that good risk management behaviours are rewarded. Senior business leaders plan for assurance advice and reviews without being prompted.
	Resourcing, Skills & Training	<ul style="list-style-type: none"> Limited resourcing is allocated to risk management activities. The agency has limited access to the skills and experience required to provide effective risk management. 	<ul style="list-style-type: none"> There are some gaps in the effectiveness of risk management activities due to insufficient resourcing. Risk management skills and experience are assessed at a high level for some key roles. Some ad hoc risk management training exists for key roles. 	<ul style="list-style-type: none"> Risk management activities are generally well resourced across the agency although some areas would benefit from additional resourcing. Risk management skills and experience are formally assessed for all key roles, including the senior leadership team. Structured risk management training is provided for all key roles. Risk management forms part of induction training for all management and staff. 	<ul style="list-style-type: none"> Resourcing is sufficient for the agency and supports some inter-agency, sector and AoG risk management outcomes. Risk management skills and experience for all key roles are regularly reviewed to ensure alignment with risk management outcomes and strategy. Risk management training needs are included in individual performance plans. There is some use of technology to improve the consistency and quality of risk assessment and mitigation processes. Quantitative approaches (where appropriate) are used for risk measurement. Inherent and residual risk evaluations taking into account the effectiveness of controls are consistently undertaken. There is good evidence of alignment between risk mitigation plans and agreed tolerance levels for different types of risk. 	<ul style="list-style-type: none"> Resourcing fully supports inter-agency, sector and AoG risk management outcomes. Risk management skills and experience are optimised and continually improved. There are opportunities for secondments between the business and risk and assurance functions. There are mechanisms in place to measure the effectiveness of risk management training.

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Element	Attribute	M1	M2	M3	M4	M5
Processes & Tools	Risk Assessment & Mitigation	<ul style="list-style-type: none"> There is no common definition of risk across the agency. Risk assessment processes are informal and ad hoc with no clear linkage to business objectives. 	<ul style="list-style-type: none"> There is a common definition of risk that is focused on the 'downside' of risk, some definitions exist for different types of risk but the boundaries are not always clear. Risk assessment processes and templates are defined and may be applied in some key business units, but there is a lack of management buy-in in other areas. Risk measurement is largely subjective based on high level qualitative likelihood and impact criteria. Inherent and residual risk evaluations are undertaken but the link to control effectiveness is not clearly understood. Risk mitigation plans are based on reactive responses. 	<ul style="list-style-type: none"> There is a common definition of risk that recognises the 'upside' of risk and there is a formal risk categorisation model for the agency. Risk assessment processes and templates are defined and applied consistently across all key business units. There is some evidence of a data driven approach to risk measurement (e.g. based on internal management information). Inherent and residual risk evaluations taking into account the effectiveness of controls are sometimes undertaken. There is some evidence of alignment between risk mitigation plans and agreed tolerance levels for different types of risk. 	<ul style="list-style-type: none"> There is a common definition of risk and a formal risk categorisation model that recognises the agency's role in supporting inter-agency, sector and AoG outcomes. Risk assessment processes and templates extend beyond the agency's boundaries to include some system level risks linked to inter-agency, sector and AoG outcomes. There is some use of technology to improve the consistency and quality of risk assessment and mitigation processes. Quantitative approaches (where appropriate) are used for risk measurement. Inherent and residual risk evaluations taking into account the effectiveness of controls are consistently undertaken. There is good evidence of alignment between risk mitigation plans and agreed tolerance levels for different types of risk. 	<ul style="list-style-type: none"> There is a fully integrated risk management solution supporting an optimal risk and control framework that includes inter-agency, sector and AoG outcomes. Risk and control assessments are performed near time. Risk and control information is used to optimise insurance arrangements. There is strong evidence of alignment between risk mitigation plans and agreed tolerance levels for different types of risk. Cost-benefit analysis is performed to support prioritisation of risk mitigation plans.
	Assurance	<ul style="list-style-type: none"> Senior business leaders have limited understanding of the need for assurance over their areas of responsibility. The assurance framework (e.g. three lines of defence) is not formally documented. Assurance activities cover only a few operational risk areas of the agency, or are reactive to specific events. Controls and assurance activities are not formally considered when designing new systems, process and policies. Assurance needs are not formally aligned to the agency's risk profile and there is limited evidence of assurance results being used to inform risk assessments. 	<ul style="list-style-type: none"> Senior business leaders have some understanding of the need for assurance over their areas of responsibility. There is a formal assurance framework in place but limited evidence of coordination across the 'three lines of defence' internally to better integrate risk and assurance activities. Assurance activities are targeted at business unit operations on a cyclical basis and focus on historic transactional or systematic compliance. Compliance-focused control and assurance activities are considered when designing new systems, processes and policy. Assurance needs are somewhat aligned to the agency's risk profile and there is some evidence of assurance results being used to inform risk assessments. 	<ul style="list-style-type: none"> Senior business leaders are able to describe the areas across the agency that require assurance and how this is being obtained. There is a formal assurance framework in place and some evidence of coordination between the 'three lines of defence' both internally and with core delivery partners. Assurance activities are targeted at critical enterprise-wide functions and focus on controls assurance and systemic improvements. Risk assessments are undertaken when designing new systems, processes and policy, including for some core delivery partner activities. Assurance needs are generally responsive to changing agency risks and assurance results are consistently used to inform risk assessments, including across a range of core delivery partner activities. 	<ul style="list-style-type: none"> Senior business leaders understand the quality and amount of assurance required across the agency and this extends to some system level risks in support of inter-agency, sector and AoG outcomes. There is an effective assurance framework with good coordination between the 'three lines of defence' both internally and externally in support of some inter-agency, sector and AoG outcomes. Assurance activities are multi-layered and targeted at agency outcomes, including in support of some inter-agency, sector and AoG outcomes. Risk assessments determine the assurance activities implemented when designing new systems, processes and policy, including some automated assurance activities. Assurance needs are regularly reviewed and prioritised and assurance results are used to inform some system level risk assessments. 	<ul style="list-style-type: none"> Senior business leaders obtain the right quality and amount of assurance and promote a strong assurance culture including in support of inter-agency, sector and AoG outcomes. There is a fully integrated assurance framework in place with seamless coordination between the 'three lines of defence' internally and externally in support of inter-agency, sector and AoG outcomes. Assurance activities fully support inter-agency, sector and AoG outcomes and focus on improving performance across the system. Automated assurance activities are embedded into new systems, processes and policy. Assurance is forward-looking and assurance providers anticipate risks and expect priorities to change.
	Risk Monitoring & Reporting	<ul style="list-style-type: none"> There is limited coordinated collection of risk data from business units. There is limited formalised monitoring or reporting of risk information to support decision making or management action. 	<ul style="list-style-type: none"> Risk data collection is formalised and coordinated on an annual basis. This is largely viewed as a compliance requirement and the quality of risk data is variable. Risk data is aggregated across the agency to create a bottom-up view of the top risks faced by the agency which is presented to the senior leadership team. There is some review of risk information to assist with decision making and management action. 	<ul style="list-style-type: none"> Risk data collection is formalised and coordinated on a regular basis e.g. every three to six months. There is some quality review of risk data to address duplications, inconsistencies and gaps. Aggregated risk data is supplemented by a top down assessment of strategic risks to give an enterprise-wide view of the top risks faced by the agency. Senior business leaders regularly review risk information to assist with decision making and management action. 	<ul style="list-style-type: none"> There is some use of technology to improve the quality and consistency of risk data collection and automate risk monitoring and reporting. There is increasing use of semi-quantitative approaches to risk aggregation. There is an enterprise-wide view of the top risks faced by the agency that includes strategic risks and some system level risks in support of inter-agency, sector and AoG outcomes. Risk monitoring and reporting is aligned to the agency's risk appetite framework to assist with decision making and management action. 	<ul style="list-style-type: none"> Risk data collection, aggregation, monitoring and reporting is frequent, automated and fully integrated with the agency's risk appetite framework. Risk reporting is easily able to be tailored to meet the needs of inter-agency, sector and AoG stakeholders. Risk reporting has a distinct forward looking view using leading risk indicators, to assist with proactive decision making and management action.

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Wellington City Council
Me Heke Ki Pōneke

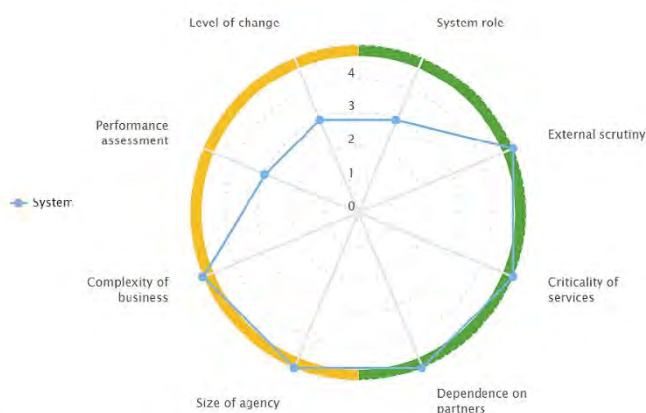
Element	Attribute	M1	M2	M3	M4	M5
Business Performance	Strategic Risk Management	<ul style="list-style-type: none"> There is limited integration of risk management into the strategic planning cycle. 	<ul style="list-style-type: none"> The strategic planning cycle includes a review of the agency's top risks. There is some evidence of strategic risks and opportunities being documented in the agency's strategic plan but there is no refresh of the agency's top risks based on strategic planning outcomes. Strategic risk contingency planning to safeguard the strategic and hedge delivery of business outcomes is not undertaken. 	<ul style="list-style-type: none"> Review of the agency's top risks as well as some external trends and indicators to inform the level of risk in the external environment. There is good evidence of strategic risks and opportunities being documented in the agency's strategic plan together with planned response. A formal refresh of the agency's top risks is undertaken based on strategic planning outcomes. There are some risk contingency plans in place to safeguard the strategic and hedge delivery of business outcomes. 	<ul style="list-style-type: none"> The strategic planning cycle includes forward-looking scenario analysis to identify new and emerging risks, including some system level risks in support of inter-agency, sector and A&S outcomes. There is strong evidence of strategic risks and opportunities being documented in the agency's strategic and long term investment plans with a formal process for capturing new and emerging risks. Some key external trends and indicators have been identified but are not actively monitored by the senior leadership team. Risk contingency plans are in place to safeguard the strategic and hedge delivery of business outcomes. 	<ul style="list-style-type: none"> Strategic risk management practices are independently reviewed every three to five years and benchmarked against a recognised achievement standard as 'best in class'. Key external trends and indicators are actively monitored and their impact on the agency's business outcomes is regularly assessed by the senior leadership team. Strategic risk contingency plans are continuously reviewed and updated.
	Managing Risk in Partnerships	<ul style="list-style-type: none"> There is no clear definition of what a 'partner' is or what 'partnering' involves. There is no formal partnering policy providing guidance on how to manage partner related risks. 	<ul style="list-style-type: none"> 'Partner' is defined at a high level and a group of core partners has been identified. There is a basic partnering policy in place that addresses how to identify, assess and manage risks. Risk and reward trade-offs may be applied informally in individual contracts. There is some evidence of risk and performance monitoring of partners. 	<ul style="list-style-type: none"> The agency has a common definition of 'partner' that recognises the different types of partnership arrangements that exist. There is a comprehensive partnering policy that addresses how to identify, assess and manage risks, including arrangements for risk ownership and sharing of risk information. Risk and reward trade-offs are formally articulated and are generally applied in contracts. There is good evidence of risk and performance monitoring of partners, including testing of contingency arrangements. 	<ul style="list-style-type: none"> The agency has a formal partner scoring model in place that covers all key aspects of risk and performance. The partner scoring model is used to differentiate levels of monitoring and partner authority / delegation. Risk and reward trade-offs are articulated across a range of partners and are routinely applied in contracts. There is strong evidence of risk and performance monitoring of partners, including some integrated testing of contingency arrangements between different partners. 	<ul style="list-style-type: none"> Partnering practices are independently reviewed every three to five years and benchmarked against a recognised achievement framework as 'best in class'. Risk and reward trade-offs are clearly articulated across a wide range of partners and systematically applied. Contingency arrangements with partners are continuously reviewed and updated.
	Business Resilience	<ul style="list-style-type: none"> There is no formal process for assessing the potential impacts of disruptive or extreme events (e.g. environmental, social, economic, technological changes). 	<ul style="list-style-type: none"> Disruptive and extreme events are assessed but not on any regular basis. Assessment of impacts is high level and predominantly routine in nature. There is limited alignment between disruptive and extreme event assessment and BCP / DRP planning as well as longer term investment planning. There is no systematic 'feedback' loop to actively learn from disruptive or extreme events. 	<ul style="list-style-type: none"> Disruptive and extreme events are assessed on a regular basis using stress testing and scenario analysis. Potential reputational, financial and business impacts are comprehensively assessed. There is some alignment between disruptive and extreme event assessment and BCP / DRP planning as well as longer term investment planning. There is some evidence of 'feedback' in the wake of extreme or disruptive events which is used to make improvements. 	<ul style="list-style-type: none"> Disruptive and extreme events are assessed on a regular basis and cover a range of alternative, forward-looking scenarios. Early warning indicators exist that allow management to anticipate disruptive and extreme events. There is a clear link between disruptive and extreme event assessment and BCP / DRP planning that includes core partners as well as long term investment planning. There is a good evidence of post-event analysis and assessment and learning for the future. 	<ul style="list-style-type: none"> There is a fully integrated and ongoing programme of actions and interventions that support business resilience, including facilities and tools to support new knowledge and technologies, cross-agency and partner collaboration, and incentives for improving resilience.
	Change & Transformation	<ul style="list-style-type: none"> There is no clear definition of what constitutes a 'significant change' or formal process for assessing related risks. 	<ul style="list-style-type: none"> There is a basic process to assess the risks associated with significant change initiatives but this is applied informally and no independent assurance is sought. There is limited evidence of a portfolio view of risk related to significant change initiatives. 	<ul style="list-style-type: none"> There is a formal definition of what constitutes a 'significant change', including new services, business models and other strategic investments. There is a comprehensive risk assessment process for the approval of significant change initiatives that is consistently applied across the agency. There is a formal monitoring and assurance regime in place for significant change initiatives that includes independent assurance. There is some evidence of a portfolio view of risk related to significant change initiatives. 	<ul style="list-style-type: none"> The agency has a formal approach in place that allows risk and reward trade-off decisions across the agency's entire portfolio of change initiatives to be made in line with the agency's risk appetite. The monitoring and assurance regime is regularly reviewed and updated to reflect changes to the risk profile of significant change initiatives. There is good evidence of a portfolio view of risk related to significant change initiatives that includes active monitoring against the agency's risk appetite. 	<ul style="list-style-type: none"> P3M3 practices are independently reviewed every three to five years and benchmarked against a recognised achievement standard as 'best in class'. There is very strong evidence that risk and reward trade-offs across the agency's entire portfolio of change initiatives are clearly articulated and systematically applied. The monitoring and assurance regime is continuously reviewed and updated.

Wellington City Council's Enterprise Risk Maturity Benchmark Survey Results | 2020-21

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Appendix 2 – Minimum Maturity Level Calculator

The Minimum Maturity Level Calculator can be used to 'right size' the AoG Enterprise Risk Maturity Assessment Framework. Not all agencies need to achieve the same level of risk maturity. This will vary depending on the size, complexity, system role (e.g., inter-agency, sector or AoG focus), performance assessment and level of change activity for the agency. Minimum Maturity Level Calculator is used as a starting point to gain consensus on their desired (i.e., target) level of risk maturity. There are eight criteria used to assess the level of inherent risk in our operating environment both at a system level and an agency level, as shown below.



Question	Answer	Score
System Level		
System role	Contributing agency to the delivery of inter-agency, sector or AoG outcomes	3
External scrutiny	Significant external scrutiny (e.g. regulatory, political, media or public interest)	5
Criticality of services	High number of critical services essential to the functioning of society and/or the economy	5
Dependence on partners	High dependence on multiple core partners to deliver business outcomes	5
Agency Level		
Size of agency	Annual spend (Opex and Capex) is greater than \$500m	5
Complexity of business	Diverse range of business units and services operating across multiple locations	5
Performance assessment	Clearly articulated strategic direction but limited evidence of how it will be achieved (e.g. Needing development based on PIF rating)	3
Level of change	Some change initiatives underway or planned but not significant in the context of the wider business	3

Source: Online AoG Self-Assessment Tool - [Enterprise risk maturity | NZ Digital government](#)

SCORE	MINIMUM MATURITY LEVEL	GUIDANCE
29-36	Maturity Level 4	Large agencies operating in complex and changing environments should have embedded and sophisticated risk management practices in place. Risk management practices should extend beyond organisational boundaries to better manage system level risks to support the delivery of inter-agency, sector or AoG outcomes.

ASSURANCE & BUSINESS INTEGRITY UPDATE

Kōrero taunaki Summary of considerations

Purpose

1. This report provides the Kāwai Māhirahira | Audit and Risk Subcommittee with:
 - an update on progress to address recommendations from internal audit and other independent assurance sources
 - a report-back on actions following a report received by the Subcommittee on Legislative Compliance during its meeting on 15 September 2021
 - an update on integrity activities including protected disclosures received, and elected member gifts declaration procedures
2. This information in this report supports the Subcommittee to discharge its responsibility under its Terms of Reference to have oversight of:
 - management's implementation of internal audit recommendations
 - the systems in place to manage legislative compliance
 - the effectiveness of internal control systems in place, including appropriate systems to prevent, detect and effectively investigate fraud

Strategic alignment with community wellbeing outcomes and priority areas

Aligns with the following strategies and priority areas:

- ☐ Sustainable, natural eco city
- ☐ People friendly, compact, safe and accessible capital city
- ☐ Innovative, inclusive and creative city
- ☐ Dynamic and sustainable economy
- ☐ Functioning, resilient and reliable three waters infrastructure
- ☐ Affordable, resilient and safe place to live
- ☐ Safe, resilient and reliable core transport infrastructure network
- ☐ Fit-for-purpose community, creative and cultural spaces
- ☐ Accelerating zero-carbon and waste-free transition
- ☐ Strong partnerships with mana whenua

Strategic alignment with priority objective areas from Long-term Plan 2021–2031

Relevant Previous decisions

Work done and progress update in this paper is part of the Assurance & Business Integrity Workplan 2021-22 approved by the Kāwai Māhirahira - Audit and Risk Subcommittee on 9 June 2021.

Significance

The decision is **rated low significance** in accordance with schedule 1 of the Council's Significance and Engagement Policy.
The decision relates to the governance function of the Council to have oversight of effectiveness of internal controls systems in place.
The decision made has low levels of community interest, and low impact on the Council being able to perform its role.

Financial considerations

<input checked="" type="checkbox"/> Nil	<input type="checkbox"/> Budgetary provision in Annual Plan / Long-term Plan	<input type="checkbox"/> Unbudgeted \$X
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3. There are no new financial implications raised in this paper.

Risk

<input checked="" type="checkbox"/> Low	<input type="checkbox"/> Medium	<input type="checkbox"/> High	<input type="checkbox"/> Extreme
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4. Risks were identified as part of audit and assurance work completed and these have been communicated to relevant officers. Risks are managed in line with the Council's Enterprise Risk Management Framework.
5. The oversight of actions to address assurance recommendations are part of the Council's risk mitigation action to assure that identified risks are appropriately managed. This gives confidence to our stakeholders that the Council is meeting its responsibilities and the public's expectations of accountability.

Author	Phyllis Lee, Team Leader Assurance and Business Integrity
Authoriser	Jennifer Parker, Acting Chief Strategy and Governance Officer

Taunakitanga

Officers' Recommendations

Officers recommend the following motion

That Kāwai Māhirahira - Audit and Risk Subcommittee:

- 1) **Receive** the information.
- 2) **Note** management's progress to address recommendations from internal audit and other independent sources of assurance.
- 3) **Approve** the priorities and reporting timeline identified to address legislative non-compliances and partial non-compliances.
- 4) **Note** that the impact of the reported non-compliances and partial non-compliances is rated minor to moderate.
- 5) **Note** the update on integrity activities including the number of protected disclosures received and investigations in progress.
- 6) **Note** the update on elected member gifts and hospitality received procedures.
- 7) **Agree** to receive a statement on the completeness of the quarterly update of the Elected Member Gifts and Hospitality register.

Whakarāpopoto

Executive Summary

6. Management is making progress to address recommendations from internal audit and other independent assurance sources.
7. A timeframe for reporting on legislative compliance is included in this paper for approval. We prioritised follow up conversations with management on their actions to further strengthen legislative compliance based on:
 - Acts of interest indicated through discussion by the Kāwai Māhirahira - Audit and Risk Subcommittee during its meeting on 15 September 2021.
 - Acts where internal roles and responsibilities for compliance attestation may need further clarification.
8. During the period 1 July to 30 September 2021, we received one protected disclosure and one other report of a possible financial impropriety. Both matters are closed with no further investigation required. There is one open investigation currently still in progress.
9. Elected members disclosure of gifts or hospitality that have been offered between 1 July and 30 September 2021 is currently in progress. We will provide a verbal update on the completeness of the register to the Kāwai Māhirahira - Audit and Risk Subcommittee during its meeting on 12 October 2021.

Takenga mai

Background

- Assurance & Business Integrity monitors and reports on management's progress to address assurance recommendations from internal audit reviews completed as well as from other independent sources of assurance.
- Assurance & Business Integrity develops and carries out Integrity Activities as part of its Workplan with the goal to build a strong culture of integrity. Integrity Activities focus on processes that make our people feel safe to speak-up and promote good systems that discourage fraud and keep our people and organisation safe.

Kōrerorero

Discussion

A) Progress on open assurance recommendations

- There are ten open high and medium risk rated items open. Management is making progress to address open internal audit recommendations. Seven items were closed since our last progress update in March 2021.

	High	Medium	Total
Open Internal Audit recommendations	4	6	10
Items closed since our last progress update in March 2021	5	2	7

- The following figure shows the number of open high and medium risk findings currently in progress. We note that some actions had their implementation timeframes extended. We have assessed these as reasonable given the nature of management action required.



- We added one medium risk rated item to our follow up regime, relating to management actions to strengthen compliance for the non or partial non-compliance recorded across 14 Acts for the period ending 30 June 2021.

7. We also followed up on the following independent sources of assurance as part of the Assurance & Business Integrity Workplan for 2021-22:

Independent assurance reviews	Recommendations issued	Open items
Waka Kotahi NZ Transport Agency Investment Audit Report	9	2
Independent assessment of levels of engagement between WCC and WWL	3	None
International Accreditation New Zealand's – Building Consent Authorities accreditation assessment	18 general non-compliances	None

8. Audit New Zealand issued its report to management in July 2021 and identified four recommendations. Management has addressed all urgent matters. Audit New Zealand will assess and report on management's progress to address external audit recommendations in their next update / report to management.

	Urgent	Necessary	Beneficial
Audit New Zealand Report to management for the year ended 30 June 2020	1	2	1
Previous findings open (status as of July 2021)		6	1

9. Further details of management's progress to address open assurance recommendations from internal audit and other independent assurance are tabled in **Attachment One**.

B) Legislative compliance priorities and reporting timeline

10. This Subcommittee requested us to prioritise and to develop a reporting timeline, following a report received by the Subcommittee on Legislative Compliance at its meeting on 15 September 2021.
11. There were 18 non or partial non-compliances recorded across 14 Acts for the period ending 30 June 2021. Business Unit Managers have identified actions to strengthen compliance. We have rated the impacts of reported non-compliances and partial non-compliances as minor to moderate.
12. We prioritised three Acts for follow up conversations with management. Progress on management actions is included in **Attachment One**. Our progress report on the remaining Acts will be reported to this Subcommittee at its next meeting in February 2022. The timeline for reporting back to the Subcommittee is as follows.

#	Priorities for follow up conversations with management on actions to strengthen compliance	Timeframe for report back to this Subcommittee
1.	Acts of interest indicated by the Subcommittee: <ul style="list-style-type: none"> • Vulnerable Children Act 2014 • Holidays Act 2003 • Heritage NZ Pouhere Taonga Act 2014 	12 October 2021 (Refer to Attachment One)
2.	Acts where roles and responsibilities may need further clarification: <ul style="list-style-type: none"> • Treaty of Waitangi Act 1975 • Climate Change Response Act 2002 • Civil Defence Emergency Management Act 2002 • Local Government Acts 2002 	2 February 2022
3.	Remaining Acts with ongoing management actions to continually improve processes and maintain compliance levels: <ul style="list-style-type: none"> • LGOIMA 1987 • Public Records Act 2005 • Food Act 2014 • Resource Management Act 1991 • Building Act 2004 • Rating Valuations Act 1998 • Residential Tenancies Act 1986 	1 June 2022

13. The next legislative compliance attestation is scheduled for July 2022 for the period ending 30 June 2022. This will be reported to the Subcommittee in September 2022.
14. We ask that the Subcommittee approves the priorities and reporting timeline tabled above.

C) Update on integrity activities

Protected disclosures and other reported concerns

15. Assurance & Business Integrity has responsibility to receive protected disclosures and to have oversight of any investigations under the Protected Disclosures Act 2000. We will bring to the attention of the Subcommittee any allegations of internal fraud or other suspected financial misappropriation, and any protected disclosures or investigations instigated.
16. During the period 1 July to 30 September 2021, we received:
 - One protected disclosure about the use of public money and health & safety concerns. This matter was closed when the person chose to withdraw from the protected disclosure process.

- One reported incident of improper use of a Council purchasing card. This matter was closed when it was established that there was no malicious intent. The Finance team had reminded the staff involved and their manager of their obligations and the seriousness of this matter.
17. We are aware of one allegation of internal fraud or suspected financial misappropriation. This followed an internal investigation in April 2021 to establish relevant facts following concerns that internal control procedures were not completed consistently. This matter was disclosed to Audit New Zealand. Investigation is still in progress and further updates will be provided to the Kāwai Māhirahira - Audit and Risk Subcommittee when the investigation concludes.

Elected member gifts declaration procedures

18. The obligation to disclose has been in place throughout the triennium. To take a more proactive approach and to strengthen existing integrity processes, the Elected Member Guidance for Receiving Gifts and Hospitality (**Attachment Two**) has been provided to elected members.
19. Going forward, Elected Member Support will send out a reminder to elected members each quarter seeking confirmation of gifts or hospitality that has been offered to them in their capacity as an elected member.
20. Disclosures will be recorded in the Gift and Hospitality Register. Disclosure of gifts or hospitality that have been offered between 1 July and 30 September 2021 is currently in progress. We will provide a verbal update to the Kāwai Māhirahira - Audit and Risk Subcommittee on 12 October 2021.
21. We ask that there are no new risks or legal implications raised in this paper. The risks from non-compliances and partial non-compliances identified through the legislative compliance attestation process is rated minor to moderate. Agree that Assurance & Business Integrity will review the Gift and Hospitality Register and will provide a statement on the completeness of the Subcommittee during its meetings.

Whai whakaaro ki ngā whakataunga

Considerations for decision-making

Alignment with Council's strategies and policies

22. This report is about improving internal control systems. There is no direct link to our external policies and strategies for Wellington city.

Engagement and Consultation

23. There are no requirements to consult on the matters raised in this paper.

Implications for Māori

24. There are no specific Treaty of Waitangi considerations to note.

Financial implications

25. There are no new financial implications raised in this paper.

Legal considerations

26. There are no new legislative implications raised in this paper. The risks from non and partial non-compliances identified through the legislative compliance attestation process is rated minor to moderate. This was reported to the Kāwai Māhirahira - Audit and Risk Subcommittee on 15 September 2021.

Risks and mitigations

27. Risks were identified as part of audit and assurance work completed and these have been communicated to relevant officers. Risks are managed in line with the Council's Enterprise Risk Management Framework. There are no additional risk implication arising from this paper.
28. The oversight of actions to address assurance recommendations are part of the Council's risk mitigation action to assure that identified risks are appropriately managed. This gives confidence to our stakeholders that the Council is meeting its responsibilities and the public's expectations of accountability.

Disability and accessibility impact

29. There are no implications on disability and accessibility.

Climate Change impact and considerations

30. There are no climate change implications arising from this paper.

Communications Plan

31. No communication plan is required for this paper.

Health and Safety Impact considered



32. There are no health and safety implications arising from this paper.

Ngā mahinga e whai ake nei

Next actions

33. We will continue to carry out activities in the Assurance & Business Integrity Workplan 2021-22, management's progress to address open assurance recommendations, conversations with management to strengthen legislative compliance and integrity activities.
34. We will report on progress against the Assurance & Business Integrity Workplan 2020-21 at the next Kāwai Māhirahira - Audit and Risk Subcommittee meeting.

Attachments

- Attachment 1. Status of Open Assurance Recommendations 
- Attachment 2. Elected Member Guidance for Receiving Gifts and Hospitality 

Status of Open Assurance Recommendations September 2021

The following report includes information on management's progress to address open assurance recommendations from internal audit and other assurance sources.

Assurance Sources	Description	Summary Status of Recommendations
Internal audit reviews	The Assurance & Business Integrity team completes internal audit reviews as part of its annual workplan approved by the Audit and Risk Subcommittee.	There are ten open internal audit recommendations, four high and six medium rated items. Seven recommendations (5 high and 2 medium) were closed since our last progress update in March 2021. Refer to Section 1 for details of high-risk items.
Annual Legislative Compliance Attestation for the period ending 30 June 2021	The Assurance & Business Integrity team had facilitated the annual legislative compliance attestation for the period ending 30 June 2021. The attestation process took place during July 2021 and the final report was issued in August 2021.	There were 18 non-compliance or partial non-compliance reported across 14 Acts for the period ending 30 June 2021. Three Acts were prioritised for follow up conversations and reporting back to the Audit and Risk Subcommittee. Refer to Section 2 of this report.
Waka Kotahi NZ Transport Agency Investment Audit Report	The objective of this audit is to provide assurance that the Waka Kotahi NZ Transport Agency's investment in the Council's land transport programme is being well managed and delivering value for money. The audit assessment took place in July 2020 and the final audit report was issued in February 2021.	Nine recommendations were issued to the Council. Seven closed and two are in progress. Refer to Section 3 of this report.
Independent assessment of levels of engagement between WCC and WWL	This report is an independent assessment of the relationship and levels of engagement between the Council and the staff of Wellington Water Limited. It was commissioned by the then incoming Chief Executive. The report was issued in April 2020.	Three recommendations were issued to address the eight findings noted in the report. Actions were taken at the time the report was issued to address matters raised. A follow up of the actions was requested by the Executive Leadership Team, as part of the Assurance and Business Integrity Work programme for 2021-22. Refer to Section 4 of this report.
International Accreditation New Zealand's (IANZ) – Building Consent Authorities accreditation assessment	An on-site accreditation assessment took place during May 2021 to determine the Council's compliance with the accreditation requirements for Building Consent Authorities. The final report was issued in October 2021. Confirmation of clearance for Building Consent Authority Accreditation was achieved in September 2021.	There were no serious non-compliances reported. 18 general non-compliances were noted. All the issues raised during the assessment have been satisfactorily addressed. The Building Compliance & Consents team is holding a lesson learned workshop in October 2021. Output from the workshop will go into the plan for the 2023 accreditation assessment.

1. Internal Audit Reviews

1.1 Progress on open high risks items

Four high rated internal audit recommendations are in progress.

Review Name & Date Issued	Findings and Recommendations	Progress as at Sept 2021
Procurement & Contract Management May-2019	Oversight of significant service contracts We need better oversight of our significant service contracts so that we can plan more effectively for the future and engage successfully with markets. If management does not have better oversight of its significant services contracts, then the non-performance or significant failure of supplier may not be identified or escalated in a timely matter.	Work is underway to improve supplier management systems including establishing supplier categories and a contract register in OneCouncil system. Contract Management Framework is being established. Work is also underway by the commercial partnership team to identify significant services contracts. Timeframe for completion: June 2022 (Updated completion data)
Review of Action Plans for Nasty Nine Jan-2021	Better planning and oversight There is incomplete oversight and validation to confirm the effectiveness of controls and completion of actions to reduce risks. We recommended that management complete strategic planning to ensure it is setting and doing the right work to reduce the likelihood and consequence of threats and prevent harm and injury to people.	The HSW Work Plan is finalised and approved. Longer term strategic plan is in progress, including the plans and actions to assess and improve how we manage critical risks for business unit. The Terms of Reference that defines the strategic purpose and responsibility of the Health and Safety Steering Group was approved in August 2021. Reorganisation of Health, Safety and Security resources to support maturity uplift and reduce risks exposure is underway. The new Manager Health, Safety and Security commenced their role in September 2021. Timeframe for completion: December 2021
Purchase-to-pay Apr-2021	Purchase-to-pay processes Purchase-to-pay processes are easy to avoid and hard to enforce. Payment options needs to be simplified and staff need a better understanding of why controls are in place. We recommend an initiative to explore improvements to the purchase-receipt-payment processes.	Improvements plans are in progress. Finance review was recently completed to identify key challenges faced. Several improvement initiatives have been included in the Finance Business Unit Plan for 2021-22. These include Finance systems short term improvement plan and process automation for accounts receivable and accounts payable. Timeframe for completion: June 2022 (Updated completion data)
Business Continuity Aug-2021	Limited organisational-wide view and oversight of business continuity planning, risk and priorities The Criticality Framework and risk-based approach to continuity planning needs review.	Management action is in progress. Successfully recruited a BCP Advisor who will take lead for this work and focus on the most critical functions. Work underway to develop common scenarios for planning across the organisation Timeframe for completion: June 2022

1.2 High risk items closed

Five high rated internal audit recommendations were closed since in the last six months during April to September 2021.

Review Name & Date Issued	Finding and Recommendations	Progress
Building Consents and Compliance Certificates Sep-2018	Integration of online consenting system with existing systems Integration of the online consenting system with various existing IT support systems are still being refined and improved, along with developing and bedding down the supporting business procedures.	Complete Project to integrate and upgrade GoGet was completed in February 2021. This enabled APIs to be managed through GoGet and provide new functionalities. Training was provided following implementation.
Grants Monitoring Jul-2020	Controls over administrator rights for Salesforce (grants management and payment system) The grants administrator has access rights across Salesforce. We recommend management assesses controls to mitigate system access rights and segregation of duties risks.	Complete New grants system was implemented in September 2021. New process workflow is in place. System audit log for the use of administration rights is also in place to enable better management oversight.
Tip Shop Staff purchases Aug-2020	Reconciliation of staff purchases Purchases could not be reconciled consistently, and items are not tracked.	Complete Protocols updated and staff discounts for tip shop purchases were removed. Sample testing confirmed that the matter is resolved.
BCA Readiness Assessment Apr-2021	More work to do to prepare for the IANZ assessment in May 2021 The focus of work should be on ensuring the current pipeline of work meets requirements (e.g. compliance schedules) and to develop a clearance plan for key areas of non-compliance.	Complete IANZ accreditation assessment completed with no serious non-compliances issued. The final IANZ accreditation report was issued in October 2021 and confirmation of clearance for accreditation was issued on 9 September 2021.
Purchase-to-pay Apr-2021	Responsibility for designing the end-to-end purchase-to-pay process It is difficult to make holistic system and process improvements needed because there is no end-to-end process ownership.	Complete The Finance Business Plan for 2021-22 has been developed. The assigned leads for the various initiatives have been identified. Initiatives in place includes addresses overarching processes involving the purchase-receipt-payment processes.

2. Legislative Compliance Attestation for the period ending 30 June 2021

Business Unit Managers have identified actions to strengthen compliance. We have rated the impacts of reported non-compliances and partial non-compliances as minor to moderate.

The following is a progress report on the three Acts that were identified as a priority for follow up conversations with management.

#	Acts	Description non or partial non-compliance	Update September 2021	Status as at Sept 2021
1.	Vulnerable Children Act 2014	Partial compliance – the three yearly safety re-check requirements for children's workers were not completed. This was fundamentally due to a lack of system generated notification process.	Council officers have completed a review of the existing policy and procedures for three yearly safety re-checks. Security re-checks are being done and work is underway to confirm that these are kept up to date in line with requirements. Further process improvements are being considered to make the safety re-checks process more efficient and to improve recording systems.	In progress Next update in February 2022
2.	Holidays Act 2003	Non-compliance issues with complex rules, configurations and payments types for leave codes existing in the Payroll system.	Management is currently working through Phase 1 which is the system correction phase before we move into a remediation phase. This is a top priority for the Council's HR Services and Payroll team. We are working with our payroll vendor (TechOne) to deploy configuration fixes for issues identified. We are targeting to go live with the Phase 1 changes by early 2022. Phase 2 (Holiday Act remediation) will commence when we complete Phase 1 due to the dependency. Planning for Phase 2 has commenced with a draft plan and approach and to consider resourcing required.	In progress Next update in February 2022
3.	Heritage NZ Pouhere Taonga Act 2014	Partial compliance – Reported instances of non-compliance during the attestation period.	Continue to disseminate, and provide specialist advice and support, for guidance documents on archaeological best practice and archaeological authority processes, to ensure statutory compliance across the Council. We sighted example of guidance to help raise awareness of teams within the Council on how to identify and manage archaeological sites.	Closed

3. Waka Kotahi Investment Audit

Nine recommendations raised. Seven items completed and closed. Two items in progress

	Recommendation	Implementation timeframe	Progress	Status as at September 2021
R4.1	Ensures that reinstatement of all road openings complies with Council's engineering standards	End 2020/21	We have engaged WSP to undertake a best practice review of how to manage road openings, along with a training guide for our Compliance Officers so that we can do this work ourselves. All our existing road openings are due to be evaluated by end of the 20/21 FY.	In progress The WSP final report has been delayed, though interim recommendations are currently being reviewed by Council officers. This review will inform the required training requirements for Compliance officers to be able to carry out qualified inspections.
R4.2	Reviews the quantity of asphalt surfacing undertaken by investigating the option to use alternative materials.	End 2020/21	This has been completed with a new ratio of chipseal to asphalt being proposed in the 2021 AMP.	Complete
R4.3	Review the preferred option for the pavement rehabilitation project planned for Normanby Road	January 2021	This has been completed. It will now be a paving site that will be programmed for 21/22.	Complete
R5.1	Investigates and identifies the cause of the high cost of network maintenance	End 2020/21	This has been completed with a full discussion in the 2021 AMP as well as recommended proposals going forward.	Complete
R5.2	Investigates and trials new engineering solutions to reduce the whole of life costs to maintain the network while meeting current levels of service targets	End 2023	This is underway and is likely to be a longer-term project. It requires working with Waka Kotahi and other councils to review new engineering solutions. New completion date is 2023.	In progress We have a trial scheduled for later this year using a new product from Fulton Hogan.
R5.3	Ensure that all project elements, including finance, are included in the AMP improvement plan.	End 2020/21	This has been incorporated into the 2021 AMP as a new chapter – Financial Case.	Complete

	Recommendation	Implementation timeframe	Progress	Status as at September 2021
R6.1	Investigates, identifies and implements a data improvement plan to address data gaps identified in the REG Data Quality report	Ongoing	This is an ongoing project and we have an improvement plan that has seen us get better each year thus far.	Complete Our latest results have shown an improvement from 87% to 92%
R7.1	Undertakes a safety review to identify where immediate lowcost engineering solutions can be introduced to reduce the incidence and severity of road crashes on the arterial network	End 2020/21	Our response to this audit recommendation is a lot more sophisticated than the approach in the recommendation. Our 2021-31 AMP and LTP undertook a safety review using crash records for the period 2010-2019 and identified priority high risk intersections. Our investment programme for the next 10-years is targeted at improving based on this safety.	Complete
R7.2	Ensure the maintenance contractor maintains delineation devices in accordance with the Traffic Control Devices manual	Ongoing	This is an ongoing action which we are managing through our maintenance contract performance framework.	Complete

4. Independent assessment of levels of engagement between Wellington City Council and Wellington Water Limited

Three recommendations were issued to address the eight findings noted in the report. Actions were taken at the time the report was issued to address matters raised. A follow up of the actions was requested by the Executive Leadership Team, as part of the Assurance and Business Integrity Work programme for 2021-22.

	Recommendations	Status
1	Assign Tier-2 Responsibility Agree to reset the relationship, and that on the part of the Council, full responsibility be exercised again by a second tier manager who participates on the Council's senior leadership team.	Closed The Chief Infrastructure Officer, who is a senior executive and member of the senior leadership of the Council is responsible for resetting and maintaining the relationship with Wellington Water Limited. There was a report back to the Executive Leadership Team in November 2020 on a Relationship Rapid Improvement Plan.
2.	Regular Engagement Wellington City Council needs to become a 'smart buyer' of the services to be provided by WWL. This will require regular engagement on matters of strategy and desired outcomes from the provision of water services, as well as an appropriate focus on matters of detailed service delivery through joint working arrangements.	Closed There is evidence of regular engagement between Council officers and Wellington Water Limited (WWL). Engagement is supported by members of the Finance and Resilience teams through regular meetings with WWL management. Strategic matters addressed included the recent Long Term Plan and the ongoing Government Reforms for Three Waters. Monthly management meetings with WWL include financial and programme performance, projects and emerging risks. There is also a relationship temperature check, relationship action plan and action log to assist the progress of multi-party actions.
3.	Formal Agreements This would be assisted with a formal agreement. It may be worth considering two different contracts: a high level management services contract and a separate SLA which is based on a specific clause in the former, mandating that there are to be agreed KPI and service levels and that WWL is required to provide reports on them within specified timeframes.	Closed The matter was resolved in September 2020, when the Contract for provision of management services relating to water services was slightly amended and signed to provide a new updated variation of the agreement. This expired on 30 June 2021. A new variation agreement for the provision of managements services relating to water services was signed and agreed on 29 June 2021, extending the agreement until 30 June 2024.

Elected Member Guidance for Receiving Gifts and Hospitality

Elected members may be offered gifts in their political or personal capacity. Gifts or hospitality may be offered for various reasons including a token of appreciation, as part of a ceremonial occasion, or to build relationships.

Whether or not a gift is appropriate to accept will depend, in part, upon the context the gift is offered. If the context may create the perception that the person offering the gift may be trying to influence the Council, then the offer should be declined. For example, gifts from parties tendering for contracts or taking part in a regulatory process. In some contexts, where a refusal to accept gifts or hospitality is likely to cause offence, they may be accepted.

As per the [Elected Member Code of Conduct](#), members should not place themselves in situations where their honesty and integrity may be questioned, they should not behave improperly, and should avoid the appearance of such behaviour. The laws around bribes and inappropriate gifts or rewards are covered in the [Secret Commissions Act 1910](#) and the [Crimes Act 1961](#), and are listed in the [Elected Member Code of Conduct](#).

1. What to do when gifts are offered

- a) Elected members are to apply judgment as to the reasonableness and appropriateness of the offer using the key principles below.
- b) Gifts and hospitality over the **prescribed amount of \$150** must be recorded in the Elected Member Gifts and Hospitality Register managed by Democratic Services (see **Process for recording gifts and hospitality** below)
- c) Cultural gifts or artefacts accepted on behalf of the Council should be handed over to Democratic Services.

2. Key principles for elected members to consider before accepting a gift

- a) the public perception that receiving gifts or hospitality might affect their ability to approach decisions fairly and without a conflict of interest
- b) timing and frequency of gifts and hospitality – offers of small gifts or hospitality that may be acceptable, if offered regularly, could be perceived as an attempt to build influence with an elected member
- c) whether the acceptance of gifts or benefits that would, or might reasonably be seen to, compromise elected member integrity by placing them under any obligation to a third party
- d) hospitality offered may provide opportunities for members to develop productive relationships but their presence at such occasions is potentially open to criticism
- e) Cash and cash equivalents such as vouchers or pre-loaded cards should **not** be accepted.

3. When gifts may be accepted

- a) Gifts and hospitality may be accepted where none of the considerations outlined in the key principles apply.
- b) Ceremonial gift exchange and cultural gifts that are traditionally offered to honour and show respect for relationships, and reflect concepts such as reciprocity, hospitality, and responsibility.

4. Process for recording gifts and hospitality

- a) The **prescribed amount** agreed for the 2019-2022 triennium is **\$150**
- b) Gifts and hospitality over the prescribed amount must be recorded in the Elected Member Gifts and Hospitality Register, regardless of whether the gift was accepted or declined. Elected Members are encouraged to record gifts and hospitality beyond the minor, for example an infrequent coffee. This is done by emailing your Elected Member Support Advisor and providing the information as per the table below.
- c) Gifts and hospitality that should be recorded include, but are not limited to: tickets to events, use of corporate boxes, training and conferences, travel, use of holiday baches.
- d) If in doubt, elected members are advised to declare any forms of gifts accepted or declined, regardless of value.

Gift and Hospitality Register for the 2019-2022 Triennium

	Elected Member Name	Date received	Description of the gift or hospitality	Estimated market value	Declined or accepted and further action	Provider of gift or hospitality
Example	<i>Name</i>	dd/mm/yyyy	Gift basket of fruit cake and chocolates for Christmas	\$50-100	Accepted and shared with Councillors	<i>Name of organisation / individual</i>
Example	<i>Name</i>	dd/mm/yyyy	Two tickets to The Nutcracker at the Opera House	\$87 per ticket	Accepted and attended with family/friends	<i>Name of organisation / individual</i>
Example	<i>Name</i>	dd/mm/yyyy	Cash voucher for restaurant	\$150	Declined and returned to offeror	<i>Name of organisation / individual</i>

FORWARD PROGRAMME

Kōrero taunaki

Summary of considerations

Purpose

1. This report provides the Forward Programme for the Kāwai Māhirahira | Audit and Risk Subcommittee for the next two months.

Strategic alignment with community wellbeing outcomes and priority areas

Aligns with the following strategies and priority areas:

- | | |
|--|---|
| Strategic alignment with priority objective areas from Long-term Plan 2021–2031 | <input type="checkbox"/> Sustainable, natural eco city
<input type="checkbox"/> People friendly, compact, safe and accessible capital city
<input type="checkbox"/> Innovative, inclusive and creative city
<input type="checkbox"/> Dynamic and sustainable economy

<input type="checkbox"/> Functioning, resilient and reliable three waters infrastructure
<input type="checkbox"/> Affordable, resilient and safe place to live
<input type="checkbox"/> Safe, resilient and reliable core transport infrastructure network
<input type="checkbox"/> Fit-for-purpose community, creative and cultural spaces
<input type="checkbox"/> Accelerating zero-carbon and waste-free transition
<input type="checkbox"/> Strong partnerships with mana whenua |
|--|---|

Relevant Previous decisions

Not applicable.

Financial considerations

- | | | |
|---|--|---|
| <input checked="" type="checkbox"/> Nil | <input type="checkbox"/> Budgetary provision in Annual Plan / Long-term Plan | <input type="checkbox"/> Unbudgeted \$X |
|---|--|---|

Risk

- | | | | |
|---|---------------------------------|-------------------------------|----------------------------------|
| <input checked="" type="checkbox"/> Low | <input type="checkbox"/> Medium | <input type="checkbox"/> High | <input type="checkbox"/> Extreme |
|---|---------------------------------|-------------------------------|----------------------------------|

Author	Hedi Mueller, Senior Democracy Advisor
Authoriser	Jennifer Parker, Democracy Services Manager

Taunakitanga

Officers' Recommendations

Officers recommend the following motion

That the Kāwai Māhirahira | Audit and Risk Subcommittee:

1. Receive the information.

Whakarāpopoto

Executive Summary

2. The Forward Programme sets out the reports planned for Pūroro Rangaranga meetings in the next two months that require committee consideration.
3. The Forward Programme is a working document and is subject to change on a regular basis.

Kōrerorero

Discussion

4. Wednesday 2 February 2022:
 - Building Consents and Weathertight Risks (Chief Planning Officer)
 - Internal Audit Update (Chief Strategy and Governance Officer)
 - Strategic Risk Update (Chief Strategy and Governance Officer)
5. Wednesday 1 June 2022
 - Annual Workplan 2022-23 (Chief Strategy and Governance Officer)

Attachments

Nil

ACTIONS TRACKING

Kōrero taunaki

Summary of considerations

Purpose

1. This report provides an update on the past actions agreed by the Kāwai Māhirahira - Audit and Risk Subcommittee Committee at its previous meetings.

Strategic alignment with community wellbeing outcomes and priority areas

Aligns with the following strategies and priority areas:

- | | |
|--|---|
| Strategic alignment with priority objective areas from Long-term Plan 2021–2031 | <input type="checkbox"/> Sustainable, natural eco city |
| | <input type="checkbox"/> People friendly, compact, safe and accessible capital city |
| | <input type="checkbox"/> Innovative, inclusive and creative city |
| | <input type="checkbox"/> Dynamic and sustainable economy |
| | <input type="checkbox"/> Functioning, resilient and reliable three waters infrastructure |
| | <input type="checkbox"/> Affordable, resilient and safe place to live |
| | <input type="checkbox"/> Safe, resilient and reliable core transport infrastructure network |
| | <input type="checkbox"/> Fit-for-purpose community, creative and cultural spaces |
| | <input type="checkbox"/> Accelerating zero-carbon and waste-free transition |
| | <input type="checkbox"/> Strong partnerships with mana whenua |

Relevant Previous decisions

Not applicable.

Financial considerations

- | | | |
|---|--|---|
| <input checked="" type="checkbox"/> Nil | <input type="checkbox"/> Budgetary provision in Annual Plan / Long-term Plan | <input type="checkbox"/> Unbudgeted \$X |
|---|--|---|

Risk

- | | | | |
|---|---------------------------------|-------------------------------|----------------------------------|
| <input checked="" type="checkbox"/> Low | <input type="checkbox"/> Medium | <input type="checkbox"/> High | <input type="checkbox"/> Extreme |
|---|---------------------------------|-------------------------------|----------------------------------|

Author	Hedi Mueller, Senior Democracy Advisor
Authoriser	Jennifer Parker, Democracy Services Manager

Taunakitanga

Officers' Recommendations

Officers recommend the following motion

That the Kāwai Māhirahira | Audit and Risk Subcommittee:

1. Receive the information.

Whakarāpopoto

Executive Summary

2. This report lists the dates of previous committee meetings and the items discussed at those meetings.
3. Each clause within the resolution has been considered separately and the following statuses have been assigned:
 - No action required: Usually for clauses to receive information or note information, or actions for committee members rather than council officers.
 - In progress: Resolutions with this status are currently being implemented.
 - Complete: Clauses which have been completed.
4. All actions will be included in the subsequent monthly updates, but completed actions and those that require no action will only appear once.

Takenga mai

Background

5. At the 13 May 2021 Council meeting, the recommendations of the Wellington City Council Governance Review (the Review Report) were endorsed and agreed to be implemented.
6. The Review Report recommended an increase focus on monitoring the implementation of Council resolutions and delivery of the work programme. A monthly update at each committee meeting on its previous decisions is part of the implementation of this recommendation.
7. The purpose of this report is to ensure that all resolutions are being actioned over time. It does not take the place of performance monitoring or full updates. The committee could resolve to receive a full update report on an item if it wishes.

Kōrerorero

Discussion

8. 4 completed actions from the 9 June 2021 meeting were inadvertently not included in the Actions Tracking report at the 15 September 2021 meeting. These have been included in this report.
9. Of the 11 resolutions of the Kāwai Māhirahira | Audit and Risk Subcommittee in September 2021:
 - 7 require no action from staff.
 - 1 is in progress.
 - 3 are complete.
10. 0 in progress actions were carried forward from the last action tracking report.
11. Further detail is provided in Attachment One.

Attachments

Attachment 1. Action Tracking 

Date	Meeting	Item	Clause	Status
Wednesday, 9 June 2021	Kāwai Māhirahira Audit and Risk Subcommittee	2.1 Assurance and Business Integrity Workplan 2021-22	2. Approve the Assurance & Business Integrity Workplan 2021-22.	Complete
Wednesday, 9 June 2021	Kāwai Māhirahira Audit and Risk Subcommittee	2.2 Risk Management Team Workplan 2021-22	2. Approve the Risk Management Team Workplan 2021-22	Complete
Wednesday, 9 June 2021	Kāwai Māhirahira Audit and Risk Subcommittee	2.3 Health, Safety and Security Report	2. Recommend to the Pūrora Tahua – Finance and Performance Committee to receive the information on 17 June 2021.	Complete
Wednesday, 9 June 2021	Kāwai Māhirahira Audit and Risk Subcommittee	3.1 Strategic Risk Update	all clauses	Complete
Wednesday, 15 September 2021	Kāwai Māhirahira Audit and Risk Subcommittee	2.1 Health Safety and Security Report	1. Receive the information	No action required
Wednesday, 15 September 2021	Kāwai Māhirahira Audit and Risk Subcommittee	2.1 Health Safety and Security Report	2. Recommend to the Pūrora Tahua – Finance and Performance Committee to receive the information on 16 September 2021.	Complete
Wednesday, 15 September 2021	Kāwai Māhirahira Audit and Risk Subcommittee	2.2 Internal Audit Report for the year ended 30 June 20	1. Receive the information	No action required
Wednesday, 15 September 2021	Kāwai Māhirahira Audit and Risk Subcommittee	2.3 Legislative Compliance	1. Receive the information	No action required
Wednesday, 15 September 2021	Kāwai Māhirahira Audit and Risk Subcommittee	2.3 Legislative Compliance	2. Request the management prioritise recommendations and request that they develop a reporting timeline for the Subcommittee’s approval.	In progress
Wednesday, 15 September 2021	Kāwai Māhirahira Audit and Risk Subcommittee	2.4 Internal Audit Charter	1. Receive the information	No action required
Wednesday, 15 September 2021	Kāwai Māhirahira Audit and Risk Subcommittee	2.4 Internal Audit Charter	2. Approve the Internal Audit Charter	Complete
Wednesday, 15 September 2021	Kāwai Māhirahira Audit and Risk Subcommittee	2.5 Strategic Risk Reporting September 2021	1. Receive the information	No action required
Wednesday, 15 September 2021	Kāwai Māhirahira Audit and Risk Subcommittee	2.5 Strategic Risk Reporting September 2021	2. Direct staff to note the feedback provided on the risk profile and dashboard reporting approach.	Complete
Wednesday, 15 September 2021	Kāwai Māhirahira Audit and Risk Subcommittee	2.6 Action Tracking	1. Receive the information.	No action required
Wednesday, 15 September 2021	Kāwai Māhirahira Audit and Risk Subcommittee	2.7 Forward Programme	1. Receive the information.	No action required

3. Public Excluded

Recommendation

That the Kāwai Māhirahira | Audit and Risk Subcommittee:

1. Pursuant to the provisions of the Local Government Official Information and Meetings Act 1987, exclude the public from the following part of the proceedings of this meeting namely:

General subject of the matter to be considered	Reasons for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
Attachment to 2.1 - Draft 2020/21 Annual Report and Audit Process - Attachment 1 Draft Annual Report Volume 1	<p>Section s48(1)(a)</p> <p>That the public conduct of this item would be likely to result in the disclosure of information for which good reason for withholding would exist under Section 7.</p>	<p>Section 7(2)(b)(ii)</p> <p>The withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information.</p> <p>Section 7(2)(g)</p> <p>The withholding of the information is necessary to maintain legal professional privilege.</p> <p>Section 7(2)(j)</p> <p>The withholding of the information is necessary to prevent the disclosure or use of official information for improper gain or improper advantage.</p>
Attachment to 2.1 - Draft 2020/21 Annual Report and Audit Process - Attachment 2 Draft Annual Report Volume 2 – Financial Statements	<p>Section s48(1)(a)</p> <p>That the public conduct of this item would be likely to result in the disclosure of information for which good reason for withholding would exist under Section 7.</p>	<p>Section 7(2)(b)(ii)</p> <p>The withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information.</p>

		<p>Section 7(2)(g)</p> <p>The withholding of the information is necessary to maintain legal professional privilege.</p> <p>Section 7(2)(j)</p> <p>The withholding of the information is necessary to prevent the disclosure or use of official information for improper gain or improper advantage.</p>
<p>Attachment to 2.1 - Draft 2020/21 Annual Report and Audit Process - Attachment 3 Additional Annual Report Information</p>	<p>Section s48(1)(a)</p> <p>That the public conduct of this item would be likely to result in the disclosure of information for which good reason for withholding would exist under Section 7.</p>	<p>Section 7(2)(b)(ii)</p> <p>The withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information.</p> <p>Section 7(2)(g)</p> <p>The withholding of the information is necessary to maintain legal professional privilege.</p> <p>Section 7(2)(j)</p> <p>The withholding of the information is necessary to prevent the disclosure or use of official information for improper gain or improper advantage.</p>
<p>Attachment to 2.1 - Draft 2020/21 Annual Report and Audit Process - Attachment 4 Detailed breakdown of underlying result</p>	<p>Section s48(1)(a)</p> <p>That the public conduct of this item would be likely to result in the disclosure of information for which good reason for withholding would exist under Section 7.</p>	<p>Section 7(2)(b)(ii)</p> <p>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</p>

of the information.

Section 7(2)(g)

The withholding of the information is necessary to maintain legal professional privilege.

Section 7(2)(j)

The withholding of the information is necessary to prevent the disclosure or use of official information for improper gain or improper advantage.

Attachment to 2.1 - Draft 2020/21
Annual Report and Audit
Process - Attachment 5
Responses to Audit NZ fraud
questions

Section s48(1)(a)

That the public conduct of this item would be likely to result in the disclosure of information for which good reason for withholding would exist under Section 7.

Section 7(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.

Section 7(2)(g)

The withholding of the information is necessary to maintain legal professional privilege.

Section 7(2)(j)

The withholding of the information is necessary to prevent the disclosure or use of official information for improper gain or improper advantage.