



PALMERSTON NORTH CITY COUNCIL

AGENDA

AUDIT AND RISK COMMITTEE

9AM, MONDAY 18 FEBRUARY 2019
COUNCIL CHAMBER, FIRST FLOOR, CIVIC ADMINISTRATION BUILDING
32 THE SQUARE, PALMERSTON NORTH



MEMBERSHIP

Vaughan Dennison (Chairperson)
Bruno Petrenas (Deputy Chairperson)
Grant Smith (The Mayor)

Susan Baty
Adrian Broad
Gabrielle Bundy-Cooke

Lew Findlay QSM
Jim Jefferies
Lorna Johnson

Agenda items, if not attached, can be viewed at:

pncc.govt.nz | Civic Administration Building, 32 The Square
City Library | Ashhurst Community Library | Linton Library

Heather Shotter
Chief Executive, Palmerston North City Council

Palmerston North City Council

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AUDIT AND RISK COMMITTEE MEETING

18 February 2019

ORDER OF BUSINESS

NOTE: The Audit and Risk Committee meeting coincides with the ordinary meeting of the Finance and Performance Committee. The Committees will conduct business in the following order:

- Finance and Performance Committee
- Audit and Risk Committee

1. Apologies

2. Notification of Additional Items

Pursuant to Sections 46A(7) and 46A(7A) of the Local Government Official Information and Meetings Act 1987, to receive the Chairperson's explanation that specified item(s), which do not appear on the Agenda of this meeting and/or the meeting to be held with the public excluded, will be discussed.

Any additions in accordance with Section 46A(7) must be approved by resolution with an explanation as to why they cannot be delayed until a future meeting.

Any additions in accordance with Section 46A(7A) may be received or referred to a subsequent meeting for further discussion. No resolution, decision or recommendation can be made in respect of a minor item.

3. Declarations of Interest (if any)

Members are reminded of their duty to give a general notice of any interest of items to be considered on this agenda and the need to declare these interests.

4. Public Comment

To receive comments from members of the public on matters specified on this Agenda or, if time permits, on other Committee matters.

(NOTE: If the Committee wishes to consider or discuss any issue raised that is not specified on the Agenda, other than to receive the comment made or refer it to the Chief Executive, then a resolution will need to be made in accordance with clause 2 above.)

5. Confirmation of Minutes

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“That the minutes of the Audit and Risk Committee meeting of 19 November 2018 Part I Public be confirmed as a true and correct record.”

6. Business Continuity Planning, PNCC update

Page 15

Memorandum, dated 29 January 2019 presented by the Head of Emergency Management, Stewart Davies.

7. Risk Management Report February 2019

Page 19

Memorandum, dated 16 January 2019 presented by the Risk Manager, Miles Crawford.

8. Health and Safety Report - Oct - Dec 2018

Page 25

Memorandum, dated 18 January 2019 presented by the Human Resources Manager, Wayne Wilson.

9. 2018/19 Internal Audit Plan 6-Month Progress Update

Page 37

Memorandum, dated 15 January 2019 presented by the Senior Internal Auditor, Vivian Watene.

10. Library Building - Risk Assessment

Page 71

Memorandum, dated 1 February 2019 presented by the Property Manager, Bryce Hosking and the Chief Infrastructure Officer, Tom Williams.

11. Committee Work Schedule

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12. Exclusion of Public

To be moved:

“That the public be excluded from the following parts of the proceedings of this meeting listed in the table below.

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

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under Section 48(1) for passing this resolution

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

Also that the persons listed below be permitted to remain after the public has been excluded for the reasons stated.

Chief Executive (Heather Shotter), Chief Financial Officer (Grant Elliott), Chief Infrastructure Officer (Tom Williams), General Manager – Strategy and Planning (Sheryl Bryant), General Manager - Community (Debbie Duncan), Chief Customer and Operating Officer (Chris Dyhrberg), Human Resources Manager (Wayne Wilson), General Manager - Marketing and Communications (Sacha Haskell) because of their knowledge and ability to provide the meeting with advice on matters both from an organisation-wide context (being members of the Council’s Management Team) and also from their specific role within the Council.

Legal Counsel (John Annabell), because of his knowledge and ability to provide the meeting with legal and procedural advice.

Committee Administrators (Penny Odell, Rachel Corser and Courtney Kibby), because of their knowledge and ability to provide the meeting with procedural advice and record the proceedings of the meeting.

[Add Council Officers], because of their knowledge and ability to assist the meeting in speaking to their report and answering questions, noting that such officer will be present at the meeting only for the item that relate to their respective report.

[Add Third Parties], because of their knowledge and ability to assist the meeting in speaking to their report/s [or other matters as specified] and answering questions, noting that such person/s will be present at the meeting only for the items that relate to their respective report/s [or matters as specified].

PALMERSTON NORTH CITY COUNCIL

Minutes of the Audit and Risk Committee Meeting Part I Public, held in the Council Chamber, First Floor, Civic Administration Building, 32 The Square, Palmerston North on 19 November 2018, commencing at 9.02am

Members Present:	Councillor Vaughan Dennison (in the Chair) and Councillors Susan Baty, Adrian Broad, Gabrielle Bundy-Cooke, Lew Findlay QSM, Jim Jefferies, Lorna Johnson and Bruno Petrenas.
Non Members:	Councillors Brent Barrett, Rachel Bowen, Leonie Hapeta, Duncan McCann, Karen Naylor, Aleisha Rutherford and Tangi Utikere.
Apologies:	The Mayor (Grant Smith) (for lateness, on Council Business) and Councillors Gabrielle Bundy-Cooke (early departure), Leonie Hapeta (early departure) and Duncan McCann (early departure).

When the meeting resumed following the adjournment Councillor Gabrielle Bundy-Cooke was not present. She entered the meeting at 2.06pm during consideration of clause 29. She was not present for clause 28.

When the meeting resumed following the adjournment The Mayor (Grant Smith) was present. He was not present for clauses 26 to 27 inclusive.

Councillor Leonie Hapeta left the meeting at 10.45am during consideration of clause 31. When the meeting resumed following the adjournment she was present. She was not present for clause 31.

26-18 Apologies

Moved Vaughan Dennison, seconded Bruno Petrenas.

The COMMITTEE RESOLVED

1. That the Committee receive the apologies.

Clause 26-18 above was carried 15 votes to 0, the voting being as follows:

For:

Councillors Brent Barrett, Susan Baty, Rachel Bowen, Adrian Broad, Gabrielle Bundy-Cooke, Vaughan Dennison, Lew Findlay QSM, Leonie Hapeta, Jim Jefferies, Lorna Johnson, Duncan McCann, Karen Naylor, Bruno Petrenas, Aleisha Rutherford and Tangi Utikere.

27-18 Deputation - Palmerston North Age Friendly Group

Ms Donna Hedley and Ms Rose Body made a Deputation regarding the state of footpaths around the city and presented photographs of some of the affected footpaths.

It was difficult to navigate many footpaths for those with a wheelchair or mobility scooter. The issues raised included cracks, loose gravel, different levels in the footpaths and dangerous surfaces in winter due to moss.

It was noted that reports to Council had been made but they did not seem like a priority. A particular resident could no longer go for a walk around the block due to the state of surrounding footpaths.

Moved Vaughan Dennison, seconded Rachel Bowen.

The COMMITTEE RESOLVED

1. That the Audit and Risk Committee receive the deputation for information.

Clause 27-18 above was carried 15 votes to 0, the voting being as follows:

For:

Councillors Brent Barrett, Susan Baty, Rachel Bowen, Adrian Broad, Gabrielle Bundy-Cooke, Vaughan Dennison, Lew Findlay QSM, Leonie Hapeta, Jim Jefferies, Lorna Johnson, Duncan McCann, Karen Naylor, Bruno Petrenas, Aleisha Rutherford and Tangi Utikere.

The meeting adjourned at 9.36am

The meeting resumed at 2.00pm

When the meeting resumed The Mayor (Grant Smith) was present and Councillor Bundy-Cooke was not present.

28-18 Confirmation of Minutes

Moved Vaughan Dennison, seconded Lorna Johnson.

The COMMITTEE RESOLVED

1. That the minutes of the Audit and Risk Committee meeting of 20 August 2018 Part I Public be confirmed as a true and correct record.

Clause 28-18 above was carried 13 votes to 0, with 2 abstentions, the voting being as follows:

For:

Councillors Brent Barrett, Rachel Bowen, Adrian Broad, Vaughan Dennison, Lew Findlay QSM, Leonie Hapeta, Jim Jefferies, Lorna Johnson, Duncan McCann, Karen Naylor, Bruno Petrenas, Aleisha Rutherford and Tangi Utikere.

Abstained:

The Mayor (Grant Smith) and Councillor Susan Baty.

29-18 Use of Closed Circuit Television

Memorandum, dated 12 June 2018 presented by the Human Resources Manager, Wayne Wilson.

Councillor Gabrielle Bundy-Cooke entered the meeting at 2.06pm

Moved Vaughan Dennison, seconded Leonie Hapeta.

The **COMMITTEE RECOMMENDS**

1. That the Audit and Risk Committee note that there is no need for a policy for the use of closed circuit television as an agreed protocol between management and the Unions exists that meets the minimum requirements of the Privacy Commission.

Clause 29.1 above was carried 12 votes to 4, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Susan Baty, Rachel Bowen, Gabrielle Bundy-Cooke, Vaughan Dennison, Lew Findlay QSM, Leonie Hapeta, Jim Jefferies, Duncan McCann, Bruno Petrenas, Aleisha Rutherford and Tangi Utikere.

Against:

Councillors Brent Barrett, Adrian Broad, Lorna Johnson and Karen Naylor.

Moved Brent Barrett, seconded Lorna Johnson.

2. That the Chief Executive be instructed to report back to the Audit and Risk Committee on PNCC Compliance with the Privacy Act 1993 with regards to the use of surveillance in public space in the city.

Clause 29.2 above was carried 11 votes to 4, with 1 abstention, the voting being as follows:

For:

Councillors Brent Barrett, Susan Baty, Rachel Bowen, Adrian Broad, Vaughan Dennison, Gabrielle Bundy-Cooke, Lorna Johnson, Duncan McCann, Karen Naylor, Bruno Petrenas and Aleisha Rutherford.

Against:

The Mayor (Grant Smith) and Councillors Lew Findlay QSM, Jim Jefferies and Tangi Utikere.

Abstained:

Councillor Leonie Hapeta.

The meeting adjourned at 2.27pm

The meeting resumed on Monday 26 November 2018 at 9.01am

When the meeting resumed all Elected Members were present

30-18 AMP Update - Footpath Condition Rating & Renewal Programme

Memorandum, dated 1 November 2018 presented by the Special Projects Manager, Phil Walker

Moved Bruno Petrenas, seconded Lorna Johnson.

The **COMMITTEE RESOLVED**

1. That the Committee notes:

- a. how the asset management maintenance and renewal programmes will in future provide the required level of service and maintain the service potential of the footpath assets.
- b. that a 'best practice' condition methodology is now being used to inform a targeted and more effective maintenance and renewal programme of work particularly for safety related poor and very poor footpath condition.
- c. that the medium and longer term programme footpath renewal needs will be reassessed in light of the condition surveys for informing the 2020 Rooding & Parking Asset Management Plan.
- d. that a baseline target for the footpath performance measure reporting of the 2018-28 10 Year Plan will be established by the end of the 2018/19 financial year.

Clause 30-18 above was carried 16 votes to 0, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Brent Barrett, Susan Baty, Rachel Bowen, Adrian Broad, Gabrielle Bundy-Cooke, Vaughan Dennison, Lew Findlay QSM, Leonie Hapeta, Jim Jefferies, Lorna Johnson, Duncan McCann, Karen Naylor Bruno Petrenas, Aleisha Rutherford and Tangi Utikere.

31-18

Health and Safety - July - September 2018

Memorandum, dated 25 October 2018 presented by the Human Resources Manager, Wayne Wilson.

Councillor Leonie Hapeta left the meeting at 10.45am

Moved Vaughan Dennison, seconded Lorna Johnson.

The **COMMITTEE RESOLVED**

1. That the Audit and Risk Committee note the information contained within the memorandum titled 'Health and Safety – July – September 2018' dated 25 October 2018.

Clause 31-18 above was carried 15 votes to 0, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Vaughan Dennison, Bruno Petrenas, Brent Barrett, Susan Baty, Rachel Bowen, Adrian Broad, Gabrielle Bundy-Cooke, Lew Findlay QSM, Jim Jefferies, Lorna Johnson, Duncan McCann, Karen Naylor, Aleisha Rutherford and Tangi Utikere.

Moved Aleisha Rutherford, seconded Lew Findlay.

Note:

On a motion 'that the Chief Executive be instructed to include reporting on mental health for staff to be reported at the Audit and Risk Committee meeting each quarter' the motion was lost 6 votes to 9, the voting being as follows:

For:

Councillors Brent Barrett, Rachel Bowen, Lew Findlay QSM, Duncan McCann, Bruno Petrenas and Aleisha Rutherford.

Against:

The Mayor (Grant Smith) and Councillors Susan Baty, Adrian Broad, Gabrielle Bundy-Cooke, Vaughan Dennison, Jim Jefferies, Lorna Johnson, Karen Naylor and Tangi Utikere.

Moved Leonie Hapeta, seconded Bruno Petrenas.

Note:

On a motion 'that the Chief Executive be instructed to have a mental health measure for staff to be reported at the Audit and Risk Committee meeting each quarter' the motion was lost 2 votes to 13, the voting being as follows:

For:

Councillors Bruno Petrenas and Lew Findlay QSM.

Against:

The Mayor (Grant Smith) and Councillors Brent Barrett, Susan Baty, Rachel Bowen, Adrian Broad, Gabrielle Bundy-Cooke, Vaughan Dennison, Jim Jefferies, Lorna Johnson, Duncan McCann, Karen Naylor, Aleisha Rutherford and Tangi Utikere.

The meeting adjourned at 10.55am

The meeting resumed at 11.11am

When the meeting resumed Councillor Leonie Hapeta was present.

32-18

Audit New Zealand Report to the Council

Memorandum, dated 11 October 2018 presented by the Chief Financial Officer, Grant Elliott.

Moved Vaughan Dennison, seconded Bruno Petrenas.

The COMMITTEE RESOLVED

1. That the final 2017/18 Management Report from Audit New Zealand be received.

Clause 32-18 above was carried 15 votes to 0, with 1 abstention, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Brent Barrett, Susan Baty, Rachel Bowen, Adrian Broad, Gabrielle Bundy-Cooke, Vaughan Dennison, Lew Findlay QSM, Jim Jefferies, Lorna Johnson, Duncan McCann, Karen Naylor, Bruno Petrenas, Aleisha Rutherford and Tangi Utikere.

Abstained:

Councillor Leonie Hapeta.

Moved Brent Barrett, seconded Karen Naylor.

Note:

On a motion 'That Council adopts the enhanced disclosure of remuneration as recommended by Audit NZ for the 2019 financial year onwards' the motion was lost 5 votes to 11, the voting being as follows:

For:

Councillors Brent Barrett, Adrian Broad, Vaughan Dennison, Lew Findlay QSM and Karen Naylor.

Against:

The Mayor (Grant Smith) and Councillors Susan Baty, Rachel Bowen, Gabrielle Bundy-Cooke, Leonie Hapeta, Jim Jefferies, Lorna Johnson, Duncan McCann, Bruno Petrenas, Aleisha Rutherford and Tangi Utikere.

33-18

Internal Audit - IT Disaster Recovery Plan (DRP)

Memorandum, dated 26 October 2018 presented by the Senior Internal Auditor, Vivian Watene.

Moved Vaughan Dennison, seconded Bruno Petrenas.

The COMMITTEE RESOLVED

1. That the Committee note the assurance given from the audit of the IT DRP in Appendix A of the report titled 'Internal Audit – IT Disaster Recovery Plan (DRP)' dated 26 October 2018.

Clause 33-18 above was carried 15 votes to 0, with 1 abstention, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Brent Barrett, Susan Baty, Rachel Bowen, Adrian Broad, Gabrielle Bundy-Cooke, Vaughan Dennison, Lew Findlay QSM, Jim Jefferies, Lorna Johnson, Duncan McCann, Karen Naylor, Bruno Petrenas, Aleisha Rutherford and Tangi Utikere.

Abstained:

Councillor Leonie Hapeta.

34-18

Management Agreed Corrective Action Implementation September 2018 YTD Progress

Memorandum, dated 29 October 2018 presented by the Senior Internal Auditor, Vivian Watene.

Moved Susan Baty, seconded Bruno Petrenas.

The COMMITTEE RESOLVED

1. That the Committee receive the memorandum titled 'Management Agreed Corrective Action Implementation September 2018 YTD Progress' dated 29 October 2018 and its two Appendixes for information.

Clause 34-18 above was carried 15 votes to 0, with 1 abstention, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Brent Barrett, Susan Baty, Rachel Bowen, Adrian Broad, Gabrielle Bundy-Cooke, Vaughan Dennison, Lew Findlay QSM, Jim Jefferies, Lorna Johnson, Duncan McCann, Karen Naylor, Bruno Petrenas, Aleisha Rutherford and Tangi Utikere.

Abstained:

Councillor Leonie Hapeta.

35-18 Committee Work Schedule

Moved Vaughan Dennison, seconded Rachel Bowen.

The **COMMITTEE RESOLVED**

1. That the Audit and Risk Committee receive its Work Schedule dated November 2018.

Clause 35-18 above was carried 15 votes to 0, with 1 abstention, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Brent Barrett, Susan Baty, Rachel Bowen, Adrian Broad, Gabrielle Bundy-Cooke, Vaughan Dennison, Lew Findlay QSM, Jim Jefferies, Lorna Johnson, Duncan McCann, Karen Naylor, Bruno Petrenas, Aleisha Rutherford and Tangi Utikere.

Abstained:

Councillor Leonie Hapeta.

The meeting finished at 11.56am

Confirmed 18 February 2019

Chairperson

MEMORANDUM

TO: Audit and Risk Committee

MEETING DATE: 18 February 2019

TITLE: Business Continuity Planning, PNCC update

DATE: 29 January 2019

PRESENTED BY: Stewart Davies, Head of Emergency Management, Infrastructure

APPROVED BY: Tom Williams, Chief Infrastructure Officer

RECOMMENDATION(S) TO AUDIT AND RISK COMMITTEE

1. That the Audit & Risk Committee note the report dated 29 January 2019 and titled 'Business Continuity Planning, PNCC update', the programme for and progress of the Business Continuity Planning within the organisation.
2. That Business Continuity Planning update be reported to the Audit and Risk Committee 6 monthly.

1. ISSUE

Early in 2017 the Chief Executive engaged Kestrel Group to carry out a review of business continuity plans for all of Council. This review showed some disparity amongst the different areas of Council business as to preparation and readiness in relation to business as usual in the event of an unplanned disruption to normal services. In addition, the Business Plan of the Manawatu Wanganui Civil Defence Group requires local authorities within the region to be able to deliver services in the event of a business continuity disruption.

2. BACKGROUND

The Kestrel Report highlighted areas of potential improvement which included plans, impact and subsequent reviews and training. Furthermore, it is acknowledged that there was an absence of ownership with some staff failing to take responsibility for business continuity for their specific areas of work and the continued involvement.

3. OVERVIEW OF PROGRAMME

Since the review, an improvement programme has been coordinated by the Emergency Management Division of PNCC. With the appointment of the Risk Manager a singular point of accountability is now provided within PNCC with the ongoing training/exercises and administration still to be carried out by Emergency Management. The following key areas of improvement have been achieved.

a. Process

- (i) A policy document has now been prepared and is currently being reviewed for acceptance by PNCC Management.
- (ii) The Crisis Management Plan has been completed outlining structure, roles, responsibilities and the activation process (new structure included). Training on this Plan was held in March 2018. This is to be exercised annually. The Crisis Management Plan sits as an overarching document over the individual Unit Plans. It is activated on the basis of a whole of Council response to a BCP event.
- (iii) Business Impact Analysis workshops have been held for Units to identify specific service delivery requirements within each of those Units and the priority assigned to each of those service delivery requirements.
- (iv) Business Continuity Plans have been completed for Units and now reflect the new structure. These were completed with the assistance of individual personnel within Units on a one on one basis. These Plans are in addition to the ones already in place for crucial services. Those being Water Treatment Supply, Waste Water Services, 24/7 Call Centre and IT Disaster Recovery.

b. Training

- (i) Progress. Three of the six Units of Council have completed the first batch of training. The other three Units are scheduled to be completed by the end of April 2019.
- (ii) Approach. The training consists of three components. They are a denial of the following services – first IT, personnel and then accommodation. Any scenario in a BCP context could involve either one or all three of these services. Training is scheduled every two months so that in one year all Units will complete one of the services, ie, first year IT, second year personnel, third year accommodation.
- (iii) The focus of the training has been around obtaining a consistent approach to a process to manage business interruption. This includes briefings, setting priorities, staff welfare, incident action planning, communication and the requirement whether it is significant enough to activate the Crisis Management Plan.

c. Preparedness

- (i) I feel confident that the Units that have had the training now have a good process to deal with any BCP issues. When all Units have completed their first lot of training PNCC will be in a better position to deal with an event in an organised and structured manner. It is important that staff and Units continue to participate in their own ongoing training/exercises.

d. Accommodation

- (i) A lot of work is currently being carried out to provide backup accommodation requirements and individual Unit resource needs. For instance, what services would work out of Arena or other Council buildings if the Civic Administration Building is not available. In October 2019 the new Emergency Operation Centre will be completed in Victoria Avenue and will also be available for a number of Council services. Planning is underway to have back up telemetry services, IT servers and satellite communication installed in this new building.

4. NEXT STEPS

Continuation of the implementation and delivery of the programme outlined in this memorandum to be co-ordinated by the Civil Defence & Emergency Management team in conjunction with the Risk Manager, Finance Unit, who will now have overall responsibility as explained in 3. above.

Report 6 monthly (2 x year) on progress, training and maintenance of the plans.

COMPLIANCE AND ADMINISTRATION

Does the Committee have delegated authority to decide?		Yes
Are the decisions significant?		No
If they are significant do they affect land or a body of water?		No
Can this decision only be made through a 10 Year Plan?		No
Does this decision require consultation through the Special Consultative procedure?		No
Is there funding in the current Annual Plan for these actions?		Yes
Are the recommendations inconsistent with any of Council's policies or plans?		No
The recommendations contribute to Goal 5: A Driven and Enabling Council		
The recommendations contribute to the outcomes of the Driven and Enabling Council Strategy		
Contribution to strategic direction	Business continuity planning as described in this report contributes to managing Council's readiness and response in the event that there is a disruption to IT, staffing levels or accessibility to accommodation. This is to be delivered in an efficient and financially sustainable manner.	

ATTACHMENTS

Nil

MEMORANDUM

TO: Audit and Risk Committee

MEETING DATE: 18 February 2019

TITLE: Risk Management Report February 2019

DATE: 16 January 2019

PRESENTED BY: Miles Crawford, Risk Manager, Finance

APPROVED BY: Grant Elliott, Chief Financial Officer

RECOMMENDATION(S) TO AUDIT AND RISK COMMITTEE

That the Committee note:

1. Developments for risk management and reporting
 2. Management's progress made to the strategic and operational risk profiles
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ISSUE

1. For the Committee to note developments in risk management and reporting.
2. To inform the Committee on risk management Year-to-Date December 2018 progress as outlined Tables 1 and 2 for the strategic and key operational risks.

BACKGROUND

3. The new stand-alone risk management function commenced on the 7th of January with the Risk Manager taking responsibility from Business Assurance for producing this memorandum.
4. The Risk Manager is currently meeting with the Management Team and their direct reports to build context for the Council's overall risk profile. As a shared understanding of Council's risk profile is developed, so too will the reporting of Council's risks.
5. The Council's organisational restructure, along with the new Risk Manager role, present an opportunity to further develop risk reporting so that this Committee receives meaningful information on the uncertainties that could impact on how Council achieves its objectives. This information then supports this Committee's and Council's decision-making for governance purposes.

6. There is a close relationship between the risk management and the strategic planning functions. Risk management looks at what poses a risk to delivery of Council's direction, whereas strategic planning monitors the environment and how it could impact on the effectiveness of Council's direction. While this memorandum will refer to the strategies and plans which work to reduce strategic risk, reports on effectiveness of strategies in achieving Council's goals and delivery of plans are achieved through annual reporting to Planning and Strategy and quarterly reporting to Finance and Performance Committees respectively.
7. The objective of future risk reporting is to provide the same level oversight of strategic and key operational risks for governance purposes, but in a more distilled and succinct format. As such, risk reporting will move towards being presented as a 'plan-on-a-page', comprising of risk information set out via tables and graphics on a single A3 size page. This format enables a clear view of Council's overall risk profile along with the links and trends in strategic and key operational risks.
8. Previously, the operational and strategic risk profiles have been reported quarterly and 6 monthly respectively. Given the scope of Council's strategic goals and the importance of achieving them, reporting of strategic risks will increase from being on a six-monthly basis to quarterly. As such, both strategic and key operational risks will be reported quarterly in a combined memorandum.
9. The strategic risks previously identified by the Management Team are essentially the same as the strategic risks as presented in the 10 Year Plan 2018-28. This memorandum has reflected that alignment by reporting on these 'high-level' strategic risks as per the 10 Year Plan. However, as understanding of Council's risk profile develops, future risk reporting will present more specific risks that have been identified within these broader, 'high-level' risks. The strategic risks are presented in Table 1 of this memorandum.
10. In July 2018, the Management Team decided on three key operational risks for management as presented in Table 2 of this memorandum. Like the strategic risks, key operational risks will develop and change as understanding of Council's risk profile develops.

Strategic Risks

11. Table 1 presents the strategic risks in alignment with the 10 Year Plan. It provides the risk description, the relevance to the Vision and Goals of the 10 Year Plan, and the current risk treatments.

Table 1

Risk Description	Relevant Strategic Goals	Risk treatments
Overstretched Council Finances	Financial Strategy	<ul style="list-style-type: none"> • Ensure Councils long term financial position is sustainable • Recognise intergenerational funding requirements • Manage debt within defined levels • Maintain infrastructure for use by current and future generations • Ensure financial capacity for future generations • Timely provision of infrastructure while avoiding financial risks
Demise of the CBD	G2. A creative and exciting city	<ul style="list-style-type: none"> • Creative and Liveable Strategy • City Centre Transformation (City Shaping Move)
Poor city image and reputation	G1. An innovative and growing city G2. A creative and exciting city G3. A connected and safe community	<ul style="list-style-type: none"> • Economic Development Strategy • Creative and Liveable Strategy • Connected Community Strategy • City Centre Transformation (City Shaping Move) • Manawatu River Network (City Shaping Move)
Lack of council-community engagement and partnership	G3. A connected and safe community	<ul style="list-style-type: none"> • Connected Community Strategy
Improper environmental protection	G4. An Eco City	<ul style="list-style-type: none"> • Eco City Strategy • Economic Development Strategy • Enabling Sustainable Growth (City Shaping Move)
Land supply and infrastructure development do not match growth	G1. An innovative and growing city	<ul style="list-style-type: none"> • City Development Strategy • Enabling Sustainable Growth (City Shaping Move)

Missed economic growth and job opportunities	G1. An innovative and growing city	<ul style="list-style-type: none"> • Economic Development Strategy • City Development Strategy • City Centre Transformation (City Shaping Move)
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Key Operational Risks

12. Table 2 presents the key operational risks as recognised by the Management Team. It provides the risk description, the operational objective that the risk impacts upon, and the current risk status/progress.

Table 2

Risk #	Risk Description	Objective	Risk treatments
15	Council Does not deliver its capital budget	Timely provision of new infrastructure that builds capacity and enables the City to harness new development opportunities while avoiding the financial risks associated with over provision	<ul style="list-style-type: none"> • New Chief Infrastructure Officer and associated Infrastructure leadership team in place • Programme Management Office will be established to enable streamlined, optimised delivery of Capital Plan. • Planning and Assets function to be established within Infrastructure Unit to provide robust out-year planning
60	That infrastructure condition and performance assessments are not robust to inform assets management programming in the 10 Year Plan.	Provide infrastructure that enable growth and a transport system that links people and opportunities	<ul style="list-style-type: none"> • Planning and Assets function to be established within Infrastructure Unit will ensure that asset performance data (including condition) is collated, stored in an interrogatable manner. • A three waters report has been developed covering condition and performance of the three water assets and the improvements that are being made to monitoring and data capture. • Each of the AMP now has a section included detailing the approach to continuous improvement.
62	Council is unable to serve its customers because it is not	A local authority must ensure that it is able to function to the fullest	<ul style="list-style-type: none"> • Please refer to the 'Business Continuity Planning, PNCC Update' Report within

	prepared for all types of disruptions to its services.	possible extent, even though this may be at a reduced level, during and after an emergency (S.64[2] CDEMA, 2002).	this agenda.
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NEXT STEPS

The Committee will receive progress on the strategic and key operational risks identified.

COMPLIANCE AND ADMINISTRATION

Does the Committee have delegated authority to decide?	Yes
Are the decisions significant?	No
If they are significant do they affect land or a body of water?	No
Can this decision only be made through a 10 Year Plan?	No
Does this decision require consultation through the Special Consultative procedure?	No
Is there funding in the current Annual Plan for these actions?	Yes
Are the recommendations inconsistent with any of Council's policies or plans?	No
The recommendations contribute to Goal 5: A Driven and Enabling Council	
The recommendations contribute to the outcomes of the Driven and Enabling Council Strategy	
The recommendations contribute to the achievement of action/actions in a plan under the Driven and Enabling Council Strategy	
Contribution to strategic direction	

ATTACHMENTS

Nil

MEMORANDUM

TO: Audit and Risk Committee

MEETING DATE: 18 February 2019

TITLE: Health and Safety Report - Oct - Dec 2018

DATE: 18 January 2019

PRESENTED BY: Wayne Wilson, Human Resources Manager, Customer

APPROVED BY: Chris Dyhrberg, General Manager - Customer

RECOMMENDATION(S) TO AUDIT AND RISK COMMITTEE

1. That the Audit and Risk Committee note the information contained within the report dated 18 January 2019 and titled 'Health and Safety Report – Oct – Dec 2018'.

1. REPORT

This report covers the period 1 October to 31 December 2018. The information included in this report is discussed at the appropriate H&S Committee, the Main H&S Committee and Management Team.

Hazards, Incidents and Near Misses Reported

Quarter	Mar 17	Jun 17	Sep 17	Dec 17	Mar 18	Jun 18	Sep 18	Dec 18
Hazards	10	7	4	3	3	6	31	2
Incidents	56	20	58	12	33	37	21	36
Near Misses	24	28	27	8	23	18	25	20
Lost Time (days)	215.6	140	129.15	133.06	93.8	39.1	45.08	49
L.T. Injuries	13	9	17	9	12	8	8	6

Lost time days were again low in comparison to other quarters because the injuries recorded were of a minor nature. A number of lost time accidents are recorded to manual handling. The three main causes are lifting, slipping or stepping down from a vehicle or ladder.

Over the past two years these three causes have resulted in 19 injuries and 204 days absence (24% of total days lost).

Attachment One is the Infrastructure Unit report from People Safe for those parts currently in People Safe. The report covers the month of August with commentary for the quarter as well.

Investigations

No investigations required this quarter.

Previous Investigations

Number of Recommendations	24
Number of Recommendations Completed	24

External Review

The formal external review of our H&S processes and procedures was completed by Safe On Site in April. A programme of work has been developed to address the suggestions and recommendations of the report. The number of recommendations and suggestions from the Audit is 29. 48 actions have been identified in the plan to address the issues.

Status of Actions	High	Medium	Low
Completed	6	3	
On-going action (completed but continues)	2	4	
In Progress	9	9	1
Awaiting completion of a prerequisite action	6	3	
On Hold (Timing)		5	

The majority of the actions that are awaiting completion of a prerequisite action relate to standardised standard operating procedures.

Training

Attached is a report on H&S specific training undertaken this calendar year. This captures most of the training provided but not all, as H&S can be a component of other courses and it does not capture the on-the-job instruction type learning. The highlighted courses are those that new employees undertake. Not included is the H&S induction that all new staff receive.

Wellness

The **Activate Wellness Gym** was used 1,344 times during the quarter or an average of 103 times per week by 124 individual staff members during the period. Following on from the successful collaboration with UCOL last year, a new group of students worked with 60 staff on a wellness improvement programme during the quarter.

Annual leave taken during the quarter was 3,287 days compared to 2,277 December quarter 2017. This was partly due to the closure of the Council earlier at Christmas this year.

Dec 17	Mar 18	Jun 18	Sep 18	Dec 18
2277	2433	1556	1660	3287

Turnover for the quarter of permanent staff was 31 or 5.56%. The annual turnover rate was 13.8%. Normally we measure employee initiated turnover only which is 11.3%. Employee initiated turnover are resignations and retirements. Our benchmark is 12% which ensures that we have sufficient turnover to refresh the organisation. The higher number of Other this quarter relates to redundancies due to the restructure.

Date	Dec 17	Mar 18	Jun 18	Sep 18	Dec 18
Employee Initiated	14	20	11	12	20
Other	2	3	0	0	11

Attachment One

Infrastructure Unit – Health and Safety Report

December 2018

Executive Summary

This report provides a high-level overview of the health and safety performance of part of the PNCC Infrastructure Unit for month end December 2018.

The trends over the twelve months to date are presented. A quarterly report compares 2018Q3 to 2018Q4, and an annual report compares December 2018 to December 2017.

Key points:

- We are still performing well against national benchmarks for Total Recordable Injuries and Lost Time Injuries per 200,000 hours worked.
- No Notifiable Injuries this month. The last was in April 2018.
- There was only one new Lost Time Injury (LTI) resulting in relatively low 24 hours lost. This is quite favourable compared to the past 12 months. Near miss reports remain high at 6 this month, which is good from a workplace culture point of view.
- Comparing quarterly results 2018-Q4 with 2018-Q3, and comparing Dec 2018 with 12 months previously, we have a similar situation overall. There is a definite annual peak in incidents occurring in July, which is thought to be due to winter working.
- Historically, injuries around manual handling continue to be by far the largest activity at 33%. This is identified as an objective for analysis and an action plan, coordinated through the HR team.

People Safe - Progress

People Safe is scheduled to be rolled out Council-wide, coordinated by the HR team. Timing is to be confirmed.

Work is ongoing with information entry for periodic staff training and equipment testing, though progress is limited due to a lack of dedicated staff time available.

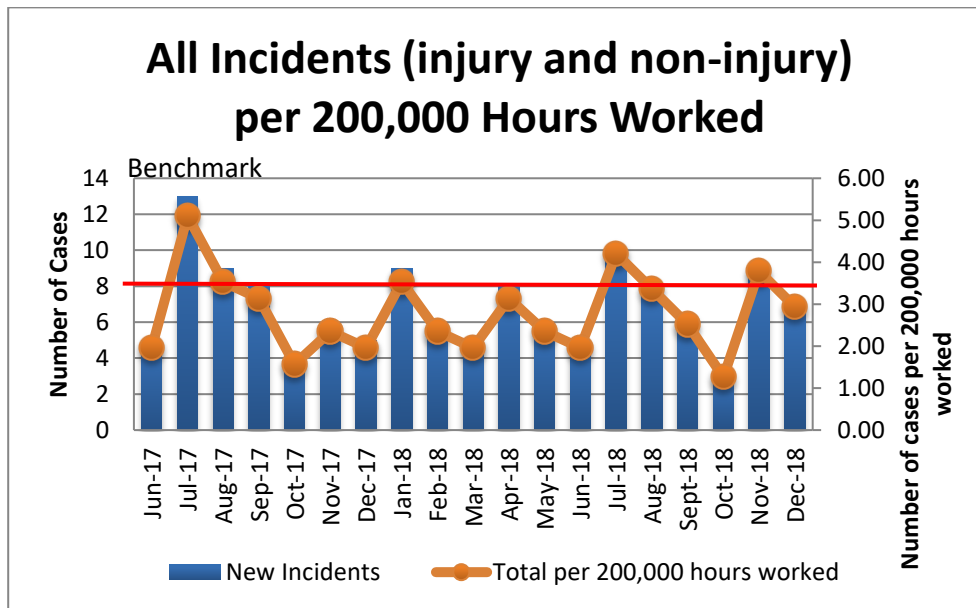
National Benchmarks and Commentary

The following are key benchmarks from Zero Harm NZ's Business Leaders' Health and Safety Forum.

More at <http://www.zeroharm.org.nz/resources/benchmarking/>

We now have 19 months' data. This enables us to make meaningful comparisons with the same time last year, which is also an industry benchmark.

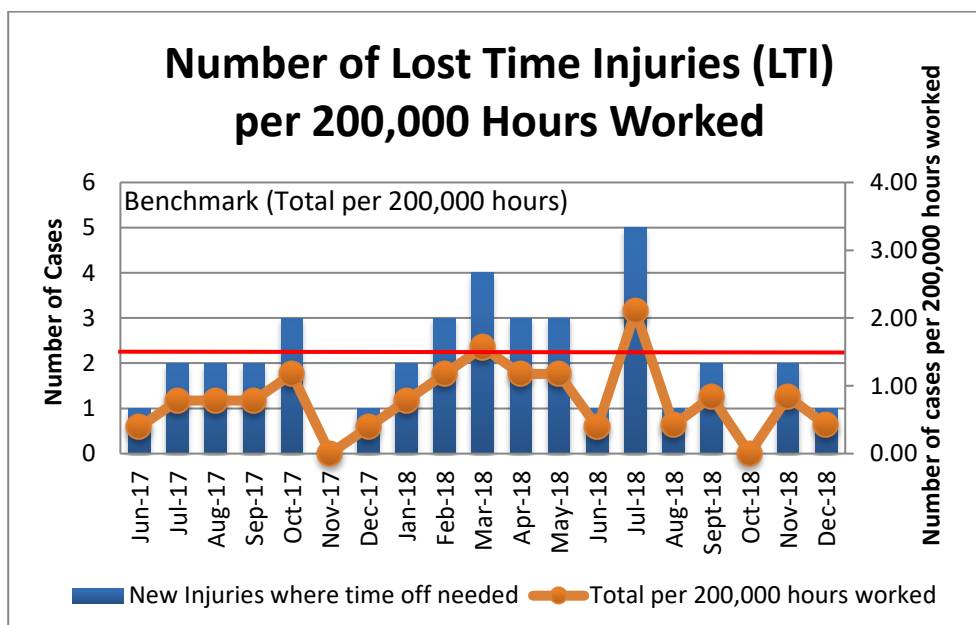
Commentary:



TRIFR = total medical treatment injuries, restricted work injuries, lost time injuries and fatal injuries.

Benchmark 2016 = **3.29** / 200,000 hours worked

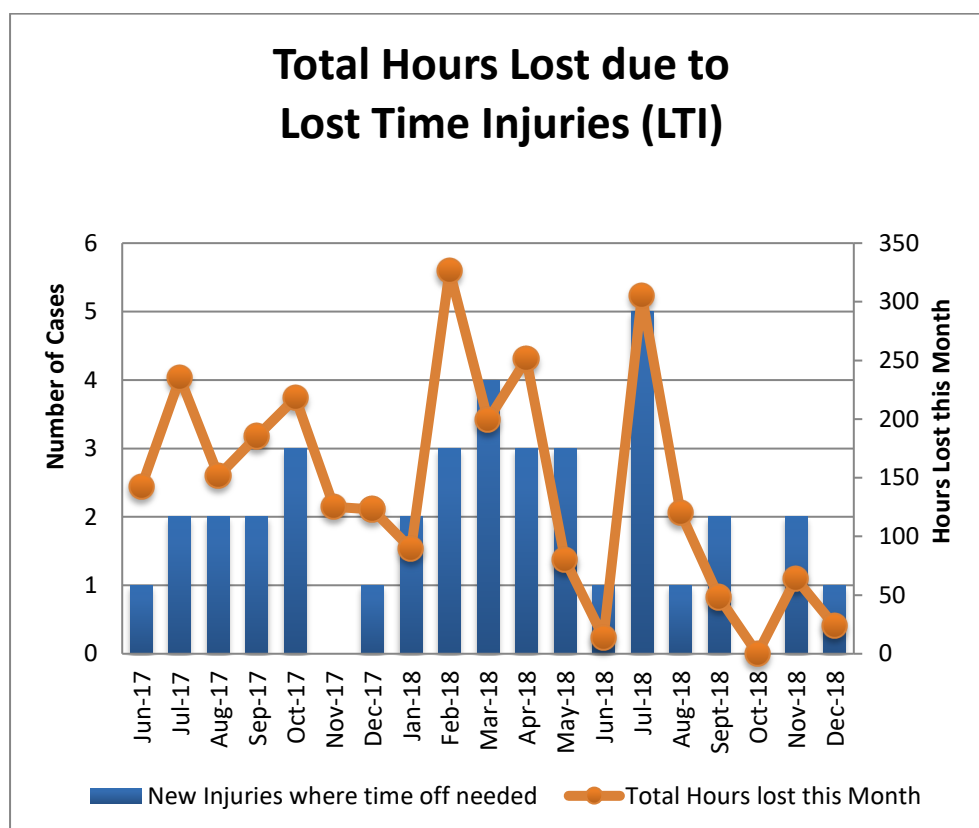
The number of cases of Total Recordable Injuries (TRIFR) this month has decreased from last month to the historical average. This is a similar pattern to the same time last year. There appear to be two peaks emerging during the annual cycle: July (due to winter working and wet weather) and Summer (possibly due to volume of work). The average rate per 200,000 hours worked over the 12 months to date is still well below the benchmark level.



LTI = where an injury prevents a return to work for 1 day/ shift or more.

Benchmark 2016 = **1.54** / 200,000 hours worked

The number of new Lost Time Injuries (LTI) at 1 case and all backlog cases from previous months resolved, is a pleasing result. That indicates that while the total number of injuries is at the historical average this month, there is a low proportion of the more serious Lost Time Injuries.



Notifiable Events

There were no new Notifiable Events in the reporting period or in the 6 months to date. The last was in April 2018.

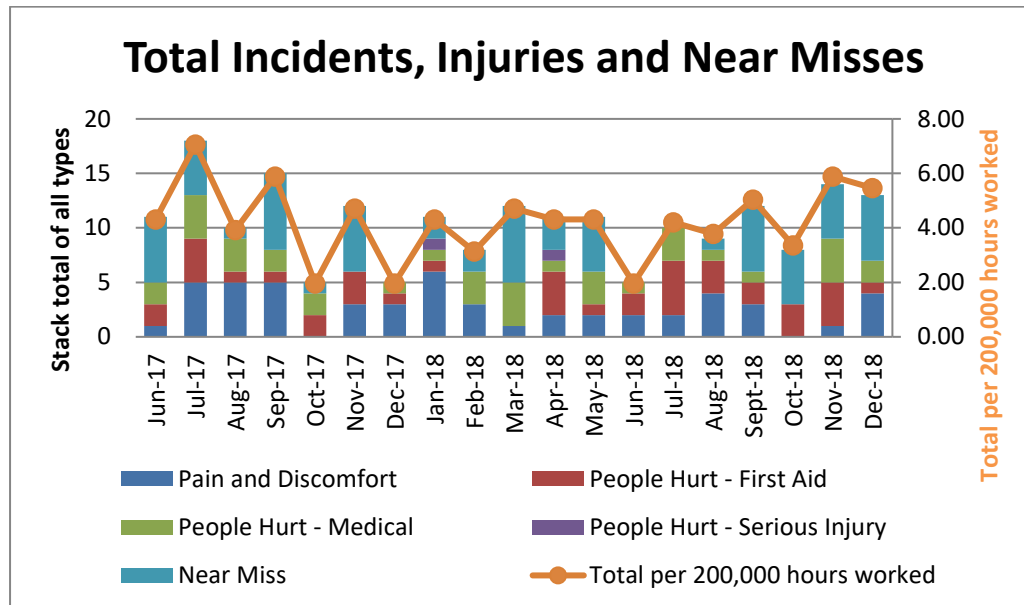
	This Month	6 Months to Date
Fatalities	0	0
Notifiable Incidents under H&S at Work Act 2015	0	0

Range of Incidents, Injuries and Near-misses

The graph below illustrates the range of incidents, injuries and near-misses encountered. It includes “general pain and discomfort”, which are reported through People Safe.

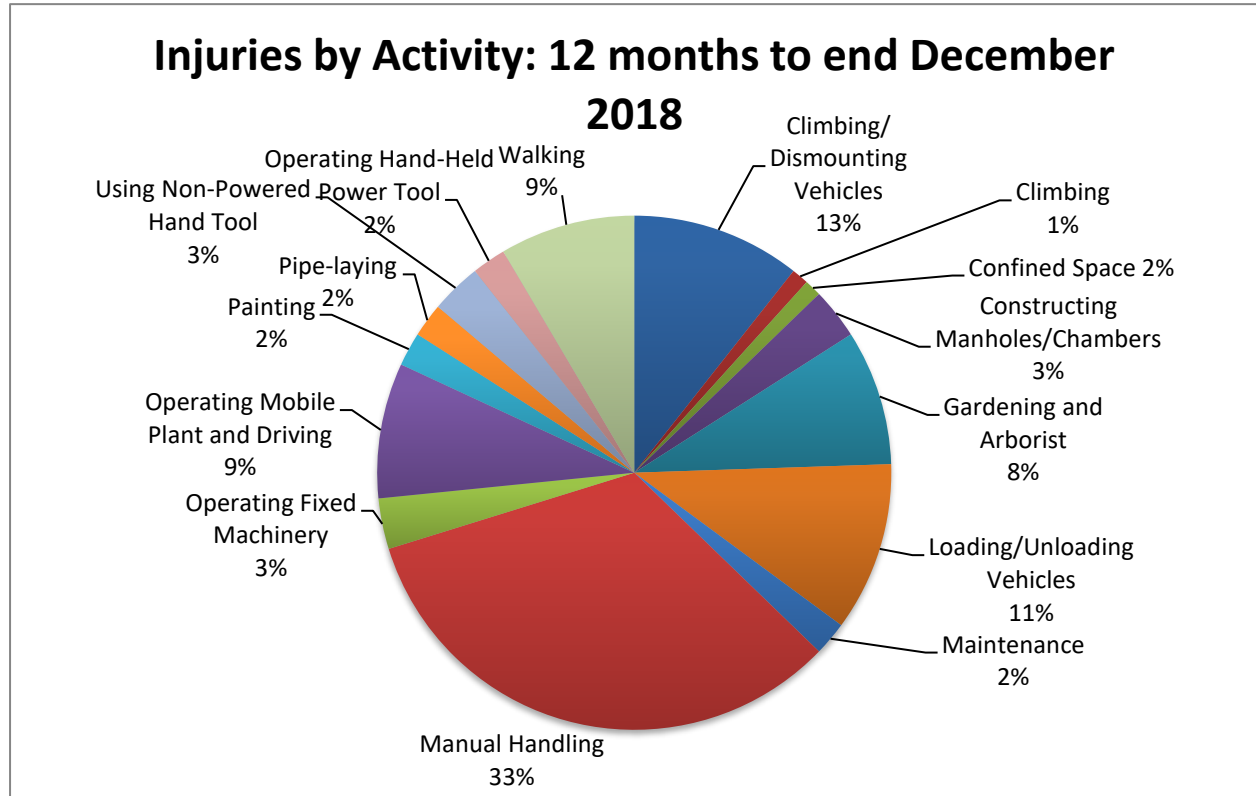
The monthly totals over the 12-month reporting period show a broadly similar rate over time. The reporting of near-misses generally remains high, which is good (in terms of workplace culture) and the observations gained are fed back into the workforce through the People Safe system, tool box meetings and the like.

Deteriorating surfacing and potholes at the Albert Street Depot have led to reports of back pain and discomfort from drivers of loaders and forklifts. This has been noted at Health and Safety meetings attended by Union delegates also. While short-term infill repairs are being made, they deteriorate quickly. Since being formally reported in this report last month, the work has now been scheduled for more permanent resurfacing by a major contractor in February 2019.



Injuries by Activity Type

The graph below illustrates the range of actual injuries (not near-misses) by activity.



This month's recorded injuries again centred mostly around working with vehicles and manual handling. These are in the highest risk group of activities in terms of injuries: working around vehicles; operating mobile plant and manual handling accounting for $(33+11+13+9) = 66\%$.

This is identified as an objective for analysis and an action plan. Incident reports and data will be collated as part of the study and various possible contributory factors will be explored.

Quarterly and Annual Reporting

A Quarterly Report was submitted in September for 2018-Q3. The table below compares data for the immediate past quarter, 2018-Q4. The situation is about the same or slightly better overall.

Quarterly Metric	Benchmark	2018-Q3	2018-Q4	Change, Q3 to Q4, %
All Incidents (injury and non-injury); per 200,000 hours	-	4.34	4.06	-6
Total Recordable Injuries (TRIFR); per 200,000 hours	3.29	3.36	2.66	-21
Lost Time Injuries (LTI); per 200,000 hours	1.54	1.12	0.42	-63
Fatalities; number	-	0	0	0
Notifiable Incidents under H&S at Work Act 2015; number	-	0	0	0

Comparing December 2018 to the same time last year, we have more incidents (injury and non-injury) overall, but this is mainly due to better reporting of near-misses. The Total Recordable Injury rate is higher, but from a low base – it represents an increase from 2 to 3 injuries that month, out of 238 staff members. Therefore, overall the metrics are about the same as the same time last year.

Annual Metric	Benchmark	Dec 2017	Dec 2018	Change, 2017-18, %
All Incidents (injury and non-injury); per 200,000 hours	-	1.96	5.46	179
Total Recordable Injuries (TRIFR); per 200,000 hours	3.29	0.78	1.26	62
Lost Time Injuries (LTI); per 200,000 hours	1.54	0.39	0.42	8
Fatalities; number	-	0	0	0
Notifiable Incidents under H&S at Work Act 2015; number	-	0	0	0

Paul Compton
Logistics and Support Manager, Infrastructure Unit
11 January 2019

PALMERSTON NORTH CITY COUNCIL

Attachment Two

Event	Mar 18	Jun 18	Sep 18	Dec 18
Accident and Event Investigation				
Arboriculture Workplace Assessor			1	
Blood Levels Lead Based Paint	10			
BRANZ Bracing Seminar				
Brushwood Chipper Training				
Business First Line Management L4				
Chainsaws Use and Safety		8	6	
Chemical Handling & Spill Management				1
Concrete Saw			20	
Collections Induction				
Confined Space Entry	15		11	
Contractor Pre-Qualification		53		
Customer Conflict Awareness		30		
Dealing with Critical Incidents		35	11	
Dealing with Difficult People				
Dealing with Mental Health				23
Defibrillator Training				8
Drainlaying			2	
Driver Assessment Training	14			
Driver's License – Class 1R (Restricted)				1
Driver's License – Class 2L (Learners)		1		
Driver's License – Class 5L (Learners)				
Driver's License – Class 4L (Learners)				
Driver's License – Class 1 (Car License)	4	4	1	
Driver's License – Class 2 (Medium Rigid Vehicle)	2	1	1	1
Driver's License – Class 3 (Medium Combination)				1
Driver's License – Class 4 (Heavy Rigid)	1	2		1
Driver's License – Class 5 (Heavy Combination)				1
Driver's License – Class 6 (Motorcycle)				1
Electric Glass Truck			7	
Electric Rearpacker Truck			7	
Electrofusion Certificate		13		
Elevated Working Platform (Scissor Lift and Boom)			4	
Embracing Change			74	

Emergency Management CIMS4				
Endorsement (D) Dangerous Goods				
Endorsement (F) Forklift	2			
Endorsement (R) Roller	3	2	1	1
Endorsement (T) Tracks	3	2	1	1
Endorsement (W) Wheeled Special Type	4	2	1	1
Fall Arrest System Refresher, Rope & Abseiling Refresher				
First Aid Certificate	1	7	30	9
Forklift OSH Certificate			1	4
Growsafe		12		
Harassment Prevention and Awareness	42			26
Height Safety Advanced		3		
Height Safety Intro				1
H&S Essentials		19		
H&S Rep Stage 1		3	3	
H&S Rep Stage 2		1		
How To: Tell Your Story				
ID Plant & Trees		1	3	
Internal Training – Basic Asbestos Induction				
Internal Training – Easy Start Orientation	10	4		
Internal Training - Collections Induction Video				
Internal Training – Forklift SOP				
Internal Training – Notifiable Events				
Kerbside Collection Traffic Leader		3		
Managing Mental Health			30	
Managing Performance Masterclass				
Move at Work (Manual Handling)				
NC in Sports Turf L5				
NZ Certificate in Infrastructure Level 2				
Other PCBU's – Dealing with Sub/Contractors				36
Playground Safety Inspections Level 2				
Quad Bike Training			14	
Resilience		15	11	10
Safe Work Zones				
Site Induction Training: Depot		1		
Site Induction Training: MRF		1		
STMS Level 1 – Site Traffic Management	3	3	6	2

PALMERSTON NORTH CITY COUNCIL

TC1 – Basic Traffic Controller Level 1	2	4	5	2
Tractor and LUV Training Level 2				
Truck Loader Crane/Hi Ab	3			
WCTL (Waste Collection Traffic Leader)				
Total Number of Events	16	26	24	20
Total Number of Staff Attending	129	230	253	131

Note: Highlighted courses are included in orientation.

2. COMPLIANCE AND ADMINISTRATION

Does the Committee have delegated authority to decide?	Yes
Are the decisions significant?	No
If they are significant do they affect land or a body of water?	No
Can this decision only be made through a 10 Year Plan?	No
Does this decision require consultation through the Special Consultative procedure?	No
Is there funding in the current Annual Plan for these actions?	Yes
Are the recommendations inconsistent with any of Council's policies or plans?	No
The recommendations contribute to Goal 5: A Driven and Enabling Council	
The recommendations contribute to the outcomes of the Driven and Enabling Council Strategy	
The recommendations contribute to the achievement of action/actions in a plan under the Driven and Enabling Council Strategy	
The action is: Providing a safe and healthy workplace.	
Contribution to strategic direction	Providing a healthy and safe workplace

ATTACHMENTS

Nil

MEMORANDUM

TO: Audit and Risk Committee

MEETING DATE: 18 February 2019

TITLE: 2018/19 Internal Audit Plan 6-Month Progress Update

DATE: 15 January 2019

PRESENTED BY: Vivian Watene, Senior Internal Auditor, Strategy and Planning

APPROVED BY: Sheryl Bryant, General Manager - Strategy & Planning

RECOMMENDATION(S) TO AUDIT AND RISK COMMITTEE

1. That the Committee note the internal audit progress made against the 2018/19 Internal Audit Plan in the Memorandum, titled '2018/19 Internal Audit Plan 6-Month Progress Update' dated 15 January 2019, and its five Appendixes.

ISSUE

1. In accordance with the Internal Audit Charter, this Memorandum informs the Committee on the progress and the findings of the 2018/19 Internal Audit Plan.
2. For the routine audit reviews, this Memorandum focuses on reporting the exceptions.

BACKGROUND

3. Appendix A is a schedule of the 2018/19 projects and their progress status.
4. Internal Audit has completed 3 out of 6 new reviews from the 2018/19 Internal Audit Plan as follows:
5. **IT Disaster Recovery Plan**
 - Reported to this Committee in November 2018.
6. **Leased Carpark Revenue Process**
 - A 2-Page high level Executive Summary report for this audit is in Appendix B for information.

- The audit was to provide assurance over the adequacy and effectiveness of operation processes and the relevant controls surrounding the Leased Carpark revenue operations.
- The audit highlighted a misalignment between the PNCC's 'Traffic and Parking Bylaw 2018' and PNCC Delegation Manual regarding the authority to approve Lease Parking Fees and Charges, among other observations which need improvement.

7. IT Security

- An external IT Security Specialists firm, Scientific Software and Systems (SSS), conducted the audit.
- The audit highlighted the PNCC's main lack in documentation on the IT related policies and processes, and the lack of IT security trainings of the relevant staff. A lack of some IT security solutions was also noted.
- Management has agreed to implement the audit recommendations to better compliance with the criteria and good practice.
- A 2-Page high level Executive Summary of this audit is in Appendix C for information.

8. The following paragraphs give a summarised exception on the internal audit routine reviews.

9. Cash Spot Checks:

- A few 2015/16 petty cash receipts have not been accounted on the council's accounting system (since corrected);
- Some \$80 cash float money being utilised to cover a shortfall from the ticket sale mistake not yet rectify (since rectified).

10. Credit Card Transactions:

- 3 credit card holders have not accounted for their expenses for the last 4-5 months since July/August 2018.

11. Staff Expenses Reimbursements:

- Business purpose for some expenses not clearly stated.
- Some expenses authorised but not by the General Manager as stipulated by the Management Team's Expense Policy (MT18)

12. It is part of the Business Assurance's undertaking for its transformation journey that documented sample of good and bad Staff Expense Reimbursement claims will be shared with the relevant staff for improvement.
13. **Journal Transactions:**
 - Some journals lack source documentations which are the evidence for the journals (now resolved).
14. **Payroll Master File Weekly Audit:**
 - Some cash pay-out of annual leave to the staff did not comply with the Holiday Act (since resolved).
15. **Internal Audit Reviews Follow Up:**
 - Appendix D is a schedule of suggested improvements by Internal Audit from the prior audit reviews and Management has missed the agreed implementation timeline by 6 months or longer. Several items have been removed from the schedule as they have been implemented. However, some new items have been added.
 - Appendix E is a schedule of issues raised by Audit New Zealand and detailed in their final management report to the Council received in October 2018. The Schedule contains the management agreed actions and the implementation progress status updated by management on the agreed actions, among other details. The Schedule also includes pending corrective actions from the prior years' audit.

NEXT STEPS






16. The next progress report to this Committee is in May 2019 on the Internal Audit Reviews Follow Up (paragraph 15).

COMPLIANCE AND ADMINISTRATION

Does the Committee have delegated authority to decide?	Yes
Are the decisions significant?	No
If they are significant do they affect land or a body of water?	No
Can this decision only be made through a 10 Year Plan?	No
Does this decision require consultation through the Special Consultative procedure?	No
Is there funding in the current Annual Plan for these actions?	Yes
Are the recommendations inconsistent with any of Council's policies or	No

plans?	
The recommendations contribute to Goal 5: A Driven and Enabling Council	
The recommendations contribute to the outcomes of the Driven and Enabling Council Strategy	
Contribution to strategic direction	The organisation's relevant systems and processes being audited can be more effective and efficient and more compliant to the criteria and good practice, once the agreed corrective actions are implemented.

ATTACHMENTS

1. Appendix A 2018/19 Internal Audit Plan Progress Status [↓](#) 
2. Appendix B Leased Carpark Revenue Processes Audit October 2018 [↓](#) 
3. Appendix C IT Security Audit by Scientific Software and Systems Ltd December 2018 [↓](#) 
4. Appendix D Internal audit Management Corrective Actions - Timeline Missed Schedule [↓](#) 
5. Appendix E Audit NZ Recommendations from the 2018 Management Report [↓](#) 

Appendix A



IT Disaster Recovery Plan (ITDRP)

Summary Report for Audit and Risk Committee

August 2018

1. Executive Summary

INTERNAL AUDIT OBJECTIVE:	CONTROL AUDIT OBJECTIVES <i>Whether</i>	RECOMMENDATIONS BY PRIORITY		
		High ¹	Medium ²	Low ³
<p>To provide assurance over the adequacy and effectiveness of processes and controls surrounding ITDR management.</p> <p>COUNCIL GOAL THIS REVIEW RELATES TO: GOAL 5 – A driven and enabling Council</p>	1. A complete, adequate and relevant ITDRP documentation is in place.	6	-	-
	2. ITDRP is aligned with the BCP ⁴ IM ⁵ expectations	2	4	-
	3. Interfaces between dependent and feeder systems are understood and appropriate risk assessments undertaken	7	3	-
	4. Testing is performed to validate ITDR ⁶ , how the outcomes are reported and corrective actions implemented	6	-	-
	5. ITDRP documentation includes procedural details to follow for data backup and recovery	2	-	2
	6. Reliance on the third-party suppliers to support the critical IT systems is clearly defined and formally agreed	-	2	-
	<i>Collaborative Action According to the Risk Ranking</i>	23	9	2
REVIEW OPINION				

In performing the audit, the following positive practices and initiatives were noted:

- ✓ Council has already begun migrating to Cloud and there are plans to fully migrate all application systems to Cloud which will allow for faster turnaround time to restore the Council's IT systems, minimal downtime expense, will be less complicated and more reliable as a 'disaster recovery' solution.
- ✓ PNCC has setup an exact replication of the production system in full at a secondary Disaster Recovery site with 1-hour Recovery Point Objective (RPO)⁷ and 4 hours Recovery Time Objective (RTO)⁸ for full recovery of all systems
- ✓ Council uses a combination of backup methodologies which is partly on Cloud and partly using backup software technology

However, at the time of the audit, Internal Audit could only provide '**Limited Assurance**'⁹ to Management on the effectiveness of the operation and design of existing internal controls. As a result, **we raised 11 audit issues** and an action plan has been developed in collaboration with the business to address these issues. Once the collaborative action plan is implemented, the assurance level should be elevated to '**Full Assurance**'¹⁰.

¹ High - These recommendations relate to a serious weakness which exposes the Council to a material extent in terms of achievement of Council's objectives, financial results, operational efficiencies, and legislative compliance or otherwise impair the Council's reputation.

² Medium - These recommendations relate to deficiencies that need to be addressed to meet expected standards of good practice. These include any control weakness which could undermine the system of internal control or operational efficiency.

³ Low - A weakness which detract from the system of internal control or operational efficiency but will be beneficial to management to address.

⁴ BCP: Business Continuity Planning

⁵ IM: Information Management

⁶ ITDR: IT Disaster Recovery

⁷ RPO: This is a measure of how much data loss can be tolerated once the application is once again running.

⁸ RTO: This is a measure of how much outage time can be tolerated before the application is back up and running.

⁹ Limited Assurance: There are significant weaknesses in key areas of system controls and/or non-compliance that puts achieving the system objectives at risk.

¹⁰ Full Assurance: There is a sound system of control designed to achieve the system objectives and the control are consistently applied

Audit issues rated as 'high' were mainly as follows:

- × The need to keep the ITDRP documentation updated and maintained to accommodate any business process or technological changes.
- × The reliability and adequacy of procedures outlined in ITDRP documentation needs to be strengthened by periodical testing and regular communication of the ITDRP processes
- × Members of staff with responsibility for IT DR should be provided with adequate training to ensure that the roles and responsibilities are clearly understood.
- × The need to have clear alignment between ITDRP and BCP processes in terms of defining RTO requirement and provisioning for IT hardware requirements etc.
- × The need to establish a formal risk analysis procedure that periodically assesses the physical, environmental, security, system interdependencies / single points of failure risks to the PNCC IT network or infrastructure.

OVERVIEW of ITDRP

ITDRP is an important component of the business continuity planning. PNCC relies heavily on several critical systems across a broad range of Council's services and operations. The failure of any of these systems could have a significant impact on Council's ability to deliver services across the City. Effective ITDRP is therefore essential to ensuring that the Council can respond to system failures in the event of a major disaster incident or business interruptions, to maintain operations of all critical systems. Hence it is critical that ITDRP is appropriately planned for, and considered within the context of PNCC's wider BCP management strategy.

2. Next Steps

The implementation of the collaborative action plan is the responsibility of the relevant General Manager who will monitor and manage the process.

The audit will continue the follow-up process as usual. On completion or full implementation of the agreed action plan, the assurance level should be elevated from the initially '**Limited Assurance**' to '**Full Assurance**'.

Appendix B



Leased Carpark Revenue Process Review

Summary Report for Audit & Risk Committee

October 2018

1. Executive Summary

INTERNAL AUDIT OBJECTIVE:	CONTROL AUDIT OBJECTIVES <i>Whether</i>	Audit Issues BY PRIORITY		
		High ¹	Medium ²	Low ³
<p>To provide assurance over the adequacy and effectiveness of design and operations of end to end processes and controls surrounding the Leased Carpark revenue operations.</p> <p>BUSINESS ASSURANCE REVIEW RELATES TO: GOAL 5: Driven & Enabling Council</p> <p>COUNCIL GOAL THE PROCESS UNDER REVIEW RELATES TO: GOAL 1: Innovation & Growing City (Strategic Transport Activity)</p>	1. Current processes comply to relevant Council Bylaws, policies, procedures and / or good practices?	2	3	3
	2. Existing Strategic Plan are being implemented as planned and/or being monitored?	3	2	-
	3. Processes and controls surrounding the tenancy contract administration etc. are adequate and effective?	-	3	8
	4. Current processes used for accounts receivables related matters are adequate and effective?	-	4	5
	<i>Collaborative actions according to the Risk ranking</i>	5	12	16

REVIEW OPINION

Our review identified the following areas of good practise:

- ✓ Leased Car parking application & termination processes are well handled and customer issues are dealt within reasonable timeframes.
- ✓ Invoicing and debt recovery of the outstanding amounts are managed by the Finance unit in line with the standard accounts receivable procedure.
- ✓ Leased Carparking related infringement offences are well controlled and effective.

Based on the audit conducted, Internal Audit can provide '**Substantial Assurance**'⁴ to Management and Governance on the effectiveness of the operation and design of existing internal controls. We have raised **18 audit issues** and an action plan has been developed in collaboration with the business to address these issues. Once the agreed action plan is effectively implemented, the assurance level may be elevated to '**Full Assurance**'⁵.

Some of the notable issues are:

- ✗ Authority to approve 'Lease Parking Fees & Charges' needs to be aligned between PNCC's 'Traffic and Parking Bylaw 2018' and PNCC Delegations Manual.
- ✗ There is a need to revise the Council's adopted 'Parking Management Plan' and establish effective internal controls to ensure that the objectives and initiatives as identified in the Plan are well managed and implemented accordingly.

¹ High - These recommendations relate to a serious weakness which exposes the Council to a material extent in terms of achievement of Council's objectives, financial results, operational efficiencies, and legislative compliance or otherwise impair the Council's reputation.

² Medium - These recommendations relate to deficiencies that need to be addressed to meet expected standards of good practice. These include any control weakness which could undermine the system of internal control or operational efficiency.

³ Low - A weakness which detract from the system of internal control or operational efficiency but will be beneficial to management to address.

⁴ Substantial Assurance: While there is basically a sound system of control to achieve the system objectives, there are weaknesses in the design or level of non-compliance which may put this achievement at risk.

⁵ Full Assurance: There is a sound system of control designed to achieve the system objectives and the control are consistently applied

- × Standard operational procedures need to be set up that clearly define all processes involved including well defined and roles and responsibilities.
- × Administration processes need to be made more robust to ensure good quality of customer & parking property data on Council's Financial Administration system (OZONE) and a more accurate invoicing management.

OVERVIEW of LEASED CARPARK REVENUE

This report has been prepared to report on the internal audit conducted based on the agreed Internal Audit Plan for 2018-19, approved by the Audit & Risk Committee.

Palmerston North City Council (PNCC) owned carpark are regulated under the Land Transport Act 1998 and its own Traffic and Parking Bylaws 2018. PNCC is responsible to manage, maintain, administer and collect fees and charges for a wide range of on and off-street parking facilities throughout the City. On-street parking, can be generally described as that which is located alongside the edge of the roadway. Whereas, Off-street parking, is where the parking facility does not directly interact with the through traffic flow along a road other than at the access point between the road and the car park. It includes both non-metered and Leased Carparking.

Leased Carparking, which is the subject matter of this audit, is a type of parking facility which is required when demand for parking far outweighs the supply of on-road facilities and alternative parking areas are required. The primary objectives of Leased Car Parking are to:

- Maintain high occupancy levels (over 90%) in support of efficient use of land
- Maintain a flexible parking supply which caters for and supports the economic vitality and vibrancy
- Maintain a parking supply that is balanced, equitable and supports active and public transport

The revenue from Parking in 2017/18 was \$3.8m, of which 10% (\$404k) was sourced from fees collected from Leased Carparks. These figures include income from Leased Carpark permits but does not include the infringement charges.

2. Next Steps

The implementation of the collaborative action plan is the responsibility of the relevant General Manager who will monitor and manage the process.

The audit will continue the follow-up process as usual. On completion and effective implementation of the collaboratively agreed action plan, the organisation is on the journey to a higher assurance level.

IT Security Audit

Appendix C



IT Security Audit

(Conducted by IT Security Specialists - Scientific Software and Systems Ltd)

Summary Report for Audit & Risk Committee

December 2018

1. Executive Summary

INTERNAL AUDIT OBJECTIVE:	CONTROL AUDIT OBJECTIVES <i>Mapped to NZISM</i>	Number of Controls PNCC is:		
		Non Compliant	Partially Compliant	Compliant
<p>To provide compliance assurance over the PNCC IT Security practices against the NZ Information Security Manual (NZISM).</p> <p>COUNCIL GOAL THIS REVIEW RELATES TO: GOAL 5: A driven and enabling Council</p>	1. Policy/Governance	2	6	
	2. Processes, Procedures and Standards		5	4
	3. Human Resource Security			2
	4. Physical Security		1	1
	5. Environmental Security		4	
	6. Training, Awareness, and Communication	1		
	7. IT Hardware and Equipment		3	1
	8. Software, Tools, and Applications	1		1
	Total Controls	4	19	9

REVIEW OPINION

In performing the audit, the following positive practices were noted:

- ✓ Adequate on-premise security controls are implemented by the Council to protect its information processing facilities.
- ✓ The Council has an existing Disaster Recovery Plan, which will be updated to include specific response plans to restore critical IT systems within a prescribed time after the occurrence of a major information security incident.
- ✓ The Council uses a cross-functional scheme ensuring that various stakeholders in the project are involved and can evaluate the Request for Proposal response to suit their individual business needs.
- ✓ The Council maintains a robust process that automatically tests and implements software updates to fix known or discovered weaknesses in critical IT systems.
- ✓ The Council maintains a technology that keeps harmful malicious software (a.k.a. malware or virus) from infecting the systems in the PNCC network.
- ✓ Adequate screening processes are used by the Council to ensure prospective employees are of good character.
- ✓ The Council employs a continuous threat intelligence technology to protect its IT network and systems from Denial of Service, or Distributed Denial of Service attacks.
- ✓ Information classification is defined and documented in its electronic data records management system (EDRMS).

At the time of this audit, the IT Security Specialist could provide a '**Limited Assurance**'¹ to Management as the Non-Compliant and the Partially Compliant in controls are related to the NZISM's 'must' have requirements.

With an effective implementation of the collaborative corrective actions, the organisation is on the journey toward '**Substantial Assurance**'².

¹ Limited Assurance: There are significant weaknesses in key areas of system controls and/or non-compliance that puts achieving the system objectives at risk.

² Substantial Assurance: While there is basically a sound system of control to achieve the system objectives, there are weaknesses in the design or level of non-compliance which may put this achievement at risk.

Audit issues deemed the highest risk were mainly as follows:

- × PNCC does not have an Information Security Policy and its supporting sub-policies, Standard Operating Procedures and standards for its approach to information security.
- × PNCC lacks a formal and documented key policy pertaining to access control, information security incident management and digital media management.
- × There is no ongoing information security training and awareness programme within the Council. Policies, procedures and standards are as good as the people who abide by and execute them.
- × The Council does not use a data loss prevention (DLP) software solution which aims to prevent the end users sending sensitive information out of the corporate network. A good DLP solution will provide a suitable security 'safety net' whilst having little/no negative impact on operations.
- × PNCC lacks an endpoint security solution that encrypts removable media, such as USB, by default.

OVERVIEW of IT SECURITY AUDIT

PNCC commissioned the Scientific Software and Systems Limited, an IT security specialists firm, to conduct this compliance audit, which was concluded in December 2018. This audit was to assess the overall compliance of the PNCC's IT security practices against the New Zealand Information Security Manual (NZISM). The audit recommendations aim to address the risks deemed the highest on completion of audit. Management has resolved to implement all the suggested improvements.

2. Next Steps

The implementation of the collaborative action plan is the responsibility of the relevant General Manager who will monitor and manage the process.

The audit will follow-up the corrective actions implementation plan. On completion and full implementation of the agreed actions, the assurance level should be re-assessed. An effective implementation of the corrective actions will likely raise the assurance level.

Internal Audit Management Agreed Corrective Action - Timeline Missed Schedule

Recent follow-up on the Management Agreed Corrective Actions recommended by the Internal Audit - Progress Status as at December 2018)
(Agreed Timeline missed by 6 months or longer)

MT	Original Timeline	Unit	Audit Issue	Agreed Corrective Act ions	Significance of each action	Updated Timeline	Management Comments	Progress at YTD December 2018 toward full implementation
	Non-Financial Performance Measures <i>(Final Report1166089 Follow Up 5425578)</i>							
	Feb 2015	Infrastructure	4a)	Provide more staff training on the requirement to enter the actual response timings from the job sheets not the data entry time.	Data may not be accurately captured and report	Dec-2018 June 2019	This is in hand and we should have some data by January 2015 to enable any necessary tweaks to be made before formal reporting is required.	<u>YTD December 2018 Update</u> As previously indicated the handheld mobile solution has been fully rolled out for scheduled maintenance job assignments. Relevant staff have been trained on the use of handheld mobile. However, the roll out for unscheduled maintenance job assignments has commenced and is expected to continue through until June 2019, including staff training.
			4b)	Provide a system to verify the recorded response times.		Dec-2018 June 2019	Provision of handhelds for field staff would assist enormously in ensuring that accurate time data is recorded. Discussions with regard to roll out of handheld equipment for field staff have begun with Council's IT department	<u>YTD December 2018 Update</u> Recommendation 4b is embraced into the handheld mobile solution
	Parking Collection Contract Management <i>(Final Report 893010 Follow Up 6032564)</i>							
	June 2015	Finance	1 a)	Improve its guidance for its staff on contract management by explaining when a Contract Management Plan is expected to be prepared, how it will be authorised and what it should contain.	Staff may not have the appropriate tool to carry out their tasks	March 2019	Agreed that a standalone Guide for Service Contracts will be prepared.	<u>YTD December 2018 Update</u> The external consultant has completed the review of the organization's Procurement processes. The recommendations from the review will be managed by the Procurement Manager due to start on the 07 th Jan 2019
	Project Management <i>(Final Report 6687588 Follow Up 8937936)</i>							
	By Sept 2016	Infrastructure	15	Risk register not updated or reviewed by Management; Management should update the risk registers for each team	Unmanaged risks could affect the success of the project	March 2019	Agree we could do this better and will implement.	<u>YTD December 2018 Update</u> A comprehensive risk identification workshop has been organised for Feb19 involving the newly appointed PNCC Risk Manager and the 30 mangers within infrastructure. This will result in a fully populated portfolio/program risk register, risk owners and key mitigations. Furthermore, the Infrastructure Project Management Office(PMO) will be established which will provide process and project management excellence including the implementation/population of project centric risk registers.

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MT	Original Timeline	Unit	Audit Issue	Agreed Corrective Act ions	Significance of each action	Updated Timeline	Management Comments	Progress at YTD December 2018 toward full implementation
Budget Setting (Final Report 6774311, Follow up8191226)								
	June 2016	Customer	2	a) Seek ways to better engage with the Business Units in Information Management (IM) Planning. This might involve the following: <ul style="list-style-type: none"> – by better aligning the planning cycle to accommodate the business needs – by ensuring that the right people are involved in the planning – and, by senior Managers posing strategic questions for the business Units to address. 	PNCC Information technology not meeting the business needs	September 2018	a) Agree and will implement. The IM Manager will work with individual General Managers to adopt a better process for engaging Units in planning corporate projects that have an IM component. However, it needs to be recognized that this is a partnership and requires input from Units in the budget cycle.	<u>YTD December 2018 Update</u> Each unit has a Business Analyst assigned so that forward planning for budgets can be set in terms of upcoming work requested. Currently most units have no budgets set for the majority of projects they request. This is now ongoing process, this is the last time this issue being reported.
				b) Complete the review of the IM Strategy			b) Agree and will implement. The IM Strategy review will be completed by 30 th June with the draft document ready to distribute to Management Team.	<u>YTD December 2018 Update</u> It is now expected that this work will be incorporated as a part of the Digital Transformation project and will be managed by the new proposed unit 'Customer Services & Corporate'. A roadmap will be completed by Feb 2019
				c) Management adopt, communicate and implement the IM Strategy.			c) Agree and will implement. The IM Strategy review will be completed by 30 th June with the draft document ready to distribute to Management Team.	<u>YTD December 2018 Update</u> A roadmap will be completed by Feb 2019
Procurement Planning (Final Report 6343537 Follow up 10117351)								
	June 2016	Finance	2b)	Include in the Life Cycle Procurement Manual the criteria when a Business/justification case (s) should be prepared, further details on needs and the preparation of options analysis.	If Policy and Procedures do not cover the whole Procurement Lifecycle there may be gaps, such as the omission of criteria for how and when to complete a Business/justification case, details of how to complete Procurement Planning, and how to manage different types of contract.	March 2019	Agree and will implement.	<u>YTD December 2018 Update</u> The external consultant has completed the review of the organization's Procurement processes. The recommendations from the review will be managed by the Procurement Manager due to start on the 07 th Jan 2019

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MT	Original Timeline	Unit	Audit Issue	Agreed Corrective Actions	Significance of each action	Updated Timeline	Management Comments	Progress at YTD December 2018 toward full implementation
	June 2016	Infrastructure	3c)	Monitor completion of this review process.	Informal completion of reviews of contractor performance before rollover.	March 2019	Agreed and will implement a process at the end of each financial year.	<p><u>YTD December 2018 Update</u></p> <p>There is an auto-reminder that has been now setup that reminds the contract managers of what is required to be done for Contracts that are to be replaced. These auto -reminders are sent till the all the necessary steps are taken to complete the contract replacement process as stipulated in the Contract Administration Manual.</p> <p>This will be the last time this issue will be reported.</p>
Asset Management Plans (Final Report 8344928 Follow up 9471017)								
	June 2017	Customer	9a	Ensure the staff comply with the Information Management Policy	Staff may not know the document is there on the U drive. The Policy is not followed. The U drive is backed up.	Dec 2018	Agree. Information Management (IM) encourages all staff to comply with the Information Management policy and will highlight issues of non-compliance, where found to be deliberate, to the appropriate manager to enforce the policy. Records staff are always available to help staff in using the Document Management System.	<p><u>YTD December 2018 Update</u></p> <p>This has been completed, there is a follow-up to be published on the intranet in the first quarter of 2019.</p>
Accounts Receivables & Aged Debtors (Final Report 9820008, Follow-up Report 10446849)								
	November 2017	Finance	2	Comply & communicate MT82 Sales and Accounts Receivable Policy requirement regarding conducting Customer credit rating check	The risk here is that non-compliance with policy requirement with regards to conducting due diligence could impact the Council's reputation and lead to financial penalties or increase in future accounts receivable balances.	Dec 2018	Agreed and will implement.	<p><u>YTD December 2018 Update</u></p> <p>An email communication regarding the policy and procedural requirement was sent out in Dec 2018 advising all managers who potentially issue Council credit to customers who interact with Council.</p> <p>This will be the last time this issue will be reported.</p>
	Immediately (Oct 2017)	Finance	7	Set up an operational plan that helps to determine the point at which payment plan can be offered, basis for calculating payment plan term, frequency and amount. This must be in line with the Council's appetite to recover funds using these means.	The risk here is that payment plan not in line with organisation's appetite to recover funds in the minimum time possible could contribute to a lower accounts receivable turnover rate. A "low" turnover indicates that receivables take a longer time to collect.	Dec 2018	Agree and will implement.	<p><u>YTD December 2018 Update</u></p> <p>On further review of the recommendation originally raised, it was concluded that professional judgement will be used to determine the criteria, method and other details when setting up a payment plan.</p> <p>This will be the last time this issue will be reported.</p>

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MT	Original Timeline	Unit	Audit Issue	Agreed Corrective Act ions	Significance of each action	Updated Timeline	Management Comments	Progress at YTD December 2018 toward full implementation
	October 2017	Customer	9a	Periodically review to ensure that only appropriate staffs have access	There is a risk that without regular review of user access permissions by the respective managers in charge, unauthorised personnel will have access to the system potentially resulting in the loss or corruption of data.	Dec 2018	Agree and will implement both recommendations.	<u>YTD December 2018 Update</u> Finance will request for a review of the active user directory / profiles from access point of view and any changes required will be made based on the resulting information. These will be an ongoing process from now on so both actions will be the last time they are reported.
	October 2017	Customer	9b	All segregations are valid and are setup properly in the OZONE system (including that for the backups).				
Earthquake Strengthening <i>(Final report 9814823, Follow up report 10533013)</i>								
	October 2017	Infrastructure	1b	Communicate with the CAB (Civic Administration Building) staff about building risk.	The Programme is not completed effectively.	Oct-2018 March 2019	Agree and will implement.	<u>YTD December 2018 Update</u> Council is to set its policy on strengthening earthquake prone buildings in the Jan-Mar 2019 quarter for the process, plans and actions for addressing the extent of works required. This will inform a report to be taken to Council in the same quarter reviewing Programme 902 (Seismic Strengthening of Council Owned Buildings). Communications to staff are to wait until after this report.
	November 2017	Infrastructure	1c	Prepare a PEP (including programme governance matters)		Dec-2018 Feb 2019	Agree and will implement.	<u>YTD December 2018 Update</u> Design work has been completed for the seismic upgrade of both Square Edge and the Crematorium. Council Officers are now finalising costings. The PEP has not been prepared as stated in the YTD June 2018 Update, but will be completed by February 2019.
	December 2017	Infrastructure	3a	Present an updated analysis of the options for levels of strengthening of Council Buildings for Councillors in light of the new Act.	Council did not have an opportunity to reconsider its decisions in light of the new legislation. This may lead to a sub-optimal outcome.	November 2018 March 2019	Agree and will implement.	<u>YTD December 2018 Update</u> Council is to set its policy on strengthening earthquake prone buildings in the Jan-Mar 2019 quarter for the process, plans and actions for addressing the extent of works required. This will inform a report to be taken to Council in the same quarter reviewing Programme 902. Communications to staff are to wait until after this report.
	December 2017	Infrastructure	4a	Ensure that decisions are documented regarding early strengthening of the external stairs to the CAB.	If the strength of the stairs is not assessed the organisation cannot be confident there would be a means of egress if the Central Core building collapsed in a ultimate state earthquake	December 2018 March 2019	Agree and will implement.	<u>YTD December 2018 Update</u> Council is to set its policy on strengthening earthquake prone buildings in the Jan-Mar 2019 quarter for the process, plans and actions for addressing the extent of works required. This will inform a report to be taken to Council in the same quarter reviewing Programme 902. Communications to staff are to wait until after this report.
	December 2017	Infrastructure	4b	Complete an assessment of the external stairs		December 2018 February 2019	Agree and will implement.	<u>YTD December 2018 Update</u> Structural engineers have been engaged to assess the external stairs of the CAB by February 2019.

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MT	Original Timeline	Unit	Audit Issue	Agreed Corrective Actions	Significance of each action	Updated Timeline	Management Comments	Progress at YTD December 2018 toward full implementation
Contract Tendering <i>(Final Report 9916076, Follow up report 10244701)</i>								
	December 2017	Customer	17a	Ensure that MT 86 Policy requirement around Record Disposal is reminded to all staff members.		Dec-2018 March 2019	Agree and will implement.	<u>YTD December 2018 Update</u> Updated Policy is yet to be made public, this will hopefully be done in the next few weeks as it may appear on the "be the difference" page instead of city port.
	March 2018	Finance	5a	Build a formal guidance & standard template on what level of information is required when planning for individual procurement.	May result in ineffective decision making and/or to non-identification and subsequent mitigation strategies of potential procurement risks	March 2019	Agree and will implement	<u>YTD December 2018 Update</u> The external consultant has completed the review of the organization's Procurement processes. The recommendations from the review will be managed by the Procurement Manager due to start on the 07 th Jan 2019.
	March 2018	Finance	6a	Include a Policy guidance on how and when to use a multistage competitive procurement process and any relevant records to be maintained	Lack of following the correct procurement progression especially in a multi-stage process can lead to potential risks of not being open, fair and transparent.	March 2019	Agree and will implement	<u>YTD December 2018 Update</u> The external consultant has completed the review of the organization's Procurement processes. The recommendations from the review will be managed by the Procurement Manager due to start on the 07 th Jan 2019.
	March 2018	Finance	6b	Ensure the policy requirement is communicated to staff.	Lack of following the correct procurement progression especially in a multi-stage process can lead to potential risks of not being open, fair and transparent.	March 2019	Agree and will implement	<u>YTD December 2018 Update</u> The external consultant has completed the review of the organization's Procurement processes. The recommendations from the review will be managed by the Procurement Manager due to start on the 07 th Jan 2019.
	March 2018	Finance	9a	Include guidance in its Contract Administration Manual on when to carry out due diligence (high value high risk contract types) and the type of record to be maintained which documents the outcome of the check conducted.	Lack of a formal process could lead to potential risk of fraud, corruption or financial loss	March 2019	Agree and will implement	<u>YTD December 2018 Update</u> The external consultant has completed the review of the organization's Procurement processes. The recommendations from the review will be managed by the Procurement Manager due to start on the 07 th Jan 2019.
	March 2018	Finance	9b	Develop a list of Suppliers that have had a Due Diligence Check so as to avoid duplication of due diligence checks	Lack of a formal process could lead to potential risk of fraud, corruption or financial loss	March 2019	Agree and will implement	<u>YTD December 2018 Update</u> The external consultant has completed the review of the organization's Procurement processes. The recommendations from the review will be managed by the Procurement Manager due to start on the 07 th Jan 2019.
	March 2018	Finance	9c	Participants should be advised of the due diligence process in the tender or proposal documents.	Lack of a formal process could lead to potential risk of fraud, corruption or financial loss	March 2019	Agree and will implement	<u>YTD December 2018 Update</u> The external consultant has completed the review of the organization's Procurement processes. The recommendations from the review will be managed by the Procurement Manager due to start on the 07 th Jan 2019.

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MT	Original Timeline	Unit	Audit Issue	Agreed Corrective Actions	Significance of each action	Updated Timeline	Management Comments	Progress at YTD December 2018 toward full implementation
	March 2018	Finance	12b	Setup a process that ensures any policy amendments are published and timely communicated to staff.	Approved Management Team Policy but not communicated or published may not be enforceable when challenged	March 2019	The procurement policy is currently published on City Port. However, policy communication process has not been clarified yet	<u>YTD December 2018 Update</u> The external consultant has completed the review of the organization's Procurement processes. The recommendations from the review will be managed by the Procurement Manager due to start on the 07 th Jan 2019.
	March 2018	Finance	16a	Include in the proposed Contract Administration Manual for Service Delivery units, a standardised performance evaluation form on contract completion or Develop a Unit Specific Template that allows for the documenting of reasons why the tender has been extended	Non- availability of a documented Performance review can affect not only the transparency but also it can take away the opportunities for improvements or renegotiation identified as part of the vendor performance review process	March 2019	Support and will address	<u>YTD December 2018 Update</u> The external consultant has completed the review of the organization's Procurement processes. The recommendations from the review will be managed by the Procurement Manager due to start on the 07 th Jan 2019.
	April 2018	Finance	18a	Establish a Routine check which involves a periodic review of files (e.g. quarterly) to ensure compliance with the policies and procedures for Tendered Contracts (high risk high value)	Non-compliance to policies and procedure	March 2019	Technical Services will introduce a six-monthly review of compliance with the (reviewed) CAM tendering procedures for contracts issued for tender by Technical Services within the previous six-month period. It is not possible for Technical Services to perform this review on contracts issued for tender outside of Technical Services control. Such cases will be considered as part of Recommendation 1.a).	<u>YTD December 2018 Update</u> The external consultant has completed the review of the organization's Procurement processes. The recommendations from the review will be managed by the Procurement Manager due to start on the 07 th Jan 2019.
	March 2018	Finance	19b	Seek legal advice to clarify if both parties should be required to initial each page of the Contract Documentation.	The risk of not having a signed contract documentation in place is that it might lead to legal enforcing issues should the contract be legally challenged.	March 2019	Agree and will implement	<u>YTD December 2018 Update</u> The external consultant has completed the review of the organization's Procurement processes. The recommendations from the review will be managed by the Procurement Manager due to start on the 07 th Jan 2019.

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MT	Original Timeline	Unit	Audit Issue	Agreed Corrective Act ions	Significance of each action	Updated Timeline	Management Comments	Progress at YTD December 2018 toward full implementation
	Landfill Revenue Collection <i>(Final Report 9864244, Follow up report 10529803)</i>							
	March 2018	Finance	2b	Complete the Review of MT81 currently underway.	The organisation violates its own Policy and the Council's assets may be at risk	Sept 2018 Feb 2019	Awaiting Finance Manager to review MT81 Cash Policy.	<u>YTD December 2018 Update</u> MT81 has been reviewed and no changes have been proposed. It is awaiting approval from Management Team and to be published on City Port.
	March 2018	Finance	1c	Better communicate MT81, such as by including in MT81 an explanation of the purpose of following transactions.	Lack of assurance that income accurately and completely recorded	Sept 2018 Feb 2019	Awaiting Finance Manager to review MT81 Cash Policy. Policy will be communicated after the revised policy has been approved by Management.	<u>YTD December 2018 Update</u> MT81 has been reviewed and no changes have been proposed. Its awaits approval from Management Team and to be published on City Port. The Policy will be communicated to all staff once it has been approved and published online.

(Note: Track changes on the Timeline included as requested by the A&R Committee at its November 2018 meeting)

Audit New Zealand Final 2018 Management Report to Council Implementation Progress Status - December 2018

The following table is a summary of issues raised by Audit New Zealand in their final management report to the Council received October 2018, together with management comment, responsibility and status of any implementation where implementation is required. All quarterly updates include updated progress in achieving the agreed action. It includes from the report only those items requiring action.

The "Agreed Action" is a summary from the report. That report should be referred to for the full recommendation and basis for that recommendation.

Audit reference	Agreed Action	Person responsible	Target date	Status
4.1	Financial management information systems - Review the adequacy and reliability of the financial management information system (FMIS) given current issues.	Finance Manager	No target date	Management comment We plan to undertake some independent analysis shortly, and the outcome may determine our next steps, whether that be a system replacement or some other outcome. Update December 2018 An independent consultant has been employed to undertake the work described above.
Appendix 1	Actual renewals and capital expenditure below forecasts - <ul style="list-style-type: none"> continue to implement the action plan, internal audit's findings from 2015/16, our review recommendations on procurement, contract management, and project management. review the capital budgets of projects going into the next LTP to ensure these have realistic timeframes. 	Chief Infrastructure Officer Transport and Infrastructure Manager	Ongoing	Update September 2018 Continuing implementation of the action plan has enabled increased performance compared to budget. Total capital expenditure for the 2017/18 year has been \$48.8m compared to \$33.1m in 2016/17, an increase of \$15.7m, with 70.6% of budget completed compared to 63% in 2016/17. These improvements are a significant achievement. Update December 2018 A major re-structure of the Infrastructure Unit has been initiated and will be progressively implemented during 2019. This will see the establishment of a dedicated Project Management Office (PMO) to

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Audit reference	Agreed Action	Person responsible	Target date	Status
				<p>deliver major and complex projects, drive standard project management processes and monitor and report on project delivery for the entire unit.</p> <p>In addition, a Development Planning Division will be formed to better plan and scope programmes of work and major projects to facilitate more streamlined project delivery.</p> <p>The restructure will support the separation of the project management role from programme and activity functions. Additional in-house project managers are being recruited to strength specific divisions e.g. Transport and Infrastructure.</p> <p>These initiatives will drive a step change in project delivery performance.</p>
Appendix 1	<p>Business Continuity Plan - Business Continuity Plan should be finalised and re-tested. Plans be regularly updated and tested.</p>	Head of Emergency Services	Ongoing	<p>Management comment BCPs have been completed. Training for all units will be completed by year end 2018. This training will be repeated in 2019 with a different scenario.</p> <p>Update December 2018 Training was completed for three Units of Council by this date. It is anticipated that the training for the other remaining 3 Units will be completed early 2019. The delay in completing training by the end of the year was due to the restructure of Council which has now been completed.</p>

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Audit reference	Agreed Action	Person responsible	Target date	Status
Appendix 1	<p>Financial statement reconciliations All financial statements reconciliations should be prepared in a timely manner and independently reviewed.</p> <p>In progress. Audit found that there had been improvements in timeliness of preparation and review and sign-off of reconciliations. However, some reconciliations are not being prepared and signed off in a timely manner</p>	Finance Manager	Ongoing	<p>Management comment All reconciliations were prepared at year end. Some of these, and earlier reconciliations, contained some differences due to system faults as referred to in 4.1 above.</p> <p>Update December 2018 Not all reconciliations were completed and reviewed during this quarter. However, the high priority ones were.</p>
Appendix 1	<p>Contract management The City Council consider whether a whole of Council contract management system would be useful. Audit are of the view that it would be.</p> <p>The City Council continues to utilise the Oasis system as a contract management register for the whole of the Council. All contracts are required to be added to the Oasis system. The system however is still being modified to ensure its functionality is appropriate for all types of contracts. Audit decided to follow this up in their next audit to ensure that new positions were filled and systems and processes are embedded within the City Council.</p>	<p>Chief Infrastructure Officer</p> <p>Transport and Infrastructure Manager</p> <p>Information Manager</p>	Ongoing	<p>Update September 2018 Contract Administration Manual update was signed on 3 August 2018. New updated construction contract templates have been prepared by Simpson Grierson and are intended to be incorporated into the Contract Administration Manual by 26 October 2018.</p> <p>Update December 2018 The establishment of a PMO as part of the Infrastructure Unit re-structure will include development of process mapping and standard templates for key project delivery phases including contract documentation.</p> <p>New contract templates for NZ3910 and a standard alone minor works contracts have been adopted and are in use. Further work is underway to develop simple multi-year contract models for a range of preferred supplier and sub-contractor relationships.</p> <p>All professional services and physical works</p>

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Audit reference	Agreed Action	Person responsible	Target date	Status
Appendix 1	<p>Mandatory performance measures</p> <ul style="list-style-type: none"> Continue to review the effectiveness of current reporting and systems to accurately capture the underlying data and to ensure the data is complete. Systems and processes should be formally documented and regular training provided to all staff involved. Perform a regular weekly quality review of data entered into the Request for Service (RFS) system in relation to complaints, service requests and response times to ensure it is complete, accurate and supportable. Reviews should focus on following up unclosed jobs, ensuring all data fields are updated and reviewing any unusual response times. Audit would expect that these reviews are formally evidenced by way of a date and signature. Ensure data fields include information to clearly show why data has been amended or re categorised with a clear audit trail of any changes made and who authorised these. Document any calls that are excluded as Department of Internal Affairs (DIA) service requests or complaints. This may require additional fields to be added to the existing RFS if this information is not 	<p>Chief Infrastructure Officer</p> <p>Transport and Infrastructure Manager</p> <p>Head of Community Planning</p>	June 2018	<p>engagements are captured within the contract register and supported by a dedicated folder in the document management system (Oasis).</p> <p>Update September 2018 Work is continuing to resolve this issue (K-base efficiency, data extraction).</p> <p>Update December 2018 Requests for service (RFS) logged in Council's KBase system are reviewed on a quarterly basis prior to completing non-financial reporting to Council. KBase resolution and outstanding RFSs are reviewed weekly to ensure compliance with Councils performance targets.</p> <p>Staff assigned to respond to RFSs have been trained and are familiar with the processes and systems, reducing the likelihood of error.</p> <p>The current KBase software system does not provide the functionality or usability required to meet the levels of accuracy and detail sought by Audit NZ. Council is undertaking a review of its corporate systems and implementing a new Customer Response System is a high priority. No major changes or upgrades to the current system are contemplated to address known deficiencies.</p> <p>Staff will continue to extract data and amend and re-categorise information to insure KPI reporting, including mandatory DIA measures, is as accurate and detailed as possible.</p>

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Audit reference	Agreed Action	Person responsible	Target date	Status
	<p>already captured.</p> <ul style="list-style-type: none"> Continue to review DIA's guidance to ensure that the data being captured and reported meets the mandatory reporting requirements. Audit expect that there will be further clarification around these measures as they become embedded into the annual reporting. Ensure there is a system in place to check contractor times recorded are accurate instead of relying solely on the time that the contractor/staff noted. This is important to ensure accurate monitoring of performance by contractors against the City Council's key performance targets. <p>In progress. During Audit review of the City Council's systems they did not find any changes to systems. At the final audit with the change of staff responsible for pulling together the report on the performance measures Audit found that there were errors in the data presented. These were corrected.</p>			
Appendix 1	<p>Performance measure rules Continue to make improvements to the collection and reporting of data. This is an on-going issue and should be able to be cleared when the City Council reports against the 2018-28 LTP.</p>	Head of Community Planning	March 2019	<p>Update March 2018 Business Rules are being developed to ensure KPIs are reported properly.</p> <p>Update December 2018 Majority of the Business Rules have been developed. The rest will be completed during the next quarter.</p>

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Audit reference	Agreed Action	Person responsible	Target date	Status
Appendix 1	<p>Presentation of the financial overview in the annual report</p> <p>Ensure what is reported in the financial overview section of the annual report is a balanced summary for the year and that it does not take away from the results in the financial statements.</p> <p>Improvements have been made, however Audit believe it is not ideal having a non-generally accepted accounting practice (GAAP) table in financial overview, even if it is reconciled to the GAAP statements.</p> <p>The financial overview section of the annual report remained largely unchanged in the 2018 annual report.</p>	Financial Accountant	June 2019	<p>Management comment</p> <p>Disclosures were reviewed and updated. Those made are considered appropriate to report against the annual budget and particularly how rates are determined.</p> <p>Update December 2018</p> <p>Will be reviewed in planning for the 2019 annual report however 2018 disclosures are likely to be considered appropriate and in accordance with the 10 Year Plan.</p>

MEMORANDUM

TO: Audit and Risk Committee

MEETING DATE: 18 February 2019

TITLE: Library Building - Risk Assessment

DATE: 1 February 2019

PRESENTED BY: Bryce Hosking, Property Manager, Infrastructure
Tom Williams, Chief Infrastructure Officer, Infrastructure

APPROVED BY: Heather Shotter, Chief Executive

RECOMMENDATION(S) TO COUNCIL

1. That Council receive the Risk Assessments for the Central Library Service's options regarding the occupation of the library building.

1. ISSUE AND BACKGROUND

- 1.1 The report titled "*Library Project Update*" was reported to Council on 10th December 2018. This report discussed the seismic condition of the library building and the Central Library Service's options regarding the occupation of the building.
- 1.2 This report conveyed that the library building was assessed as being an Earthquake Prone Building. The acceptance of this assessment gave the Central Library Service three distinct options regarding occupation of the building. They were:
 1. Continued occupation of the building providing full library services;
 2. Continued occupation of the building with only partial library services being provided from the building, with an alternative site being sought for the balance of services to be delivered from; or
 3. Complete relocation of the Central Library Service to an alternative site.
- 1.3 Council Officers worked with Warren Wilks from WT Partnership and Ash Wilson from Lewis and Bradford Structural Engineers, and assessed the risks associated with the building and the occupancy options.

- 1.4 The building was not assessed as being a dangerous building, and after careful consideration, it was recommended in the report on the 10th December 2018 that the Central Library Service continue to occupy the building providing full library services.
- 1.5 This recommendation, along with all the other recommendations in the report, were accepted by Councillors.
- 1.6 However, while an assessment of the associated risks was undertaken by Council Officers, it was not formalised in written form, and thus was unable to be presented to Councillors upon request in the presentation of the report on the 10th December.
- 1.7 As a result, a 4th resolution was added by Councillors stating: *“That a risk assessment on continuing to occupy the Library, including a risk management strategy, be reported to Council urgently.”*

2. RISK ASSESSMENT

- 2.1 Following this report, a comprehensive risk identification workshop was conducted involving Council Officers, external consultants, and key stakeholders.
- 2.2 20 risks were identified as part of this process. These risks include, but are not limited to:
 - The risk of structural building failure;
 - The impacts on the tenants, the surrounding area, and the community;
 - Council’s reputational risk; and
 - Council’s legal risk should there be a loss of life.

Please refer to the attached Risk Assessments for a full list of the risks identified.

- 2.3 Detailed analysis was then conducted for each of the three occupancy options using the following chronological steps:
 - The risks regarding the decision and potential causes;
 - Any controls currently in place;
 - The level of risk and whether these are acceptable or not. This is assessed through a traffic light system;
 - Mitigating actions that can be undertaken;
 - Timeframes and which Council General Manager and their unit is responsible for these actions;
 - Remaining residual risk; and

- Risk appetite and acceptance of residual risk.

- 2.4 For clarity, it is important to note that there will usually always be a level of residual risk even after mitigating actions. It is just important to determine whether these residual risk level are acceptable to Council or not.
- 2.5 The risk assessments for each of the three occupancy options are attached.

3. OVERVIEW SUMMARY OF RISK ASSESSMENT

- 3.1 The below summary table provides an overview of the risks identified before and after the implementation of the mitigation actions. The traffic light system below corresponds to the same system used in the risk assessments.

CITY LIBRARY OCCUPANCY OPTIONS	BEFORE ACTIONS				AFTER ACTIONS		
Maintain Full Library Services	3	13	4		0	4	16
Partial Occupation (In line with IL2)	3	13	4		11	6	3
Relocate City Library Services	3	13	4		12	3	5

- 3.2 For clarity, below is a guide to the risk levels/ traffic light system:

LEVEL	WHAT IT MEANS
High	Further actions and management very likely to be required
Medium	May require further actions
Low	Likely to be acceptable at current level

- 3.3 Council's decision to continue occupation of the library building providing full library services was reaffirmed by the results of the risk assessments and this is highlighted in the table in Clause 3.1 above.







4. NEXT STEPS

- 4.1 Council Officers to begin implementing the actions described in the "*continued occupation of the building providing full library services*" risk assessment.

5. COMPLIANCE AND ADMINISTRATION

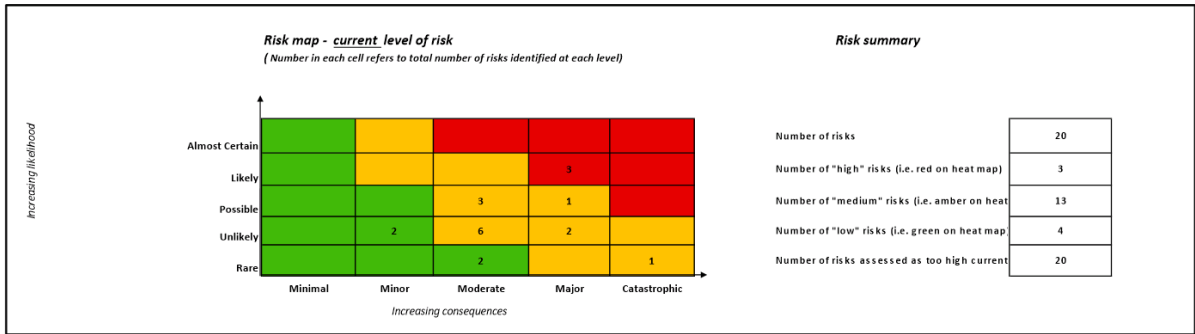
Does the Committee have delegated authority to decide?	No
If Yes quote relevant clause(s) from Delegations Manual <Enter clause>	
Are the decisions significant?	No
If they are significant do they affect land or a body of water?	No
Can this decision only be made through a 10 Year Plan?	No
Does this decision require consultation through the Special Consultative procedure?	No
Is there funding in the current Annual Plan for these actions?	No
Are the recommendations inconsistent with any of Council's policies or plans?	No
The recommendations contribute to Goal 3: A Connected and Safe Community	
The recommendations contribute to the outcomes of the Connected Community Strategy	
The recommendations contribute to the achievement of action/actions in the Community Services and Facilities Plan	
The action is: Upgrade central library and implement the Library of the Future redevelopment (by end of 2019/2020).	
Contribution to strategic direction	Ensure we provide a building for our Central Library that: <ul style="list-style-type: none"> - is supported by people - is available and used for making and creating - is available and used for formal and informal community conversations - is accessible and welcoming to all - supports and enables access to online services provides opportunities for public discussion, critical thinking, and debate

ATTACHMENTS

1. Library Risk Assessment - Full Library Services - December 2019  
2. Library Risk Assessment - Partial Library Services - December 2018  
3. Library Risk Assessment - Library Relocation - December 2018  

Project name: PNCC Central Library - FULL LIBRARY SERVICES

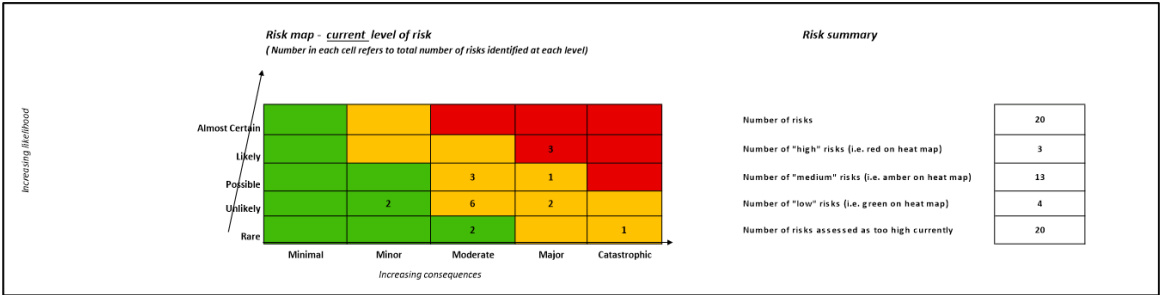
Assessment date: 17-Dec-18



No.	Description of Risk ["Risk of.... resulting in"]	Potential cause(s) of the risk [What could cause the risk to occur? - add more rows as required]	Controls and treatments in place currently [What is in place now that helps to manage the cause(s) and/or consequences of the risk?]	Consequences (currently)	Likelihood (currently)	Level of risk (currently)	Is the level of risk acceptable currently? (Y/N)	Action(s) required and/or in progress [For all risks that are not acceptable currently (ie "NO" in the previous column), what is needed, and/or in progress already, to manage the risk to an acceptable level?]	Timeframe for completion	Responsibility (PNCC General Manager on behalf of their Unit)	Expected Consequences (after actions)	Expected Likelihood (after actions)	Expected level of risk (after actions)
1	Risk of structural failure resulting in loss of life in the next 7.5 years	As the building structure is assessed as less than 33% NBS and deemed Earthquake Prone, a moderate to major seismic event could result in structural failure	Palmerston North has been identified as a high risk seismic zone and timeframes to complete either strengthening or demolition works have been set at a shorter time scale to balance the risk on a national scale. National legislation imposes and regulates these time frames.	Catastrophic	Rare		No	Provide strengthening solution within next 3yrs and complete with 7.5 to 15 years.	7 - 15yrs	Tom Williams	Minimal	Unlikely	
2	Risk of significant impact to Business Continuity of tenants resulting in lost revenue	Reduction in patronage/customers due to reduced foot traffic to the library and perception that the building is dangerous	Robust communications plan to inform public and regular updates on progress of planning/design of strengthening/upgrade works	Moderate	Possible		No	On going communications and media release	on going	Tom Williams	Minor	Possible	
3	Risk of significant impact to Business Continuity to the library resulting in poor service delivery	Reduction in patronage to the library due to perception that the building is dangerous	Robust communications plan to inform public and regular updates on progress of planning/design of strengthening/upgrade works	Moderate	Possible		No	On going communications and media release	on going	Debbie Duncan	Minor	Possible	
4	Risk that the library is no longer a desirable civic space reducing opportunities for learning, creative recreation and community connectiveness, and resulting in increased social isolation and diminished community wellbeing	A significant change in the type of space, and availability of space to the community.	Robust Comms plan to maintain awareness that full library services are available from the same building.	Moderate	Rare		No	On going communications and media release	on going	Debbie Duncan	Moderate	Rare	
5	Risk that vacating the library building will have a negative economic impact to surrounding area resulting in surrounding businesses suffering a reduction in revenue	The library is the anchor building in the area generating significant volumes of pedestrian traffic resulting in a micro economic community feeding off each other. Without the library the surrounding area will have significantly reduced numbers of pedestrians resulting in less trade	Continued occupation of the library will maintain current levels of pedestrian traffic and public movements	Minor	Unlikely		No	Continued occupation and delivery of full library services	on going	Debbie Duncan	Minor	Unlikely	
6	Risk of damage and/or loss of cultural artefacts and art work resulting in items not being able to be replaced	Physical damage/impact to collections and artefacts caused by an earthquake	Remove and/or relocate high value items to storage	Minor	Unlikely		No	Secure items to remain during occupation and removed and put into storage high value items to be protected.	6 months	Debbie Duncan	Minimal	Unlikely	
7	Risk of damage to Council reputation resulting in low public trust	Poor communication to public, tenants and other key stakeholders that does not provide clear guidance that the building is not deemed dangerous and that the council does not have a clear plan to address issues.	Robust communications plan to inform public and regular updates on progress of planning/design of strengthening/upgrade works	Moderate	Unlikely		No	Implement the comms plan and maintain regular up dates and public support	on going	Sacha Haskell	Minimal	Unlikely	
8	Risk of invalidating building insurance following EQ event resulting in no insurance cover following an EQ	Inadequate insurance policy cover and/or failure to disclose information relating to that policy	Notify insurer and adjust policy accordingly	Major	Unlikely		No	Continue to up date insurance provider as the situation changes	on going	Grant Elliot	Moderate	Unlikely	
9	Risk of services and/or fixtures suffering damage in an earthquake resulting in harm and/or loss of life	Unrestrained services and fixtures becoming dislodged and causing harm to occupants during an EQ event	Seismic strengthening of services and fixtures	Major	Possible		No	Undertake seismic strengthening to services and fixtures	6 months	Tom Williams	Major	Possible	
10	Risk of impaired means of escape resulting in reduced egress routes	One or more egress routes being blocked by damaged adjacent buildings or collapsed stairs	Regular evacuation drills, and ensuring all members of staff are educated in the different evacuation routes in the building should one be blocked.	Moderate	Unlikely		No	Investigate feasibility of installing temporary timber framed stair from mezzanine floor down to former Public Trust tenancy providing direct access out to The Square	6 months	Tom Williams	Moderate	Unlikely	
11	Risk that egress routes are over loaded resulting in slow egress during an evacuation	A large number of people trying to escape at once due to fire, earthquake or other evacuation reasons.	Relocate staff from 3rd floor and eliminate events great than 150 people	Moderate	Unlikely		No	Relocate staff from 3rd floor and eliminate events great than 150 people	3 months	Debbie Duncan	Moderate	Unlikely	
12	Risk of Councillors and Council Officers being held liable if harm or loss of life occurs through continued occupation resulting in prosecution	An injury or loss of life caused by an earth quake resulting some degree of structural failure	No. Council officers have taken legal advice from worksafe and are continuing to occupy under the Building Act at Work 2004. "If you're a PCBU who owns or occupies an earthquake-prone building and you're meeting the earthquake performance requirements of the Building Act 2004, we are not going to enforce to a higher standard under HSWA" (Worksafe website).	Moderate	Rare		No	Continue to comply with the Building Act 2004 and ensure work is complete within required time frames	7-15 years	Chris Dyhrberg	Minimal	Unlikely	
13	Risk of structural failure or damage to neighbouring buildings resulting in main egress routes of library being blocked	Structural failure or damage to adjacent EPB's with damaged elements falling onto egress routes.	Regular evacuation drills, and ensuring all members of staff are educated in the different evacuation routes in the building should one be blocked.	Moderate	Possible		No	Investigate and identify an alternative egress route, such as a temporary timber stair through to the former Public Trust tenancy, if the lane egress route is unavailable or blocked	6 months	Tom Williams	Minor	Unlikely	
14	Risk of occupants / staff perception that the building is dangerous resulting in a reluctance to continue working in the building	Poor communication to staff, public, tenants and other key stakeholders that does not provide clear guidance that the building is not deemed dangerous and that the council does not have a clear plan to address issues.	Robust communications plan to inform public and regular updates on progress of planning/design of strengthening/upgrade works	Moderate	Unlikely		No	On going communications, up dates and provision of support	on going	Debbie Duncan	Minor	Unlikely	
15	Risk that the council will set a precedent for all other Council EPB's resulting in all Council owned, tenanted and/or leased assets are requiring to be vacated.	By vacating the library building based on EPB status, it would set the benchmark of the action council is to take for all EPB's. It would be challenging to justify continued occupation of any EPB following vacaton of the library building	Continued occupation and robust comms will demonstrate that each building is to be assessed on its own set of circumstances.	Major	Likely		No	Continued occupation and develop of robust PNCC EPB policy	on going	Sheryl Bryant	Minor	Unlikely	
16	Risk that the council is setting an expectation of other private EPB building owners to vacate resulting in public confusion and frustration	The Council is seen as leader in the city and it may signal to other private building owners and private sector employees that EPB's are not suitable to occupy	Continued occupation and robust comms should provide private sector confidence	Major	Unlikely		No	Continued occupation and develop of robust PNCC EPB policy	on going	Sheryl Bryant	Minor	Unlikely	
17	Risk that a suitable alternative site is not available resulting in compromised and/or reduced library services.	There is limited building stock and/or alternative sites in close proximity to the CBD that would be suitable to continue providing full library services as currently provided.	Continued occupation eliminates the requirement for an alternative site	Major	Likely		No	Continue to occupy the current library building	NA	Tom Williams	Minor	Unlikely	
18	Risk of significant abortive cost being incurred to relocate to suitable alternative site resulting in other Capital projects being deferred.	The financial cost of relocating the central library would be an unplanned and significant non-recoverable cost incurred in the current financial year. Budget adjustments would be required to accommodate a relocation	Continued occupation would minimise abortive costs resulting in no change to the current LTP budget	Major	Likely		No	Continue to occupy the current library building	NA	Tom Williams	Minor	Possible	
19	Risk of inadequate and/or insufficient archive/storage space resulting in damaged and inaccessible content	It is very unlikely that a like-for-like site will be available, thus the archives will need to be located off site. This would result in reduced access to the collection and increased risk of damage due to increased handling and transportation.	Based on remaining in the library building the archives and content remain in the same location	Moderate	Unlikely		No	Continue to occupy the current library building	NA	Debbie Duncan	Minor	Unlikely	
20	Risk that the internet, information technologies and networks needed for equitable access to the digital world are not available to the community.	A significant change in the digital connectivity and technologies available to the community due to the library not being occupied.	Continued occupation eliminates the requirement for an alternative site that may not provide the same connectivity.	Moderate	Unlikely		No	Continue to occupy the current library building	NA	Chris Dyhrberg	Minor	Unlikely	

Project name: PNCC Central Library - PARTIAL RELOCATION

Assessment date: 17-Dec-18

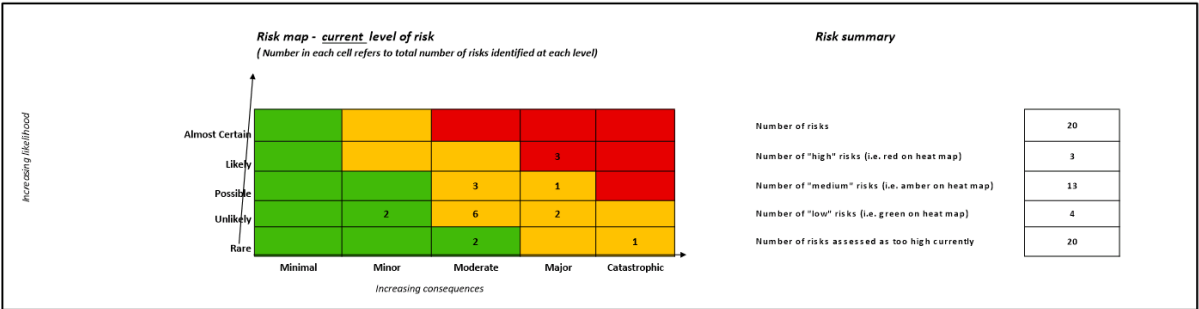


No.	Description of Risk ["Risk of.... resulting in"]	Potential cause(s) of the risk [What could cause the risk to occur? - add more rows as required]	Controls and treatments in place <u>currently</u> [What is in place <u>now</u> that helps to manage the causes(s) and/or consequences of the risk?]	Consequences (currently)	Likelihood (currently)	Level of risk (currently)	Is the level of risk acceptable currently? (Y/N)	Action(s) required and/or in progress [For <u>all</u> risks that are <u>not</u> acceptable currently (ie "NO" in the previous column), what is needed, and/or in progress already, to manage the risk to an acceptable level?]	Timeframe for completion	Responsibility	Expected Consequences (after actions)	Expected Likelihood (after actions)	Expected level of risk (after actions)	Is the level of residual risk after mitigation actions acceptable? (Y/N)
1	Risk of structural failure resulting in loss of life in the next 7.5 years	As the building structure is assessed as less than 33% NBS and deemed Earthquake Prone, a moderate to major seismic event could result in structural failure	Palmerston North has been identified as a high risk seismic zone and timeframes to complete either strengthening or demolition works have been set at a shorter time scale to balance the risk on a national scale. National legislation imposes and regulates these time frames.	Catastrophic	Unlikely		No	Relocate or suspend selected library services to limit the City Library occupancy numbers in line with NZ Building Code, Importance Level 2. Occupancy restrictions include, but are not limited to: - Less than 300 people congregating in one place - Less than 250 people associated with primary schools, secondary schools and day care facilities - Total building occupancy of 5,000 people at any one time	12 months	Tom Williams	Catastrophic	Unlikely		No
2	Risk of significant impact to Business Continuity of tenants resulting in lost revenue	Reduction in patronage/customers due to reduced foot traffic to the library and perception that the building is dangerous	Robust communications plan to inform public and regular updates on progress of planning/design of strengthening/upgrade works	Catastrophic	Unlikely		No	Relocate or suspend selected library services to limit the City Library occupancy numbers in line with NZ Building Code, Importance Level 2. Occupancy restrictions include, but are not limited to: - Less than 300 people congregating in one place - Less than 250 people associated with primary schools, secondary schools and day care facilities - Total building occupancy of 5,000 people at any one time	12 months	Tom Williams	Major	Likely		No
3	Risk of significant impact to Business Continuity to the library resulting in poor service delivery	Reduction in patronage to the library due to perception that the building is dangerous	Robust communications plan to inform public and regular updates on progress of planning/design of strengthening/upgrade works	Moderate	Possible		No	Relocate or suspend selected library services to limit the City Library occupancy numbers in line with NZ Building Code, Importance Level 2. Occupancy restrictions include, but are not limited to: - Less than 300 people congregating in one place - Less than 250 people associated with primary schools, secondary schools and day care facilities - Total building occupancy of 5,000 people at any one time	12 months	Debbie Duncan	Major	Likely		No
4	Risk that the library is no longer a desirable civic space reducing opportunities for learning, creative recreation and community connectiveness, and resulting in increased social isolation and diminished community wellbeing	A significant change in the type of space, and availability of space to the community.	Robust Comms plan to maintain awareness that full library services are available from the same building.	Moderate	Rare		No	Relocate or suspend selected library services to limit the City Library occupancy numbers in line with NZ Building Code, Importance Level 2. Occupancy restrictions include, but are not limited to: - Less than 300 people congregating in one place - Less than 250 people associated with primary schools, secondary schools and day care facilities - Total building occupancy of 5,000 people at any one time	12 months	Debbie Duncan	Major	Likely		No
5	Risk that vacating the library building will have a negative economic impact to surrounding area resulting in surrounding businesses suffering a reduction in revenue	The library is the anchor building in the area generating significant volumes of pedestrian traffic resulting in a micro economic community feeding off each other. Without the library the surrounding area will have significantly reduced numbers of pedestrians resulting in less trade	Continued occupation of the library will maintain current levels of pedestrian traffic and public movements	Minor	Unlikely		No	Relocate or suspend selected library services to limit the City Library occupancy numbers in line with NZ Building Code, Importance Level 2. Occupancy restrictions include, but are not limited to: - Less than 300 people congregating in one place - Less than 250 people associated with primary schools, secondary schools and day care facilities - Total building occupancy of 5,000 people at any one time	12 months	Debbie Duncan	Moderate	Likely		No
6	Risk of damage and/or loss of cultural artefacts and art work resulting in items not being able to be replaced	Physical damage/impact to collections and artefacts caused by an earthquake	Remove and/or relocate high value items to storage	Minor	Unlikely		No	Relocate to alternative non EPB site that meets archival storage (temp, humidity, security) requirements.	18 months	Debbie Duncan	Major	Likely		No
7	Risk of damage to Council reputation resulting in low public trust	Poor communication to public, tenants and other key stakeholders that does not provide clear guidance that the building is not deemed dangerous and that the council does not have a clear plan to address issues.	Robust communications plan to inform public and regular updates on progress of planning/design of strengthening/upgrade works	Moderate	Unlikely		No	Relocate or suspend selected library services to limit the City Library occupancy numbers in line with NZ Building Code, Importance Level 2. Occupancy restrictions include, but are not limited to: - Less than 300 people congregating in one place - Less than 250 people associated with primary schools, secondary schools and day care facilities - Total building occupancy of 5,000 people at any one time	12 months	Sacha Haskell	Moderate	Likely		No
8	Risk of invalidating building insurance following EQ event resulting in no insurance cover following an EQ	Inadequate insurance policy cover and/or failure to disclose information relating to that policy	Notify insurer and adjust policy accordingly	Major	Unlikely		No	Notify insurer and adjust policy accordingly	On going	Grant Elliot	Moderate	Unlikely		No
9	Risk of services and/or fixtures suffering damage in an earthquake resulting in harm and/or loss of life	Unrestrained services and fixtures becoming dislodged and causing harm to occupants during an EQ event	Seismic strengthening of services and fixtures	Major	Possible		No	Undertake seismic strengthening to services and fixtures	3 months	Tom Williams	Minimal	Unlikely		Yes
10	Risk of impaired means of escape resulting in reduced egress routes	One or more egress routes being blocked by damaged adjacent buildings or collapsed stairs	Regular evacuation drills, and ensuring all members of staff are educated in the different evacuation routes in the building should one be blocked.	Major	Unlikely		No	Relocate or suspend selected library services to limit the City Library occupancy numbers in line with NZ Building Code, Importance Level 2. Occupancy restrictions include, but are not limited to: - Less than 300 people congregating in one place - Less than 250 people associated with primary schools, secondary schools and day care facilities - Total building occupancy of 5,000 people at any one time	12 months	Tom Williams	Major	Unlikely		No

11	Risk that egress routes are over loaded resulting in slow egress during an evacuation	A large number of people trying to escape at once due to fire, earthquake or other evacuation reasons.	Relocate staff from 3rd floor and eliminate events great than 150 people	Moderate	Unlikely		No	Relocate or suspend selected library services to limit the City Library occupancy numbers in line with NZ Building Code, Importance Level 2. Occupancy restrictions include, but are not limited to: - Less than 300 people congregating in one place - Less than 250 people associated with primary schools, secondary schools and day care facilities - Total building occupancy of 5,000 people at any one time	12 months	Debbie Duncan	Minimal	Unlikely		Yes
12	Risk of Councillors and Council Officers being held liable if harm or loss of life occurs through continued occupation resulting in prosecution	An injury or loss of life caused by an earth quake resulting some degree of structural failure	No. Council officers have taken legal advice from worksafe and are continuing to occupy under the Building Act at Work 2004. <i>"If you're a PCBU who owns or occupies an earthquake-prone building and you're meeting the earthquake performance requirements of the Building Act 2004, we are not going to enforce to a higher standard under JSWA" (Worksafe website).</i>	Major	Unlikely		No	Continue to comply with the Building Act 2004 and ensure work is complete within required time frames	7-15 years	Chris Dyhrberg	Minimal	Unlikely		Yes
13	Risk of structural failure or damage to neighbouring buildings resulting in main egress routes of library being blocked	Structural failure or damage to adjacent EPB's with damaged elements falling onto egress routes.	Regular evacuation drills, and ensuring all members of staff are educated in the different evacuation routes in the building should one be blocked.	Moderate	Unlikely		No	Install alternative temporary egress and relocate or suspend selected library services to limit the City Library occupancy numbers in line with NZ Building Code, Importance Level 2. Occupancy restrictions include, but are not limited to: - Less than 300 people congregating in one place - Less than 250 people associated with primary schools, secondary schools and day care facilities - Total building occupancy of 5,000 people at any one time	12 months	Tom Williams	Moderate	Possible		No
14	Risk of occupants / staff perception that the building is dangerous resulting in a reluctance to continue working in the building	Poor communication to staff, public, tenants and other key stakeholders that does not provide clear guidance that the building is not deemed dangerous and that the council does not have a clear plan to address issues.	Robust communications plan to inform public and regular updates on progress of planning/design of strengthening/upgrade works	Moderate	Unlikely		No	Relocate or suspend selected library services to limit the City Library occupancy numbers in line with NZ Building Code, Importance Level 2. Occupancy restrictions include, but are not limited to: - Less than 300 people congregating in one place - Less than 250 people associated with primary schools, secondary schools and day care facilities - Total building occupancy of 5,000 people at any one time	12 months	Debbie Duncan	Major	Likely		No
15	Risk that the council will set a precedent for all other Council EPB's resulting in all Council owned, tenanted and/or leased assets are requiring to be vacated.	By vacating the library building based on EPB status, it would set the benchmark of the action council is to take for all EPB's. It would be challenging to justify continued occupation of any EPB following vacating of the library building	Continued occupation and robust comms will demonstrate that each building is to be assessed on its own set of circumstances.	Major	Likely		No	Relocate or suspend selected library services to limit the City Library occupancy numbers in line with NZ Building Code, Importance Level 2. Occupancy restrictions include, but are not limited to: - Less than 300 people congregating in one place - Less than 250 people associated with primary schools, secondary schools and day care facilities - Total building occupancy of 5,000 people at any one time	12 months	Sheryl Bryant	Major	Likely		No
16	Risk that the council is setting an expectation of other private EPB building owners to vacate resulting in public confusion and frustration	The Council is seen as leader in the city and it may signal to other private building owners and private sector employees that EPB's are not suitable to occupy	Continued occupation and robust comms should provide private sector confidence	Major	Unlikely		No	Relocate or suspend selected library services to limit the City Library occupancy numbers in line with NZ Building Code, Importance Level 2. Occupancy restrictions include, but are not limited to: - Less than 300 people congregating in one place - Less than 250 people associated with primary schools, secondary schools and day care facilities - Total building occupancy of 5,000 people at any one time	12 months	Sheryl Bryant	Major	Likely		No
17	Risk that a suitable alternative site is not available resulting in compromised and/or reduced library services.	There is limited building stock and/or alternative sites in close proximity to the CBD that would be suitable to continue providing full library services as currently provided.	Continued occupation eliminates the requirement for an alternative site	Major	Likely		No	Relocate or suspend selected library services to limit the City Library occupancy numbers in line with NZ Building Code, Importance Level 2. Occupancy restrictions include, but are not limited to: - Less than 300 people congregating in one place - Less than 250 people associated with primary schools, secondary schools and day care facilities - Total building occupancy of 5,000 people at any one time	12 months	Tom Williams	Major	Likely		No
18	Risk of significant abortive cost being incurred to relocate to suitable alternative site resulting in other Capital projects being deferred.	The financial cost of relocating the central library would be an unplanned and significant non-recoverable cost incurred in the current financial year. Budget adjustments would be required to accommodate a relocation	Continued occupation would minimise abortive costs resulting in no change to the current LTP budget	Major	Likely		No	Relocate or suspend selected library services to limit the City Library occupancy numbers in line with NZ Building Code, Importance Level 2. Occupancy restrictions include, but are not limited to: - Less than 300 people congregating in one place - Less than 250 people associated with primary schools, secondary schools and day care facilities - Total building occupancy of 5,000 people at any one time	12 months	Tom Williams	Major	Likely		No
19	Risk of inadequate and/or insufficient archive/storage space resulting in damaged and inaccessible content	It is very unlikely that a like-for-like site will be available, thus the archives will need to be located off site. This would result in reduced access to the collection and increased risk of damage due to increased handling and transportation.	Based on remaining in the library building the archives and content remain in the same location	Moderate	Unlikely		No	Relocate or suspend selected library services to limit the City Library occupancy numbers in line with NZ Building Code, Importance Level 2. Occupancy restrictions include, but are not limited to: - Less than 300 people congregating in one place - Less than 250 people associated with primary schools, secondary schools and day care facilities - Total building occupancy of 5,000 people at any one time	12 months	Debbie Duncan	Major	Likely		No
20	Risk that the internet, information technologies and networks needed for equitable access to the digital world are not available to the community.	A significant change in the digital connectivity and technologies available to the community due to the library not being occupied.	Continued occupation eliminates the requirement for an alternative site that may not provide the same connectivity.	Moderate	Unlikely		No	Relocate or suspend selected library services to limit the City Library occupancy numbers in line with NZ Building Code, Importance Level 2. Occupancy restrictions include, but are not limited to: - Less than 300 people congregating in one place - Less than 250 people associated with primary schools, secondary schools and day care facilities - Total building occupancy of 5,000 people at any one time	12 months	Chris Dyhrberg	Moderate	Likely		No

Project name: **PNCC Central Library - RELOCATION**

Assessment date: **11-Dec-18**



No.	Description of Risk ["Risk of.... resulting in";]	Potential cause(s) of the risk [What could cause the risk to occur? - add more rows as required]	Controls and treatments in place currently [What is in place now that helps to manage the cause(s) and/or consequences of the risk?]	Consequences (currently)	Likelihood (currently)	Level of risk (currently)	Is the level of risk acceptable currently? (Y/N)	Action(s) required and/or in progress [For all risks that are not acceptable currently (ie "NO" in the previous column), what is needed, and/or in progress already, to manage the risk to an acceptable level?]	Timeframe for completion	Responsibility	Expected Consequences (after actions)	Expected Likelihood (after actions)	Expected level of risk (after actions)	Is the level of residual risk after mitigation actions
1	Risk of structural failure resulting in loss of life in the next 7.5 years	As the building structure is assessed as less than 33% NBS and deemed Earthquake Prone, a moderate to major seismic event could result in structural failure	Palmerston North has been identified as a high risk seismic zone and timeframes to complete either strengthening or demolition works have been set at a shorter time scale to balance the risk on a national scale. National legislation imposes and regulates these time frames.	Catastrophic	Rare		No	Relocate to alternative non EPB site that meets service delivery requirements.	12 months	Tom Williams	Minimal	Rare		Yes
2	Risk of significant impact to Business Continuity of tenants resulting in lost revenue	Reduction in patronage/customers due to reduced foot traffic to the library and perception that the building is dangerous	Robust communications plan to inform public and regular updates on progress of planning/design of strengthening/upgrade works	Moderate	Possible		No	Relocate to alternative non EPB site that meets service delivery requirements.	12 months	Tom Williams	Major	Almost Certain		No
3	Risk of significant impact to Business Continuity to the library resulting in poor service delivery	Reduction in patronage to the library due to perception that the building is dangerous	Robust communications plan to inform public and regular updates on progress of planning/design of strengthening/upgrade works	Moderate	Possible		No	Relocate to alternative non EPB site that meets service delivery requirements.	12 months	Debbie Duncan	Major	Likely		No
4	Risk that the library is no longer a desirable civic space reducing opportunities for learning, creative recreation and community connectiveness, and resulting in increased social isolation and diminished community wellbeing	A significant change in the type of space, and availability of space to the community.	Robust Comms plan to maintain awareness that full library services are available from the same building.	Moderate	Rare		No	Relocate to alternative non EPB site that meets service delivery requirements.	12 months	Debbie Duncan	Major	Likely		No
5	Risk that vacating the library building will have a negative economic impact to surrounding area resulting in surrounding businesses suffering a reduction in revenue	The library is the anchor building in the area generating significant volumes of pedestrian traffic resulting in a micro economic community feeding off each other. Without the library the surrounding area will have significantly reduced numbers of pedestrians resulting in less trade	Continued occupation of the library will maintain current levels of pedestrian traffic and public movements	Minor	Unlikely		No	Relocate to alternative non EPB site that meets service delivery requirements and provide support to existing business	12 months	Debbie Duncan	Major	Likely		No
6	Risk of damage and/or loss of cultural artefacts and art work resulting in items not being able to be replaced	Physical damage/impact to collections and artefacts caused by an earthquake	Remove and/or relocate high value items to storage	Minor	Unlikely		No	Relocate to alternative non EPB site that meets archival storage (temp, humidity, security) requirements.	18 months	Debbie Duncan	Major	Likely		No
7	Risk of damage to Council reputation resulting in low public trust	Poor communication to public, tenants and other key stakeholders that does not provide clear guidance that the building is not deemed dangerous and that the council does not have a clear plan to address issues.	Robust communications plan to inform public and regular updates on progress of planning/design of strengthening/upgrade works	Moderate	Unlikely		No	Relocate to alternative non EPB site that meets service delivery requirements.	12 months	Sacha Haskell	Moderate	Unlikely		No
8	Risk of invalidating building insurance following EQ event resulting in no insurance cover following an EQ	Inadequate insurance policy cover and/or failure to disclose information relating to that policy	Notify insurer and adjust policy accordingly	Major	Unlikely		No	Notify insurer and adjust policy accordingly	On going	Grant Elliot	Moderate	Unlikely		Yes
9	Risk of services and/or fixtures suffering damage in an earthquake resulting in harm and/or loss of life	Unrestrained services and fixtures becoming dislodged and causing harm to occupants during an EQ event	Seismic strengthening of services and fixtures	Major	Possible		No	Relocate to alternative non EPB site that meets service delivery requirements.	12 months	Tom Williams	Minimal	Unlikely		Yes
10	Risk of impaired means of escape resulting in reduced egress routes	One or more egress routes being blocked by damaged adjacent buildings or collapsed stairs	Regular evacuation drills, and ensuring all members of staff are educated in the different evacuation routes in the building should one be blocked.	Moderate	Unlikely		No	Relocate to alternative non EPB site that meets service delivery requirements.	12 months	Tom Williams	Minimal	Unlikely		Yes
11	Risk that egress routes are over loaded resulting in slow egress during an evacuation	A large number of people trying to escape at once due to fire, earthquake or other evacuation reasons.	Relocate staff from 3rd floor and eliminate events great than 150 people	Major	Unlikely		No	Relocate to alternative non EPB site that meets service delivery requirements.	12 months	Debbie Duncan	Minimal	Unlikely		Yes
12	Risk of Councillors and Council Officers being held liable if harm or loss of life occurs through continued occupation resulting in prosecution	An injury or loss of life caused by an earth quake resulting some degree of structural failure	No. Council officers have taken legal advice from worksafe and are continuing to occupy under the Building Act at Work 2004. <i>"If you're a PCBU who owns or occupies an earthquake-prone building and you're meeting the earthquake performance requirements of the Building Act 2004, we are not going to enforce to a higher standard under HSWA" (Worksafe website).</i>	Major	Unlikely		No	Relocate to alternative non EPB site that meets service delivery requirements.	12 months	Chris Dyhrberg	Moderate	Unlikely		Yes
13	Risk of structural failure or damage to neighbouring buildings resulting in main egress routes of library being blocked	Structural failure or damage to adjacent EPB's with damaged elements falling onto egress routes.	Regular evacuation drills, and ensuring all members of staff are educated in the different evacuation routes in the building should one be blocked.	Moderate	Possible		No	Relocate to alternative non EPB site that meets service delivery requirements.	12 months	Tom Williams	Minor	Unlikely		Yes
14	Risk of occupants / staff perception that the building is dangerous resulting in a reluctance to continue working in the building	Poor communication to staff, public, tenants and other key stakeholders that does not provide clear guidance that the building is not deemed dangerous and that the council does not have a clear plan to address issues.	Robust communications plan to inform public and regular updates on progress of planning/design of strengthening/upgrade works	Moderate	Unlikely		No	Relocate to alternative non EPB site that meets service delivery requirements.	12 months	Debbie Duncan	Major	Likely		No
15	Risk that the council will set a precedent for all other Council EPB's resulting in all Council owned, tenanted and/or leased assets are requiring to be vacated.	By vacating the library building based on EPB status, it would set the benchmark of the action council is to take for all EPB's. It would be challenging to justify continued occupation of any EPB following vacaton of the library building	Continued occupation and robust comms will demonstrate that each building is to be assessed on its own set of circumstances.	Major	Likely		No	Relocate to alternative non EPB site that meets service delivery requirements.	12 months	Sheryl Bryant	Major	Likely		No
16	Risk that the council is setting an expectation of other private EPB building owners to vacate resulting in public confusion and frustration	The Council is seen as leader in the city and it may signal to other private building owners and private sector employees that EPB's are not suitable to occupy	Continued occupation and robust comms should provide private sector confidence	Major	Unlikely		No	Relocate to alternative non EPB site that meets service delivery requirements.	12 months	Sheryl Bryant	Major	Likely		No
17	Risk that a suitable alternative site is not available resulting in compromised and/or reduced library services.	There is limited building stock and/or alternative sites in close proximity to the CBD that would be suitable to continue providing full library services as currently provided.	Continued occupation eliminates the requirement for an alternative site	Major	Likely		No	Relocate to alternative non EPB site that meets service delivery requirements.	12 months	Tom Williams	Major	Likely		No
18	Risk of significant abortive cost being incurred to relocate to suitable alternative site resulting in other Capital projects being deferred.	The financial cost of relocating the central library would be an unplanned and significant non-recoverable cost incurred in the current financial year. Budget adjustments would be required to accommodate a relocation	Continued occupation would minimise abortive costs resulting in no change to the current LTP budget	Major	Likely		No	Relocate to alternative non EPB site that meets service delivery requirements.	12 months	Tom Williams	Major	Likely		No
19	Risk of inadequate and/or insufficient archive/storage space resulting in damaged and inaccessible content	It is very unlikely that a like-for-like site will be available, thus the archives will need to be located off site. This would result in reduced access to the collection and increased risk of damage due to increased handling and transportation.	Based on remaining in the library building the archives and content remain in the same location	Moderate	Unlikely		No	Relocate to alternative non EPB site that meets service delivery requirements.	12 months	Debbie Duncan	Major	Likely		No
20	Risk that the internet, information technologies and networks needed for equitable access to the digital world are not available to the community.	A significant change in the digital connectivity and technologies available to the community due to the library not being occupied.	Continued occupation eliminates the requirement for an alternative site that may not provide the same connectivity.	Moderate	Unlikely		No	Relocate to alternative non EPB site that meets service delivery requirements.	12 months	Chris Dyhrberg	Major	Likely		No

COMMITTEE WORK SCHEDULE

TO: Audit and Risk Committee

MEETING DATE: 18 February 2019

TITLE: Committee Work Schedule

RECOMMENDATION(S) TO AUDIT AND RISK COMMITTEE

1. That the Audit and Risk Committee receive its Work Schedule dated February 2019.

ATTACHMENTS

1. Committee Work Schedule [!\[\]\(33006de4dd11f8c729ca8ca0fde0352f_img.jpg\) !\[\]\(d5f9ffa97ddb414b7e96feb8ad710c8e_img.jpg\)](#)

AUDIT AND RISK COMMITTEE

COMMITTEE WORK SCHEDULE – FEBRUARY 2019

Item No.	Estimated Report Date	Subject	Officer Responsible	Current Position	Date of Instruction/ Point of Origin
1	August November 2018	Draft policy on appropriate use of closed circuit television and other remote means of monitoring	Manager, Human Resources		21 August 2017 Clause 21.4 (Audit & Risk)
2	August 2018 TBA	Business Continuity Planning PNCC update	General Manager, City Enterprises Chief Financial Officer	Will be looked at by new Risk Manager role	19 February 2018 Clause 4.2 (Audit and Risk)
3	November 2018	AMP Update: Footpath Condition rating and renewal programme	Chief Infrastructure Officer		21 May 2018 Clause 15-18 (Audit & Risk)
4	February May 2019	AMP Update: The condition and performance of the three waters assets	Chief Infrastructure Officer	To report on classes of water assets separately – first one in May 2019	21 May 2018 Clause 15-18
5	February 2019	Health and Safety quarterly update including manual handling	Human Resources Manager		19 November 2018
6	May 2019	AMP Update: Asset Management planning in the property area/proposed 2019/20 AMP update schedule for members consideration	Chief Infrastructure Officer	On track	
7	TBA May 2019	PNCC Compliance with the Privacy Act 1993 with regards to the use of surveillance in public space in the city	General Manager – Strategy and Planning		19 November 2018 Clause 29.2