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PALMERSTON  
NORTH  
CITY

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# **PALMERSTON NORTH CITY COUNCIL**

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## **AGENDA**

# **RISK & ASSURANCE COMMITTEE**

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**9:00 AM, WEDNESDAY 12 MARCH 2025**

COUNCIL CHAMBER, FIRST FLOOR  
CIVIC ADMINISTRATION BUILDING  
32 THE SQUARE, PALMERSTON NORTH

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# MEMBERS

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**Stephen Armstrong (Chair)**  
**Karen Naylor (Deputy Chair)**  
**Grant Smith (The Mayor)**

**Mark Arnott**  
**Brent Barrett**  
**Vaughan Dennison**  
**Leonie Hapeta**

**Lorna Johnson**  
**Orphée Mickalad**  
**William Wood**  
**Kaydee Zabelin**

AGENDA ITEMS, IF NOT ATTACHED, CAN BE VIEWED AT

[pncc.govt.nz](http://pncc.govt.nz) | Civic Administration Building, 32 The Square  
City Library | Ashhurst Community Library | Linton Library

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**Waid Crockett**

**Chief Executive | PALMERSTON NORTH CITY COUNCIL**

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Te Marae o Hine | 32 The Square  
Private Bag 11034 | Palmerston North 4442 | New Zealand  
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## **RISK & ASSURANCE COMMITTEE MEETING**

12 March 2025

### **ORDER OF BUSINESS**

**1. Karakia Timatanga**

**2. Apologies**

**3. 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.

**4. 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.

**5. Public Comment**

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

**6. Confirmation of Minutes**

Page 7

That the minutes of the Risk & Assurance Committee meeting of 27 November 2024 Part I Public be confirmed as a true and correct record.

**7. Independent Health and Safety Audit**

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Memorandum, presented by Stephen Minton, Risk Management Advisor and Desiree Viggars, Manager Legal, Risk & Assurance/Legal Counsel.

**8. Health and Safety Report, 1 October to 31 December 2024 (Quarter 2)**

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Memorandum, presented by Selwyn Ponga-Davis, Health and Safety Manager.

**9. Wellbeing Report, 1 October to 31 December 2024 (Quarter 2)**

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Memorandum, presented by Connie Roos, Manager Employee Experience and Wayne Wilson, Manager People Operations.

**10. Setting Council's Risk Management Appetite and Tolerance Levels** Page 101

Memorandum, presented by Stephen Minton, Risk Management Advisor and Desiree Viggars, Manager Legal, Risk and Assurance/Legal Counsel.

**11. Strategic Risk Management Reporting October 2024 to December 2024 (Quarter 2)**

Page 115

Memorandum, presented by Stephen Minton, Risk Management Advisor and Desiree Viggars, Manager Legal, Risk & Assurance/Legal Counsel.

**12. Audit NZ 2024 Management Report with Action Plan**

Page 123

Memorandum, presented by Desiree Viggars, Manager Legal, Risk & Assurance/Legal Counsel and Scott Mancer, Manager Finance.

**13. Committee Work Schedule**

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**14. Karakia Whakamutunga**

**15. 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 |
|---|---|---|---|
| 8.  | Health and Safety Report, 1 October to 31 December 2024 (Quarter 2)<br><b>Confidential Attachment 2</b> | PREJUDICE THE SUPPLY OF SIMILAR INFORMATION:<br>Releasing this information could negatively effect similar confidential information or discourage people from sharing such information; and<br>ENDANGER THE SAFETY OF A PERSON:<br>Sharing this information could put someone's health and safety at risk | s7(2)(c)(i) and s6(d)                                     |

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.

*[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 Risk & Assurance Committee Meeting Part I Public, held in the Council Chamber, First Floor, Civic Administration Building, 32 The Square, Palmerston North on 27 November 2024, commencing at 1.02pm

**Members Present:** Stephen Armstrong (in the Chair) and Councillors Karen Naylor, Mark Arnott, Brent Barrett, Vaughan Dennison, Leonie Hapeta, Lorna Johnson, William Wood and Kaydee Zabelin.

**Non Members:** Councillor Patrick Handcock.

**Apologies:** The Mayor (Grant Smith) (late arrival, on Council business) and Councillor Orphée Mickalad (late arrival).

Councillor Orphée Mickalad entered the meeting at 1.35pm during consideration of clause 34. He was not present for clauses 30 to 33 inclusive.

The Mayor (Grant Smith) entered the meeting at 2.15pm during consideration of clause 35. He was not present for clauses 30-34 inclusive.

#### Karakia Timatanga

Councillor Kaydee Zabelin opened the meeting with karakia.

#### 30-24 Apologies

Moved Stephen Armstrong, seconded Karen Naylor.

The **COMMITTEE RESOLVED**

1. That the Committee receive the apologies.

Clause 30-24 above was carried 10 votes to 0, the voting being as follows:

**For:**

Stephen Armstrong and Councillors Karen Naylor, Mark Arnott, Brent Barrett, Vaughan Dennison, Leonie Hapeta, Lorna Johnson, William Wood, Kaydee Zabelin and Patrick Handcock.

#### 31-24 Confirmation of Minutes

Moved Stephen Armstrong, seconded Karen Naylor.

The **COMMITTEE RESOLVED**

1. That the minutes of the Risk & Assurance Committee meetings of:

- 11 September 2024 Part I Public
- 11 September 2024 Part II Confidential
- 23 October 2024 Part I Public

be confirmed as a true and correct record.

Clause 31-24 above was carried 10 votes to 0, the voting being as follows:

**For:**

Stephen Armstrong and Councillors Karen Naylor, Mark Arnott, Brent Barrett, Vaughan Dennison, Leonie Hapeta, Lorna Johnson, William Wood, Kaydee Zabelin and Patrick Handcock.

**32-24**

**Health and Safety Report, 1 July to 30 September 2024 (Quarter 1)**

Memorandum, presented by Selwyn Ponga-Davis, Health and Safety Manager.

Moved Stephen Armstrong, seconded Karen Naylor.

The **COMMITTEE RESOLVED**

1. That the Committee receive the memorandum titled 'Health and Safety Report, 1 July to 30 September 2024 (Quarter 1)' presented to the Risk & Assurance Committee on 27 November 2024.
2. That the Chief Executive release Attachment 2 as is practicable.

Clause 32-24 above was carried 10 votes to 0, the voting being as follows:

**For:**

Stephen Armstrong and Councillors Karen Naylor, Mark Arnott, Brent Barrett, Vaughan Dennison, Leonie Hapeta, Lorna Johnson, William Wood, Kaydee Zabelin and Patrick Handcock.

**33-24**

**Wellbeing Report, 1 July to 30 September 2024 (Quarter 1)**

Memorandum, presented by Connie Roos, Manager Employee Experience and Wayne Wilson, Manager People Operations.

Moved Stephen Armstrong, seconded Karen Naylor.

The **COMMITTEE RESOLVED**

1. That the Committee receive the memorandum titled 'Wellbeing Report, 1 July to 30 September 2024 (Quarter 1)' presented to the Risk & Assurance Committee on 27 November 2024.

Clause 33-24 above was carried 10 votes to 0, the voting being as follows:

**For:**

Stephen Armstrong and Councillors Karen Naylor, Mark Arnott, Brent Barrett, Vaughan Dennison, Leonie Hapeta, Lorna Johnson, William Wood, Kaydee Zabelin and Patrick Handcock.

Councillor Vaughan Dennison left the meeting at 1.29pm.

**34-24**

**Business Assurance Accountability Report**

Memorandum, presented by Yui-Teng Chan, Internal Auditor and Desiree Viggars, Manager Legal Risk & Assurance/Legal Counsel.

Councillor Orphée Mickalad entered the meeting at 1.35pm.

Councillor Vaughan Dennison entered the meeting again at 1.43pm.

Moved Stephen Armstrong, seconded Karen Naylor.

The **COMMITTEE RESOLVED**

1. That the Committee receive the memorandum titled 'Business Assurance Accountability Report' and its attachment, presented to the Risk & Assurance Committee on 27 November 2024.

Clause 34-24 above was carried 11 votes to 0, the voting being as follows:

**For:**

Stephen Armstrong and Councillors Karen Naylor, Mark Arnott, Brent Barrett, Vaughan Dennison, Leonie Hapeta, Lorna Johnson, Orphée Mickalad, William Wood, Kaydee Zabelin and Patrick Handcock.

**35-24**

**Strategic Risk Management Reporting July to September 2024 (Quarter 1)**

Memorandum, presented by Stephen Minton, Risk Management Advisor and Desiree Viggars, Manager Legal Risk & Assurance/Legal Counsel.

After discussion, Elected Members directed how they would like future risk reporting structured.

The Mayor (Grant Smith) entered the meeting at 2.15pm.

Moved Stephen Armstrong, seconded Karen Naylor.

The **COMMITTEE RESOLVED**

1. That the Committee receive the following strategic risk assessments:
  - Strategic Risk 5: Ineffective Relationship and Stakeholder Engagement
  - Strategic Risk 8: Failure to Meet Legal Obligations
  - Strategic Risk 9: Significant Disruption to Council's Continuity and/or Lifeline Utility Disruption
  - Strategic Risk 10: Failure to Manage Critical/Strategic Assets
  - Strategic Risk 11: Loss of Public Trustand the Strategic Risk Dashboard (section 8.2).

Moved Brent Barrett, seconded Vaughan Dennison.

2. That all future reporting and updates on Strategic Risk Assessments clearly differentiate between new actions and existing actions, connect each action with resourcing, and indicate progress and timeframe for implementation.

Clause 35-24 above was carried 12 votes to 0, the voting being as follows:

**For:**

The Mayor (Grant Smith), Stephen Armstrong and Councillors Karen Naylor, Mark Arnott, Brent Barrett, Vaughan Dennison, Leonie Hapeta, Lorna Johnson, Orphée Mickalad, William Wood, Kaydee Zabelin and Patrick Handcock.

### **36-24 Committee Work Schedule**

Moved Stephen Armstrong, seconded Karen Naylor.

The **COMMITTEE RESOLVED**

1. That the Risk & Assurance Committee receive its Work Schedule dated November 2024.

Clause 36-24 above was carried 12 votes to 0, the voting being as follows:

**For:**

The Mayor (Grant Smith), Stephen Armstrong and Councillors Karen Naylor, Mark Arnott, Brent Barrett, Vaughan Dennison, Leonie Hapeta, Lorna Johnson, Orphée Mickalad, William Wood, Kaydee Zabelin and Patrick Handcock.

### **Karakia Whakamutunga**

Councillor Kaydee Zabelin closed the meeting with karakia.

The meeting finished at 2.41pm.

Confirmed 12 March 2025

**Chair**

## MEMORANDUM

**TO:** Risk & Assurance Committee

**MEETING DATE:** 12 March 2025

**TITLE:** Independent Health and Safety Audit

**PRESENTED BY:** Stephen Minton, Risk Management Advisor and Desiree Viggars, Manager Legal, Risk & Assurance/Legal Counsel

**APPROVED BY:** Cameron McKay, General Manager Corporate Services

### RECOMMENDATION(S) TO RISK & ASSURANCE COMMITTEE

1. That the Committee receive the Health and Safety Audit Report from the independent Auditor, presented to the Risk & Assurance Committee on 12 March 2025.

#### 1. ISSUE

- 1.1 The Risk & Assurance Committee resolved on 11 September 2024 the following:
 

*"That the Chief Executive appoint an external consultant to undertake an independent Health and Safety audit in 2024, agreeing the scope and timeframe in consultation with the Chair and Deputy Chair of the Risk & Assurance Committee."* [at 11-24]
- 1.2 This Memorandum presents the attached report from the independent auditor along with the proposed recommendations. Oversight of the recommendations will be undertaken by the Business Assurance function within Legal, Risk and Assurance and be included in the semi-annual Accountability Report to this Committee.
- 1.3 Officers will do further investigation on resourcing and capacity requirements to meet the recommended actions. Should there be a change in output, Officers will report back to this Committee.

#### 2. BACKGROUND

- 2.1 The audit has been completed using SafePlus, an assessment framework that measures performance against 10 areas grouped into three broad themes: leadership, worker engagement, and risk management.
- 2.2 Measurement is categorised as 'developing', 'performing' or 'leading'. The audit has rated the Council as follows:

|                         |                   |
|-------------------------|-------------------|
| Leadership:             | Developing        |
| Worker Engagement:      | Performing        |
| <u>Risk Management:</u> | <u>Performing</u> |
| Overall rating:         | Performing        |

- 2.3 There has been a marked improvement in the measures across the ten areas, with nine of the ten showing improvement since June 2021 (refer Attachment 3 for comparable results).
- 2.4 The audit undertook deep dives into five Council critical risks. These were:
1. Working on the Front-line
  2. Working Environment
  3. Working at Height
  4. Breaking Ground
  5. Lone Workers
- 2.5 Key findings and recommendations are included in the Report. The detailed assessment of each of the areas is also attached.

### **3. AUDIT RECOMMENDATIONS**

- 3.1 The Audit has made 30 recommendations. These are included in Attachment 4. Against each recommendation, Officers have articulated measurable actions to close the recommendations off.
- 3.2 These recommendations and their corresponding actions will be included in the next Accountability Report to this Committee on 11 June 2025. It will consist of details of Officer ownership and target date for completion. It will also, where deemed necessary, detail any unbudgeted resources required for closure, albeit at this point additional resources are not envisaged.
- 3.3 Until the Accountability Report is submitted the owner of all actions is General Manager People and Capability.

### **4. MANAGEMENT RESPONSE**

- 4.1 Management response is detailed below:
- 4.1.1 *Health and Safety at Council continues to iteratively develop and improve off a solid foundation and the findings and recommendations provided in the report provide meaningful guidance for further action.*
  - 4.1.2 *Council has budget set aside for Health and Safety system improvements and is currently scoping options which will improve user-friendliness, data capture and reporting.*





- 4.1.3 The SafePlus audit type does not operate on a pass/fail basis but rather outcomes are categorised into three possible levels, being Developing, Performing and Leading. As advised by the Auditor at the audit initiation meeting in January, it is impossible for Council to achieve Leading status as it is an exceptionally high bar most aligned to large scale and sophisticated organisations with significant Health and Safety resources. As such it is unlikely many, if any, New Zealand organisations would be able to achieve this level.
- 4.1.4 The process for the SafePlus audit is interview based and the auditor met with 22 staff he deemed appropriate for the process, including site and office-based staff and senior leadership. The interviews are designed to garner the experiential opinion of the interviewee. This information along with review of auditor selected documentation forms the basis of the recommendations. Important to note is that of the 30 recommendations contained in this 2025 report, 6 are not new, that is, were included in the 2021 audit conducted by the same consultant. The 2021 report had 47 recommendations most of which have been closed out.
- 4.1.5 Notable progress has been made towards achieving the recommendations of the previous audit and it is unfortunate the timing of this audit means the two have overlapped. The actions from the 2021 audit are due to be fully complete before the end of this financial year. Of the new recommendations, specific commentary is provided in Attachment 4.
- 4.1.6 The Health and Safety team are currently reviewing training and undertaking a needs analysis. It is likely additional training methods and products will be brought into Council and these are already budgeted for, including training for senior management and Governance.
- 4.1.7 It is expected that no additional staff resources will be required to action the recommendations contained in the report. For further detail please refer to Attachment 4.
- 4.1.8 Additionally, and aside from this audit, the Healthy and Safety team will undertake two gap analysis exercises in the next month, specifically using the ACC workplace tool which focuses on the health outcomes for employees and the Worksafe workplace tool which focuses on organisational outcomes.

#### 4 COMPLIANCE AND ADMINISTRATION

|   |            |
|---|------------|
| Does the Committee have delegated authority to decide?          | <b>Yes</b> |
| Are the decisions significant?                                  | <b>No</b>  |
| If they are significant do they affect land or a body of water? | <b>No</b>  |
| Can this decision only be made through a 10 Year Plan?          | <b>No</b>  |

|  |  |            |
|--|--|------------|
| Does this decision require consultation through the Special Consultative procedure?                |  | <b>No</b>  |
| Is there funding in the current Annual Plan for these objectives?                                  |  | <b>Yes</b> |
| Are the recommendations inconsistent with any of Council's policies or plans?                      |  | <b>No</b>  |
| The recommendations contribute to: Not Applicable  |  |            |
| The recommendations contribute to this plan: (Not Applicable)                                      |  |            |
| Contribution to strategic direction and to social, economic, environmental and cultural well-being | A primary objective of the Council is to ensure all our staff get home to their whanau safely. This memorandum and appended report provide a tool in meeting this objective. |            |

## ATTACHMENTS

1. SafePlus Assessment Report [↓](#) 
2. Detailed Assessment [↓](#) 
3. Performance Outcomes [↓](#) 
4. Recommendations & Proposed Actions [↓](#) 



## **SafePlus Onsite Assessment and Advice Report**



# Palmerston North City Council

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## Executive Summary

SafePlus aims to help lift the performance of workplace health and safety in New Zealand businesses. It assesses how well a business is performing against good practice health and safety requirements and provides tailored advice and guidance on how to improve. SafePlus was jointly developed, with industry, by WorkSafe New Zealand, ACC and the Ministry of Business, Innovation and Employment (MBIE) in collaboration with health and safety experts.

The assessment covers 10 areas under three broad themes: Leadership, Worker Engagement and Risk Management; with an overall assessment of Developing, Performing and Leading against these themes and criteria.

This SafePlus assessment for the Palmerston North City Council was undertaken on the 27-29 January 2025. It should be noted that SafePlus is not a compliance assessment but rather an assessment of the health and safety culture and maturity of the organisation.

Both the Health and Safety Team and the Senior Leadership Team are new, since the previous SafePlus assessment in 2021.

Although some health and safety documentation were reviewed during the assessment, this assessment relies mostly on impressions gained through site inspections and from interviews with managers, health and safety representatives and workers.

Although significant health and safety improvements have been implemented in the past two years. Several processes still need to be embedded and reviewed to determine its fit for purpose and effectiveness.

The overall assessment for the Council is that they are just at the initial stages of Performing. Although several criteria for Leadership have been assessed as Performing, the overall rating has been assessed as Developing. Worker Engagement has been assessed as Performing and Risk Management has been assessed as being at the initial stages of Performing.

The Palmerston North City Council has recently undergone some restructuring which resulted in changes to several roles and responsibilities.

The Senior Leadership Team has a proactive approach towards health and safety and workers generally indicated that their managers have an open-door policy. Although workers indicated that, on balance, site management is reasonably fair when it comes to dealing with health and safety disciplinary matters, they noted that the time frame for resolution can take some time, while some of the other workers involved in the incident felt unsupported.

The Health and Safety Team oversees health and safety activities across the organisation. Workers indicated that the Health and Safety Team is proactive and gets things done. This was evident in the way they arranged the focus group interviews as part of the SafePlus assessment. However, there is a reliance on this role to undertake key tasks and there is a slow transition to integrating this into wider roles.

Of particular note there were comments by Workers, these included:

- *“Health and safety team very visible”*,
- *“Focus on getting everyone involved”*.

- *“Better engagement in health and safety than before”.*
- *“Encourage positive culture of health and safety”*
- *“We are moving forward, moving in the right direction”*
- *“Changing the stigma regarding health and safety”*
- *“Noticed significant improvements in past year”*
- *“Staff need more confidence to raise issues”*
- *“Found our voice and have backing from SLT”*
- *“Better relationship with health and safety team”*
- *“Kaupapa based health and safety”*
- *“Safety takes preference and is important”*
- *“Process are explained”*

Our assessment also noted the following key initiatives:

- Health and Safety notice boards displayed across the organisation
- Use of People Safe to report incidents, near misses and risks
- Safety Pillars related to Safety, Delivery, Relationship and Leadership (used as part of induction to explain role of health and safety team)
- Our Kaupapa - E Tu (stand up) and Tiki (right)

It was noted that frontline management would like more guidance and direction on health and safety matters. They believe that this would provide greater consistency across sites and be more efficient. “Having consistent health and safety expectations” was common feedback.

Several health and safety processes have been developed in the past year and have yet to be imbedded within the organisation. The number of health and safety improvements being made should be able to facilitate a step change within the organisation.

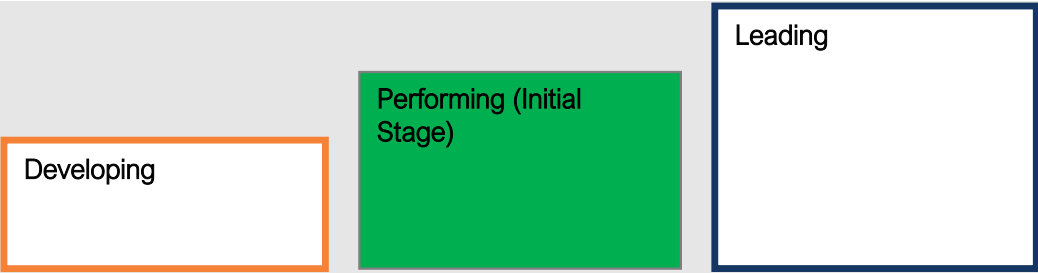
Worker engagement surveys were carried out in 2023 and 2024. The worker engagement survey results are discussed during senior leadership meetings and showed an overall improvement in the general culture of the organisation.

When compared to the 2021 SafePlus Assessment, workers were more engaging during the focus group interviews and commented on the improved health and safety culture within the organisation.

A detailed spreadsheet has been provided that supplements this report. This spreadsheet provides detailed assessment of each of the 10 performance requirements and the supporting evidence that has been developed as part of the SafePlus framework.



**OVERALL OUTCOME:**



**KEY RECOMMENDATIONS:**

1. Management should consider the SafePlus assessment findings and recommendations and incorporate any agreed actions into your annual activity plan (in consultation with workers).

**BACKGROUND**

Palmerston North City Council manages the community services of an estimated population of 93,000. It is the 6<sup>th</sup> largest city in New Zealand. The Palmerston North region has a broad industry and tertiary education base that includes a university, tourism, agriculture, retail, manufacturing, business services and social services.

**REASSESSMENT:**

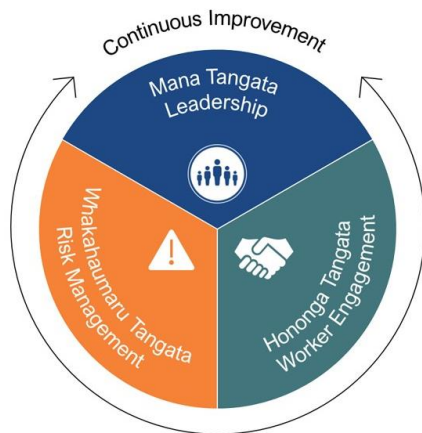
While there is no set time for a reassessment, the outcome of a business's onsite assessment will not remain valid indefinitely. There will always be new issues and risks arising and opportunities for them to improve their performance.

## Introduction

SafePlus aims to help lift the performance of workplace health and safety in New Zealand businesses. It assesses how well a business is performing against good practice health and safety requirements and provides tailored advice and guidance on how to improve. SafePlus was jointly developed, with industry, by WorkSafe New Zealand, ACC and the Ministry of Business, Innovation and Employment (MBIE) in collaboration with health and safety experts.

### WHAT SAFEPLUS IS

SafePlus measures performance against a framework of 10 performance requirements, which are underpinned by continuous improvement and organised under three key elements.



Each performance requirement has:

- Four or five indicators, exploring in detail how the business performs against the requirements.
- A three-level maturity scale applied to it.



### Assessment focus

The assessment approach is evaluative and behaviour-based with a focus on your organisation's:

- |              |             |
|--------------|-------------|
| • people     | • systems   |
| • behaviours | • resources |
| • culture    | • practices |
| • attitudes  | • values.   |

For more on SafePlus see: [www.safeplus.nz](http://www.safeplus.nz)

### PALMERSTON NORTH CITY COUNCIL - ASSESSMENT

This SafePlus assessment was completed between 27 and 29 January 2025

### SCOPE OF THIS ASSESSMENT

#### In scope

The scope of this assessment is limited to insights gained through SafePlus methodology in relation to the Palmerston North City Council.

The assessment team engaged with:

- Senior Leadership Team
- Departmental Managers
- Health and Safety Team
- Employee Representatives
- Workers

The assessment included a Deep Dive assessment on how the following risks are being managed:

- Working on the frontline
- Working environment
- Working at heights
- Breaking ground
- Lone workers

Other risks discussed included:

- Mobile plant
- Confined spaces
- Traffic management

#### Out of scope

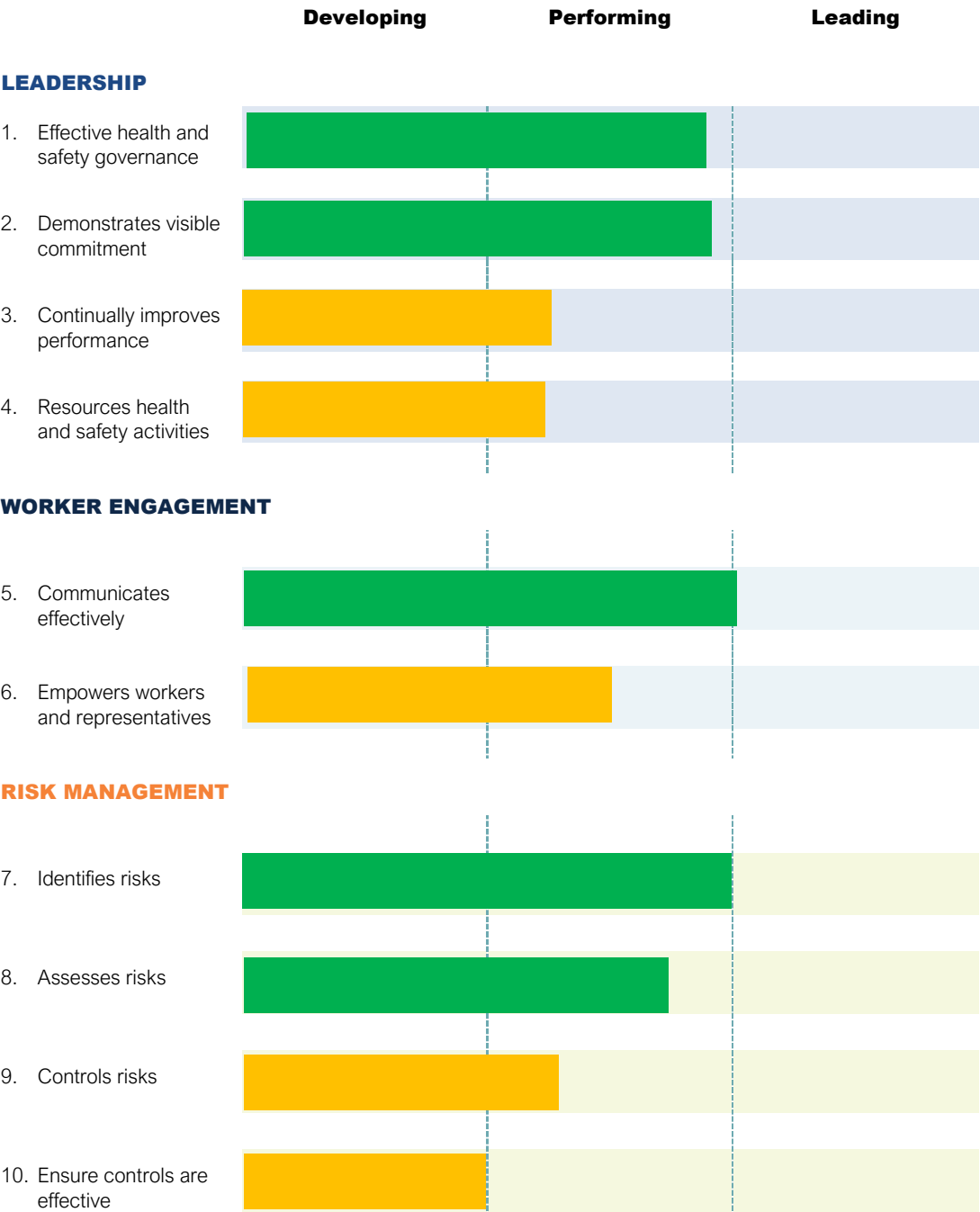
This report reflects a slice in time at the above site and should not be extrapolated beyond the scope noted above. Out of scope are:

- Stakeholders not interviewed.
- A full technical review of all documentation, work processes, Deep Dive risks and other risks.

### Thank you to Palmerston North City Council

We would like to acknowledge the participation of the site in assisting us to complete this assessment.

# Outcomes by Performance Requirement:



## Detailed Assessment

### LEADERSHIP:

Leadership at Palmerston North City Council has been assessed as developing. It should be noted that workers indicated significant changes in the organisation in the past year, supporting a more positive health and safety culture. The following table provides a summary of the four performance requirements for Leadership theme.

| Four performance requirements have been established under leadership. |  | Developing | Performing | Leading |
|---|--|------------|------------|---------|
| 1   | Effective health and safety governance |            |            |         |
| 2   | Demonstrates visible commitment        |            |            |         |
| 3   | Continually improves performance       |            |            |         |
| 4   | Resources health and safety activities |            |            |         |

Site Leadership is developing. There are several key processes that have been established, these include:

- Weekly worker toolbox meetings
- Management meetings
- Bi-monthly health and safety committee meetings.
- Workers indicated that they were comfortable raising health and safety concerns with the Health and Safety Team
- Workers indicated that managers were approachable and that they were comfortable raising health and safety concerns with either their supervisor or directly with their manager. In addition, management were observed to regularly interact with workers.

#### 1 The business has effective governance and leadership in health and safety.

Other than the required Long Term Council plan, no evidence was provided of a formal Council wide Health and Safety Strategic or Improvement Plan for the current financial year led by the Senior Management Team.

The Health and Safety Team has developed and manages the four-year Health and Safety Strategic Plan (FY22 to FY24), Although this Strategic Plan was shared with the SLT during 2022, no clear evidence was provide of this plan being recently shared with the SLT or the HS Committees.

This Strategic Plan is aimed at improving the health and safety profile across the organisation. Although the Strategic Plan has been shared with some of the senior leadership team, it has yet to be filtered down to frontline managers, and health and safety representatives.

Elective members as part of their initial induction have undertaken a familiarisation tour of the various council facilities.

As a collective, neither the elected members nor the senior leadership have received recent health and safety governance-based training.

There is significant reliance by the wider management team on the Health and Safety Team to manage health and safety. Health and safety responsibilities need to be spread across the management team. It was noted during the focus group interviews (workers and supervisors) that “Health and Safety Team will act on it” and “They are doing a good job; they are passionate about it”. While this is positive, the impression gained was the Health and Safety Team alone is responsible for health and safety.

The health and safety team provides a monthly KPI report to the senior leadership team. This report does not provide any information on the management and monitoring of identified critical risks.

The senior leader team has extensive knowledge related to health and safety management system and processes. They were aware of the risks that workers may be exposed to, and, how these should be controlled. The management team generally understood risks and has focused on remediating known issues.

The focus is that health and safety be integrated into the day-to-day operations. It was noted that frontline management would prefer more guidance and direction on health and safety matters. They believe that this would provide greater consistency across sites.

Although the organisation has undertaken bow-tie risk assessments for some identified business risks, this has not yet cascaded down to health and safety critical risks.

The following table is a detailed assessment of the component part of this performance requirement.

|     |   |  |  |  |
|-----|---|--|--|--|
| 1.1 | Officers effectively govern health and safety   |  |  |  |
| 1.2 | Senior leaders/officers set a clear direction/vision for health and safety                    |  |  |  |
| 1.3 | Senior leaders understand the key health risks and safety risks in their business             |  |  |  |
| 1.4 | Senior leaders monitor and verify risk control effectiveness                                  |  |  |  |
| 1.5 | Senior leaders consider potential impacts on health and safety when making business decisions |  |  |  |

## **2 Senior leaders visibly demonstrate their commitment to health and to safety through their actions.**

Management and the Health and Safety Team are communicating health and safety expectations and dealing with unsafe practices on a regular basis. Staff indicated that the management was visible across the site. However, they would like the Senior Leadership Team to be more visible.

Workers indicated that managers have an open-door policy and were comfortable raising health and safety concerns with either their supervisor or directly with their manager. Workers indicated that on balance, site management is fair when it comes to dealing with health and safety non-conformances.

Although the senior leadership team undertakes a monthly review of one of its facilities, the workers interviewed indicated that they don't interact with the senior leadership during these reviews.

Information is available to workers on various health and safety notice-boards and through the online portal.

Posted health and safety information includes, for example: the Health and Safety Policy statement (August 2024); Health and Safety values; health and safety committee meeting minutes; and wellbeing information.

The organisation recognises health and safety performance through for example:

- A health and safety champion nomination process.
- Storytelling via People Safe
- An informal recognition system.
- Chief Executive Updates
- Team meeting and morning tea shouts.

Job descriptions contain health and safety expectations. The organisation is currently undertaking their annual performance review process, however, there have been no formal development plans established.

The following table is a detailed assessment of the component part of this performance requirement.

|     |   |  |  |  |
|-----|---|--|--|--|
| 2.1 | Senior leaders set and communicate health and safety performance expectations and enable/support others to achieve them |  |  |  |
| 2.2 | Senior leaders recognise good practice and performance  |  |  |  |
| 2.3 | Senior leaders stated commitments and actions are connected   |  |  |  |
| 2.4 | Senior leaders create an environment of trust and fairness within the business  |  |  |  |
| 2.5 | Senior leaders readily address unsafe actions, practices and situations   |  |  |  |

### 3 The business strives to continually improve health and safety practice and Performance.

No evidence was provided of a Council wide formal health and safety improvement plan based on health and safety objectives. Health and safety improvements were based on issues being raised.

There is a need for a health and safety improvement plan to ensure specific tasks are planned, undertaken and monitored to ensure that they contribute to improved outcomes. Health and safety representative involvement in actioning and monitoring of objectives may lead to greater buy in and engagement.

The organisation health and safety framework which includes

- Safety management framework
- Safety standards (not yet rolled out)
- Key safety requirements
- Local health and safety requirements, local safety plans. Risk assessment, SOP SWMS and JSEA

The organisation has a health and safety plan which details various health and safety tasks/activities by month such as site inspection, emergency drill scenarios, document reviews, and meetings.

The following table is a detailed assessment of the component part of this performance requirement.

|     |  |  |  |  |
|-----|--|--|--|--|
| 3.1 | The business sets goals for health and for safety improvement  |  |  |  |
| 3.2 | The business plans and implements actions to meet health goals and safety goals  |  |  |  |
| 3.3 | The business monitors and evaluates progress against its health goals and safety goals   |  |  |  |
| 3.4 | The business, with workers or their representatives, reviews and evaluates its effectiveness in risk management and broader health and safety management |  |  |  |
| 3.5 | The business uses ongoing monitoring, review and evaluation activity to inform business decisions and change   |  |  |  |

#### 4 The business resources health and safety activities.

There appear to be appropriate resources applied across the organisation for the management of health and safety. Several examples were provided where issues have been raised and resolved.

The health and safety team has health and safety oversight across the organisation and the wellbeing team manages the organisations wellbeing strategic plan.

There is a training programme in place to ensure workers are competent for assigned tasks which includes health and safety. Members of staff are progressively being trained for multi-tasking.

Management indicated monitoring of contractor performance is largely left to the Health and Safety Team and verbal assurance that processes are followed. The members of management have overlapping duties and responsibilities and need to actively manage the relationship and ensure health and safety expectations are followed.

The following table is a detailed assessment of the component part of this performance requirement.

|     |   |  |  |  |
|-----|---|--|--|--|
| 4.1 | The business plans, directs and provides resources for the achievement of its goals, plans and activities                                       |  |  |  |
| 4.2 | The business ensures that health and safety roles, accountabilities and responsibilities are clear and understood in all business relationships |  |  |  |
| 4.3 | The business checks that workers (including contractors) have the competence and resources necessary to perform their roles                     |  |  |  |
| 4.4 | The business integrates health and safety into procurement  |  |  |  |
| 4.5 | The business proactively accommodates employee incapacity and ill health  |  |  |  |

#### RECOMMENDATIONS:

1. Ensure that overlapping duties with contractors are reviewed and there is clarity of expectations and monitoring processes.
2. That the council considers developing a council wide Strategic Plan with input from the Health and Safety Committee based on tasks/activities required to contribute towards improved health and safety performance.
3. That the Health and Safety Committee be more actively involved in managing and monitoring of site-specific objectives.
4. Review and expand the organisations change management processes to include organisation change, such as but not limited to restructuring. Currently the focus is on changes to plant and equipment.
5. Provide health and safety governance training for both elected members and the Senior Leadership Team.
6. Consider redefining the current health and safety framework on an established health and safety framework for example of the proposed health and safety management system model set out by WorkSafe.
7. That the Senior Leadership Team prioritises attendance at planned health and safety related meetings.

**WORKER ENGAGEMENT:**

Worker Engagement at Palmerston North City Council has been assessed as Performing. The following table provides a summary of the two performance requirements for the Worker Engagement theme.

| Two performance requirements have been established under Worker Engagement |                                      | Developing | Performing | Leading |
|--|--------------------------------------|------------|------------|---------|
| 5  | Communicates effectively             |            |            |         |
| 6  | Empowers workers and representatives |            |            |         |

**5. The business communicates effectively.**

There are several key processes that have been established, these include:

- Palmerston North City Council has two health and safety committees, one representing the officers and the other operations. The health and safety committee's agenda includes general health and safety issues, improvement opportunities and incidents of note.
- Health and Safety Committee meets bi-monthly and is involved in department and interdepartmental inspections.

Workers acknowledged improvements to health and safety and made positive comments including:

- "Improving all the time",
- "Focus on getting everyone involved".
- "Health and safety team very visible",
- "Better engagement in health and safety than before".
- "Encourage positive culture of health and safety"
- "We are moving forward, moving in the right direction"
- "Noticed significant improvements in past year"
- "Staff need more confidence to raise issues"
- "Better relationship with health and safety team"

The Health and Safety Representatives indicated that they would like more training in the health and safety process and time allocation to complete assigned tasks. In addition, they would like clear guidance related to their role and responsibilities as a health and safety representative.

There is good communication between management and workers and various forums are available for discussion and feedback concerning health and safety concerns. Managers were also seen through the site walkabout regularly engaging with workers.

There are a range of communication mechanisms that provide information to Workers which include:

- Toolbox meeting
- Health and safety committee meetings
- Noticeboards

Toolbox meetings are management led. A challenge for the organisation would be on how to ensure toolbox meetings become a two-way engagement process between management and workers.

The Health and Safety Representatives indicated that they would like more training in health and safety process and time allocated to undertake assigned tasks. Furthermore, they would like clear direction related to their role and responsibilities as a health and safety representative. In addition, some staff indicated that generally staff need more confidence to raise issues.

There are several different nationalities on site and from discussions with workers they indicate that this is taken into consideration when assessing competency level and when giving work instructions.

#### **6. The business engages with and empowers workers and representatives.**

There was reasonable communication between management and workers and various forums have been established for health and safety discussion and feedback.

The various workers' focus group interviews had representatives from across the organisation. It should be noted that the workers interviewed appeared to be open and honest regarding comments made. Comments made by workers were with the view to improving the work culture within the organisation.

There is a term of reference for the two health and safety committees - one representing Officers and the other Operations. The health and safety committees meet bi-monthly, and the two health and safety committee chairs meet with the Senior Leadership Team quarterly.

The health and safety committee currently focuses on health and safety process reviews and issues raised by health and safety representatives. The health and safety representative felt they worked in a "silo" and were not aware of issues raised by the other health and safety committee.

The Health and Safety Representatives indicated that they would like more training in health and safety process and time allocation to complete assigned tasks. Furthermore, they would like clear guidance related to their role and responsibilities as a health and safety representative.

Several of the health and safety representatives have completed the 2-day stage 1 health and safety representative training.

Workers indicated that they did not receive direct feedback from their Health and Safety Representatives as to discussions and outcomes from the health and safety committee. Feedback was generally through posted (notice-board) or emailed meeting minutes.

A challenge, going forward, is how to ensure worker engagement is effective and two way and that workers understand messages and actively contribute to health and safety discussions and activities.

The following table is a detailed assessment of the component part of this performance requirement.

| The business engages with, and empowers, workers and representatives |   | Developing | Performing | Leading |
|--|---|------------|------------|---------|
| 6.1  | The business ensures that workers have the opportunity for involvement in matters that may affect their health and safety               |            |            |         |
| 6.2  | The business ensures that worker engagement, participation and representation practices are agreed, enabling, resourced and supportive  |            |            |         |
| 6.3  | The business defines worker and representative authority to take action in matters that directly affect their health and safety         |            |            |         |
| 6.4  | The business ensures workers and their representatives are effectively involved in decisions related to risk management                 |            |            |         |
| 6.5  | Workers and their representatives are directly involved in the setting and monitoring of health goals and safety goals for the business |            |            |         |

#### RECOMMENDATIONS:

1. Consider ways to ensure workers are fully engaged in health and safety (two-way) and that it is a safe environment to raise issues.
2. Consider how to provide additional time for the Health and Safety Representative to complete assigned tasks and to promote health and safety
3. That the health and safety committee is actively involved in the development of the health and safety improvement plan.
4. Consider providing additional focussed training for the Health and Safety Representatives to better assist them with reviewing health and safety processes and their involvement in risk assessments.
5. To improve worker communication, consider providing a summary of committee discussions and sharing these during toolbox meetings.
6. Provide additional information (potentially through toolbox meetings) on worker's rights and responsibilities for unsafe work practices.
7. Provide further opportunities for designated workers to be actively involved in the change management process that includes the design phase, the implementation phase and the review phase.
8. Promote the function of the health and safety representatives across the organisation
9. Consider a budget or similar for the health and safety committee to, for example, engage guest speakers and seek independent advice.

**RISK MANAGEMENT:**

Risk Management at Palmerston North City Council has been assessed as in the initial stages of performing. The following table provides a summary of the four performance requirements for Risk Management theme.

| Four performance requirements have been established under Risk Management |                               | Developing | Performing | Leading |
|---|-------------------------------|------------|------------|---------|
| 7   | Identifies risks              |            |            |         |
| 8   | Assesses risks                |            |            |         |
| 9   | Controls risks                |            |            |         |
| 10  | Ensure controls are effective |            |            |         |

The organisation is primarily continuing to use the historical risk register, safe operating procedures to manage health and safety risk. It should be noted that where controls have been identified (through risk registers and safe operating procedures task descriptions) these were generally operating, and regular inspections have been undertaken.

**7. The business, with workers and their representatives, identifies work related health risks and safety risks.**

The identification of risk has been assessed as performing. There is good understanding by Management of the issues that the organisation is facing, and they continue remediating known issues.

Health and safety issues raised are generally inputted into People Safe, however, there is some judgement on what events are entered. This limits the amount of information available to undertake effective trend analysis.

Recommend that health and safety representatives or nominated workers undertake monthly workplace inspections of other council facilities/departments based on their role and skill base. For example, lite undertaken a workplace inspection of the Library

There was limited documented evidence of change management with worker involvement. Examples of recent changes included the baler and animal control.

Emergency procedures have been developed, and flipcharts are available throughout the organisation. The emergency flipchart includes, but is not limited to explosion, fire, earthquake, chemical spillage, and medical emergency.

The following table is a detailed assessment of the component part of this performance requirement.

| The business, with workers and their representatives, identifies work-related health risks and |   | Developing | Performing | Leading |
|--|---|------------|------------|---------|
| 7.1  | The business uses a variety of methods to identify health risks and safety risks  |            |            |         |
| 7.2  | The business applies the methods to the identification of both health risks and safety risks  |            |            |         |
| 7.3  | The business applies the methods to the identification of risks in its supply chain and/or from the activities of other parties including contractors |            |            |         |
| 7.4  | The business applies the methods to the identification of risks associated with change, non-routine activities and emergencies                        |            |            |         |

**8. The business, with workers and their representatives, assesses health risks and safety risks.**

Periodic review is undertaken of the risk register; however, this has been largely a desktop exercise.

Safe operating procedures have been developed for various plant, equipment and activities such as working at height.

The organisation uses the competent to operate process for gauging worker competency levels.

There is still a reliance on documented evidence to monitor risks controls. No evidence was provided around planned safe behaviour observations or similar.

The following table is a detailed assessment of the component part of this performance requirement.

| The business, with workers and their representatives, assesses health risks and safety risks |  | Developing | Performing | Leading |
|--|--|------------|------------|---------|
| 8.1  | The business' methods for assessing risks are relevant, effective, understood and agreed |            |            |         |
| 8.2  | The business applies the methods for risk assessment to all risks                        |            |            |         |
| 8.3  | The risk assessment process focuses the business' attention and determines action        |            |            |         |

#### **9. The business, with workers and their representatives, takes a proportionate approach to controlling health risks and safety risks.**

The current controls that have been developed appear to be working effectively and monitored through inspection and observation. Workers are trained on individual task descriptions which contain both compliance and safe work processes.

Training records are maintained and used for key external training and centralised health and safety training. There is an appropriate bring up system to identify when refresher training is required.

Task based training is undertaken by supervisors or the trainers on site. While we were informed competency is continually assessed through observation, there are no records of where refresher training has been undertaken.

When on site, visitors and contractors are required to sign in and be escorted unless they have undertaken a full site induction.

The facility has an approved evacuation plan, and posted the emergency procedures. The evacuation plan has been regularly tested as drills for fire August 2024). No other emergency scenario drills are undertaken.

Some observations where controls were not consistently applied included:

- Grinder at Depot used without a handle
- Dated health and safety signage throughout the site

Risk controls noted in the risk register have been reviewed in the past 12 month. The organisation may wish to consider using the bow-tie risk assessment methodology or similar for a more detail review of identified critical risks

The following table is a detailed assessment of the component part of this performance requirement.

| The business, with workers and their representatives, takes a proportionate approach to controlling |   | Developing | Performing | Leading |
|---|---|------------|------------|---------|
| 9.1   | The business applies a hierarchy when controlling risks   |            |            |         |
| 9.2   | The business identifies and applies a mix of controls to prevent, mitigate and respond to risks   |            |            |         |
| 9.3   | The business risk assessments inform the identification and application of risk controls  |            |            |         |
| 9.4   | The business identifies and uses guidance, standards and legal requirements when determining risk controls  |            |            |         |
| 9.5   | The business consults, cooperates and coordinates with other parties including contractors, suppliers and those it works with or alongside when controlling risks |            |            |         |

#### 10. The business, with workers and their representatives, ensures controls are effective in managing health risks and safety risks.

With the maturity of the risk assessment process, risk control plans for critical risks have yet to be developed, with reliance being placed on controls that have been documented in the risk registers.

Ensuring the effectiveness of control mainly relies on site inspections that are undertaken formally and informally across the sites. Once risk control plans have been established these need to be regularly validated for compliance (i.e. workers are following the expected process) and effectiveness (the controls appropriately manage the risk that has been identified).

Investigations have been undertaken for significant events and appear to be reasonably comprehensive.

Contractors are scheduled for periodic review of performance and ongoing acceptability.

Annual health monitoring (hearing and lung function) is being undertaken.

The following table is a detailed assessment of the component part of this performance requirement.

| The business, with workers and their representatives, ensures controls are effective in managing |   | Developing | Performing | Leading |
|--|---|------------|------------|---------|
| 10.1   | The business checks that identified controls for health risks and safety risks are understood and implemented |            |            |         |
| 10.2   | The business checks that other parties understand and implement agreed risk controls                          |            |            |         |
| 10.3   | The business tests and verifies the effectiveness of risk controls  |            |            |         |
| 10.4   | The business identifies and takes action to strengthen risk control effectiveness                             |            |            |         |
| 10.5   | The business investigates, learns and improves risk management from success and failure                       |            |            |         |

#### RECOMMENDATIONS:

1. The organisation may wish to consider using the bow-tie risk assessment methodology or similar for a more detailed analysis of identified critical risks
2. Once control plans have been established, review the monitoring processes to ensure compliance with and the effectiveness of controls.
3. Provide additional health and safety-based training to the Health and Safety Representatives (similar to the recent two-day training) to better assist the organisation in its health and safety implementation.
4. Undertake a review of People Safe and whether this platform is still fit for purpose.

5. Provide additional training and guidance to those involved in the current site inspections. Furthermore, consider undertaking site inspection in pairs and in different areas of responsibility.
6. Review the process to ensure appropriate documentation and decision-making considerations have been undertaken as part of contractor reviews.
7. Develop a process to undertake practice scenarios of identified emergency situations noted in the emergency response plan.

## **Deep Dive Risks**

**The assessment looked in depth at how Palmerston North City Council Palmerston North City Council manages:**

1. Deep Dive risk 1 – Working on the frontline
2. Deep Dive risk 2 – Working environment
3. Deep Dive risk 3 – Working at Height
4. Deep Dive risk 4 – Breaking Ground
5. Deep Dive risk 5 – Lone Workers



## DEEP DIVE RISK 1: WORKING ON THE FRONTLINE

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### KEY FINDINGS:

The organisation has made significant progress in assessing risks for working on the frontline. Several sites have panic buttons, safe rooms, a security patrol and security cameras. It is acknowledged that a process is to be undertaken to develop the critical controls plans that will support the risk assessment and then an additional monitoring review and assessing control effectiveness will be undertaken.

Key observations include:

- Site access controlled via a fob tag system
- Safe rooms
- Security cameras
- Panic buttons
- De-escalation process and training
- Effectiveness of controls visually monitored. No documented safe behaviour observations

A Focus Group discussion was held with a range of workers, supervisors, managers, while one on one interviews were also conducted to gain an in-depth understanding of:

- The risk associated with working on the frontline
- Current key controls that are operating (including monitoring processes)
- Training provided and their views as to its adequacy and effectiveness.
- How the workers are engaged in health and safety and the communication and information that they receive.

The following key documents were reviewed.

- Risk register
- Training records
- Meeting minutes

### RECOMMENDATIONS:

1. The organisation may wish to undertake random planned safe behaviour observation of frontline staff to ensure workers are following expected safe work practices
2. Undertake an annual review of the effectiveness of frontline risk controls.



## DEEP DIVE RISK 2: WORKING ENVIRONMENT

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### KEY FINDINGS:

The site has made good progress in assessing risks for the working environment through a risk assessment process which has been undertaken in conjunction with workers. It is acknowledged that a process is to be undertaken to develop the critical controls that will support the risk and then an additional monitoring review and assessing of control effectiveness will be undertaken.

Key observations include:

- Post-event follow- up
- Safe spaces
- Lock down processes
- Work-life balance
- Safe rooms
- Wrap around support processes
- De-escalation process and training
- Effectiveness of controls visually monitored. No documented safe behaviour observations

A Focus Group discussion was held with a range workers, supervisors, managers and one on one interviews were also conducted to gain an in-depth understanding of:

- The risk associated with the working environment.
- Current key controls that are operating (including monitoring processes).
- Training provided and their views as to its adequacy and effectiveness.
- How the workers are engaged in health and safety and the communication and information that they receive.
- How contractors are engaged and managed.

The following key documents were reviewed:

- Risk register
- Training records
- De-escalation process and GADGE

### Recommendations:

1. The organisation may wish to undertake random planned safe behaviour observation of the working environment to ensure workers are following expected safe work practices
2. Undertake an annual review of the effectiveness of the risk controls surrounding the working environment.



### DEEP DIVE RISK 3: WORKING AT HEIGHT

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#### KEY FINDINGS:

The organisation has made progress in assessing risks for working at height and safe operating procedures have been developed. It is acknowledged that a process is to be undertaken to develop the critical controls that will support the risk and then additional monitoring reviews and assessing control effectiveness will be undertaken. While the critical controls are to be developed, the organisation has maintained the existing control processes to manage the individual components from the historic hazard register.

Key observations include:

- Working at height is monitored by supervisors.
- Safe operating procedure, Working at Height
- Working at height training
- Working at height permit system
- Equipment inspections

A Focus Group discussion was held with a range workers, supervisors, managers, and one on one interviews were also conducted to gain an in-depth understanding of:

- The risk associated with working at height.
- Current key controls that are operating (including monitoring processes).
- Training provided and their views as to its adequacy and effectiveness.
- How the workers are engaged in health and safety and the communication and information that they receive.

The following key documents were reviewed.

- Risk register
- Safe operating procedure (Working at Height)
- Training/competency records.

#### RECOMMENDATIONS:

1. The organisation may wish to undertake random planned safe behaviour observation of Working at Height to ensure workers are following expected safe work practices



## DEEP DIVE RISK 4: BREAKING GROUND

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### KEY FINDINGS:

The organisation has made progress in managing risks associated with breaking ground. When managing contractors the organization needs to ensure that they, as a PCBU, meet the requirements for overlapping health and safety duties as defined by the Health and Safety at Work Act 2015.

Key observations include:

- Project site (Fulton Hogan) drainage work
  - Site induction completed
  - Escorted while on site
  - Observed Project Manager undertaking site inspection
- Project work (Palmerston North City Council) Residential drainage work.
  - Discussion held around confined space permit and atmospheric monitoring
  - Site induction fit for purpose and escorted while on site
  - Traffic management in place
  - Public safety being managed
  - Hydrovac used to locate underground services
  - Before you dig permit completed

A Focus Group discussion was held with a range workers, supervisors, managers, and one on one interviews were also conducted to gain an in-depth understanding of:

- The risk associated with breaking ground.
- Current key controls that are operating (including monitoring processes).
- Training provided and their views as to its adequacy and effectiveness.
- How the workers are engaged in health and safety and the communication and information that they receive.
- How contractors are engaged and managed.

The following key documents were reviewed.

- Project risk boards
- Confined space permit
- Daily tailgate meeting
- Risk assessments
- Gas detection monitor currently calibrated

### Recommendations:

1. The organisation may wish to undertake random planned safe behaviour observation of breaking ground to ensure workers follow expected safe work practices



## DEEP DIVE RISK 5: LONE WORKERS

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### KEY FINDINGS:

The organisation has made progress in managing the risks associated with lone worker.

Key observations include:

- Task planning
- De-escalation process based on Gadget
- Equipment checks
- Vehicle tracking
- Radios
- Safety plans
- Appointment/calendars
- Leave if feeling unsafe

A Focus Group discussion was held with a range workers, supervisors, managers, and one on one interviews were also conducted to gain an in-depth understanding of:

- The risk associated with breaking ground.
- Current key controls that are operating (including monitoring processes).
- Training provided and their views as to its adequacy and effectiveness.
- How the workers are engaged in health and safety and the communication and information that they receive.

The following key documents were reviewed.

- Calendars
- Meeting minutes
- Risk register

### Recommendations:

1. The organisation may wish to undertake random planned safe behaviour observation related to lone worker to ensure workers follow expected safe work practices

## Disclaimer

The recommendations and guidance in this report are based on the onsite assessment completed in a limited time and across limited parts of your organisation. While all due care has been taken in completing this report, Safe OnSite NZ Ltd takes no responsibility for any omissions or inaccuracies.

We have aimed to tailor our recommendations and suggested guidance to the information your organisation provided to us. However, given the educative focus of the initiative, our approach has been to include recommendations and references to guidance that we think will benefit your continual improvement (even if there is a chance you are already aware of such information and advice from other sources). Safe OnSite NZ Ltd is not responsible for the availability, contents, or reliability of the linked websites. Please note that the content may change without notice.

Your organisation is responsible for ensuring it meets its health and safety obligations under relevant legislation.

Recommendations and guidance in this report are intended to help you to improve in relevant areas but are not a substitute for specific health and safety or legal advice.

### WorkSafe-Disclaimer

Assessors provide advice on improving health and safety performance, using the SafePlus tool. SafePlus was jointly developed by WorkSafe New Zealand, ACC and the Ministry of Business, Innovation and Employment (MBIE). However, assessors act independently of those organisations and are not their employees, partners, or agents. Therefore, WorkSafe, ACC and MBIE do not accept any liability for the accuracy or content of the advice provided by assessors or endorse their performance judgement of a particular business.

### ASSESSMENT TEAM

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|                     |  |
|---------------------|--|
| Assessor names:     | Franz Assenmacher (Lead Assessor)                                  |
| Company name:       | Safe OnSite NZ Ltd Limited   |
| Date of Assessment: | 27-29 January 2025   |
| Email:              | <a href="mailto:franz@safeonsite.co.nz">franz@safeonsite.co.nz</a> |



Leadership

| Four performance requirements have been established under leadership. |  |  | Developing | Performing | Leading |
|---|--|--|------------|------------|---------|
|   |  |  |            |            |         |
| 1   | Effective health and safety governance |  |            |            |         |
| 2   | Demonstrates visible commitment        |  |            |            |         |
| 3   | Continually improves performance       |  |            |            |         |
| 4   | Resources health and safety activities |  |            |            |         |

## Leadership Performance Criteria 1

### The business has effective governance and leadership in health and safety

Developing Performing Leading

|     |   |  |  |  |
|-----|---|--|--|--|
| 1.1 | Officers effectively govern health and safety   |  |  |  |
| 1.2 | Senior leaders/officers set a clear direction/vision for health and safety                    |  |  |  |
| 1.3 | Senior leaders understand the key health risks and safety risks in their business             |  |  |  |
| 1.4 | Senior leaders monitor and verify risk control effectiveness                                  |  |  |  |
| 1.5 | Senior leaders consider potential impacts on health and safety when making business decisions |  |  |  |

| Assessment              | Evidence  | Developing                                   | Performing | Leading |
|-------------------------|---|--|------------|---------|
| Observations            | It is evident that senior leaders keep up to date with health and safety matters (eg through attending training or receiving briefings).  |  |            |         |
|                         | It is evident that senior leaders receive and respond to information regarding hazards, risks, incidents and verify the use of resources.   |  |            |         |
|                         | Evidence of commitment and intent may be articulated and displayed.   |  |            |         |
| Interviews with Workers | Workers are able to explain what the direction/ vision for health and safety is within the business. More importantly, they understand why this is important and how they help to contribute. |  |            |         |
| Interviews with Leaders | Senior leaders are able to outline the key work- related health risks and the key safety risks in their business.   |  |            |         |
|                         | Senior leaders are able to explain not only the risks in their areas of the business, but across the business as a whole.   |  |            |         |
|                         | Senior leaders are not only able to explain the risks, but more importantly they can explain the risk control framework.  |  |            |         |
|                         | Senior leaders can explain how key risk control indicators are identified and set, and how they inform decisions at governance and management levels.   |  |            |         |
|                         | Senior leaders may be able to explain other activities they undertake to verify the effectiveness of risk controls.   |  |            |         |
|                         | Where there is a board, the Chair of the board (or other board member) is able to explain how they structure due diligence and how their due diligence conversations inform change.           |  |            |         |
| Documentation           | There may be a governance charter or Terms of Reference.  | d members and under Local Government require |            |         |
|                         | There may be clear risk tolerances set for health and safety in line with the risk appetite for the organisation.   |  |            |         |
|                         | Evidence of strategic intent is likely displayed around the premises.   |  |            |         |
|                         | Memos and meeting minutes may highlight decisions that have been made where health and safety was a contributory decision factor.   |  |            |         |

### **A Leading Business**

Health and safety is fully integrated into the business' management/ governance activities from strategic planning through to regular performance measurement. The strategic intent of the business includes improving contractor and supplier health and safety performance. Leaders regularly monitor the effectiveness of their management of the range of health and safety risks that workers are exposed to.

### **A Performing Business**

If the organisation has a board or directors that are separate to management, the board has defined structures for exercising due diligence and including health and safety in decision making processes. Where there is no separate governance in the business, the CEO and senior leaders understand the difference between governance and management and have mechanisms in place to ensure both are given their attention. The senior leaders/directors have set a clear strategic intent for health and safety and this is driving the operational goals that are set in Requirement 2. At this level, the senior leaders understand both the health risks and the safety risks in the business and how these are controlled. The key risk control indicators have been identified, and these are monitored by the senior leaders. Changes to risk control inform decisions and action. All business decisions will have a health and safety lens applied to ensure that health and safety is not being negatively impacted

## PERFORMANCE REQUIREMENT 2

Senior leaders visibly demonstrate their commitment to health and to safety through their actions

Developing Performing Leading

|     |   |  |  |  |
|-----|---|--|--|--|
| 2.1 | Senior leaders set and communicate health and safety performance expectations and enable/support others to achieve them |  |  |  |
| 2.2 | Senior leaders recognise good practice and performance  |  |  |  |
| 2.3 | Senior leaders stated commitments and actions are connected   |  |  |  |
| 2.4 | Senior leaders create an environment of trust and fairness within the business  |  |  |  |
| 2.5 | Senior leaders readily address unsafe actions, practices and situations   |  |  |  |

| Assessment              | Evidence   | Developing | Performing | Leading |
|-------------------------|--|------------|------------|---------|
| Observations            | Senior Leaders may be observed in the business – either directly (or through video clips etc) talking specifically about health and safety.  |            |            |         |
|                         | Where senior leaders are observed in the business, they are observed following the site safety and health requirements, and are observed discussing with workers where site safety and health are not being met.   |            |            |         |
|                         | There may be rewards or recognition information displayed in the business relating to health and safety.   |            |            |         |
| Interviews with Workers | Some workers are able to explain what senior leaders commitment to health and safety is, and are able to give examples of how and when a senior leader has demonstrated this.  |            |            |         |
|                         | Workers express a belief that all senior leaders work cohesively on health and safety – and all are working towards the same goals.  |            |            |         |
|                         | Workers may be able to explain how they are treated within the business in respect of having their voice heard.  |            |            |         |
|                         | Workers understand the expectations set by senior leaders for health and safety, and are able to explain how and why these are realistic and achievable.   |            |            |         |
|                         | Workers can explain how they are supported to meet the expectations that have been set, and how their work contributes to the success of the organisation.   |            |            |         |
|                         | Workers believe that when performance or practice issues are raised the process is just and fair.  |            |            |         |
| Interviews with Leaders | Senior leaders can explain a time when they have recognised and rewarded good practice and performance. They are able to articulate why such recognition is important and are likely to link this to organisational culture, psychological safety and a basic understanding of people (social psychology). |            |            |         |
|                         | Senior leaders can explain a time when they have raised an issue or discussed performance or practice with workers. They are able to explain how they approached this, and what the consequences were. They are mindful of the need to be fair and just.   |            |            |         |
| Documentation           | Performance plans  |            |            |         |
|                         | Development plans  |            |            |         |
|                         | Job descriptions   |            |            |         |
|                         | Newsletters, emails, memos, video clips  |            |            |         |
|                         | Policies and procedures  |            |            |         |

### **A Leading Business**

Senior leaders actively try to improve health and safety in businesses that they interact with and regularly communicate health and safety messages to the community and businesses. The community and other businesses that interact with the organisation recognise the organisation as a health and safety leader.

### **A Performing Business**

Senior leaders and managers talk about their health and safety expectations when speaking with workers. Senior leaders share stories that display their personal commitment to health and safety. Senior leaders are clear how workers support the business to achieve its objectives – and how their role contributes. Workers understand these expectations and hold themselves and each other accountable for delivering on them. Expectations set by senior leaders and managers are reflected in the way the work is undertaken. Senior leaders encourage managers and workers to be actively involved with other organisations/ industry to improve health and safety. Senior leaders, managers and workers continually encourage and support others across the organisation to be leaders in health and safety. Senior leaders get personally involved in assisting workers to resolve health and safety issues and to implement workers ideas for improvement. Senior leaders take the time to increase their personal knowledge of health risks and safety risks and share that knowledge with the workforce. Senior leaders proactively share learnings from safe and unsafe behaviours and practices. Senior leaders hold managers and workers including contractors, suppliers and other parties to account for health and safety, this is reflected in organisational processes for procurement and delivery. Senior leaders understand and always follow the health and safety rules. Workers are encouraged to speak up.

## PERFORMANCE REQUIREMENT 3

The business strives to continually improve health and safety practice and performance

Developing Performing Leading

|     |  |  |  |  |
|-----|--|--|--|--|
| 3.1 | The business sets goals for health and for safety improvement  |  |  |  |
| 3.2 | The business plans and implements actions to meet health goals and safety goals  |  |  |  |
| 3.3 | The business monitors and evaluates progress against its health goals and safety goals   |  |  |  |
| 3.4 | The business, with workers or their representatives, reviews and evaluates its effectiveness in risk management and broader health and safety management |  |  |  |
| 3.5 | The business uses ongoing monitoring, review and evaluation activity to inform business decisions and change   |  |  |  |

| Assessment              | Evidence  | Developing | Performing | Leading |
|-------------------------|---|------------|------------|---------|
| Observations            | Business performance information that is visible to workers includes health and safety goals and progress against those goals.  |            |            |         |
|                         | If health and safety goals/objectives are not visible to workers, they can be easily accessed by workers.   |            |            |         |
|                         | Visible information on health and safety goals and objectives is up to date.  |            |            |         |
| Interviews with Workers | Workers (or their representatives) can explain how they contributed to setting goals and developing action plans.   |            |            |         |
|                         | Workers are able to explain what the goals of the organisation are for health and safety, and how their team contributes to achieving those.  |            |            |         |
|                         | Workers are part of reviews and debriefs and can explain why these are undertaken and how they inform action. They may have examples of things that have changed as a result of review and monitoring activity. |            |            |         |
| Interviews with Leaders | Leaders can explain the business' health and safety goals/objectives.   |            |            |         |
|                         | Leaders can outline what they are doing to help meet the health and safety goals/ objectives.   |            |            |         |
|                         | Leaders are aware of how the business is performing against health and safety goals/ objectives.  |            |            |         |
|                         | Leaders can explain how workers are involved in the setting and reviewing of health and safety goals/objectives.  |            |            |         |
| Documentation           | Health and safety plans   |            |            |         |
|                         | Health and safety strategy  |            |            |         |

### **A Leading Business**

The business uses performance indicators that are directly related to reducing health and safety risks. The business includes contractor and supplier health and safety performance in its own performance measures. The business measures its leaders and managers individual contributions to health and safety performance through performance appraisal or similar individual performance measures. The business actively provides opportunities for contractors and suppliers to improve their health and safety performance. The business looks externally for best health and safety practice that can be applied within the business.

### **A Performing Business**

Health and safety goals are set based on an understanding of current performance and in line with the strategic intent of the organisation. Worker representatives have been involved in developing goals relating to health and safety, and in the development of plans at various operational levels of the business to ensure that the goals are met. Monitoring activity is undertaken at the operational as well as the strategic levels of the business. Workers understand what they need to monitor and this information is used by their immediate managers to inform decisions and action. The overall approach to health and safety management is reviewed by senior leaders and workers, and areas where improvements could be made are identified. This review focuses not just on the outcomes that are being achieved, but on the way health and safety is approached overall.

## PERFORMANCE REQUIREMENT 4

### The business resources health and safety activities

Developing Performing Leading

|     |   |  |  |  |
|-----|---|--|--|--|
| 4.1 | The business plans, directs and provides resources for the achievement of its goals, plans and activities                                       |  |  |  |
| 4.2 | The business ensures that health and safety roles, accountabilities and responsibilities are clear and understood in all business relationships |  |  |  |
| 4.3 | The business checks that workers (including contractors) have the competence and resources necessary to perform their roles                     |  |  |  |
| 4.4 | The business integrates health and safety into procurement  |  |  |  |
| 4.5 | The business proactively accommodates employee incapacity and ill health  |  |  |  |

| Assessment              | Evidence  | Developing | Performing | Leading |
|-------------------------|---|------------|------------|---------|
| Observations            | Contractor induction requirements (or similar) are on display or communicated where contractors may access the site.  |            |            |         |
|                         | Processes for communicating or checking competencies are available where competency is a control for a critical risk. For example licenses, training matrix, or some other visible means of verifying training. |            |            |         |
| Interviews with Workers | Workers believe they have the time, money, equipment and capability to do their job and importantly that those around them do as well. They can give examples of these resources being provided.                |            |            |         |
|                         | Workers can explain what they do if they need more resource – and can provide examples of when this has been provided or when it has been rejected with reasons why.  |            |            |         |
|                         | Workers believe that the business will accommodate workers with incapacity or ill health  |            |            |         |
| Interviews with Leaders | Leaders can summarise the resources available to meet health and safety goals/objectives.   |            |            |         |
|                         | Leaders can clearly explain their specific health and safety responsibilities.  |            |            |         |
|                         | Leaders can explain how their performance is measured against specific health and safety expectations.  |            |            |         |
|                         | Leaders can explain how they have confidence that workers exposed to risks have the competencies.   |            |            |         |
|                         | Leaders can outline how health and safety is a part of procurement decisions, including contractor selection.   |            |            |         |
| Documentation           | Evidence that resources required for health and safety activities have been identified and are budgeted.  |            |            |         |
|                         | Health and safety roles and responsibilities are defined (where relevant).  |            |            |         |
|                         | Processes are in place to evaluate contractors' competency to safely carry out hazardous work.  |            |            |         |
|                         | The business has formalised expectations for health and safety in procurement and design  |            |            |         |

### **A Leading Business**

The business monitors that resources applied to meeting health and safety goals/objectives are sufficient and has mechanisms for adjusting these where necessary. The business monitors how effectively resources that are applied to health and safety improve risk management and health and safety related outcomes. The business actively looks for ways to improve worker and contractor skills in working safely. The business incentivises businesses it interacts with to improve their health and safety management through supplier selection.

### **A Performing Business**

The business provides opportunities for stakeholders to be involved in identifying resources needed to meet health and safety goals/action plans. Senior leaders are open to discussing resource allocation, and actively ask for information about resources when making decisions. Resources cover the broad areas of people, process and plant and includes financial investment and infrastructure (IT). Responsibilities, accountabilities and roles are well defined in all relationships (internal within the business, and between workers/the business and others when working together or alongside). This is part of the procurement process and the organisation's operational model. The business evaluates individual managers' performance against health and safety expectations/ responsibilities and workers hold each other accountable for health and safety performance. The business supports workers and managers to attend additional training, (beyond regulatory and legal requirements) to improve health and safety outcomes. Training is understood to be different to competence and capability, and the business focuses on competence and capability building. The business can articulate how procurement decisions align with its health and safety vision/values and goals, and how health and safety is woven into all procurement activity (contractors, equipment and plant). The business has an effective re-integration and return to work programme that applies to work and non-work injury and ill health.

Worker Engagement

| Two performance requirements have been established under Worker Engagement |                                      |  | Developing | Performing | Leading |
|--|--------------------------------------|--|------------|------------|---------|
|  |                                      |  |            |            |         |
| 5  | Communicates effectively             |  |            |            |         |
| 6  | Empowers workers and representatives |  |            |            |         |

## PERFORMANCE REQUIREMENT 5

| The business communicates effectively |  | Developing | Performing | Leading |
|---------------------------------------|--|------------|------------|---------|
| 5.1                                   | The business' methods and content of communication meet the needs of workers |            |            |         |
| 5.2                                   | The business is responsive in resolving disagreements or issues              |            |            |         |
| 5.3                                   | The business communicates and shares learnings                               |            |            |         |

| Assessment              | Evidence   | Developing | Performing | Leading |
|-------------------------|--|------------|------------|---------|
| Observations            | Workers may be observed communicating with others external to their workplace (contractors, others on site). This communication is respectful, clear and understanding is being checked.   |            |            |         |
|                         | There may be the opportunity to observe workers. calling each other out/raising issues with each other about health and safety. alling each other out/raising issues with each other about health and safety.  |            |            |         |
|                         | The interactions between leaders and workers demonstrate that the leader has cultivated a safe environment. This is observed through the way and frequency with which workers disagree, raise ideas and issues and interact with each other.   |            |            |         |
|                         | The work teams appear cohesive and well- functioning.  |            |            |         |
|                         | Workers are able to explain how they communicate with other workers, other locations and others who do not work directly for the business on health and safety matters.  |            |            |         |
| Interviews with Workers | Workers perceive that leaders communicate effectively and can give examples of when they have done this (this might include communication around changes in the business, different methods or tools for work, incidents that have occurred elsewhere in the business, or communication around how well the business is performing against goals). |            |            |         |
|                         | Workers perceive that leaders listen to them when they communicate, and can give examples.   |            |            |         |
|                         | Workers can explain what information they need from others, and what they can and need to share with others external to the business.  |            |            |         |
|                         | Workers are able to explain the purpose and content of any documentation that may be available.  |            |            |         |
|                         | Workers can explain how to raise issues or concerns and can articulate what the business will do about them.   |            |            |         |
| Interviews with Leaders | Workers express a level of trust or confidence that issues, ideas and even bad news will be handled well by the business, and are able to give examples of when this has occurred – or why they feel this way.   |            |            |         |
|                         | Leaders understand the worker demographics and can give examples of when they have accounted for literacy and language levels, cultural diversity and levels of experience when communicating.   |            |            |         |
|                         | Leaders know what to do when an issues is raised and there is consistency across leader's approaches.  |            |            |         |
|                         | Leaders share information and learnings with others and can describe the approaches they take to such communication.   |            |            |         |
|                         | Leaders can explain why it is important to respond positively even to bad news – and are able to   |            |            |         |
| Documentation           | Examples of a variety of physical communications are available and these may include more innovative methods such as posters, videos, emails, communication plans, alerts or apps.   |            |            |         |
|                         | Examination of the physical communication shows that the intended audience is clearly identified and the communication is appropriate for that audience – this will be evidenced by examining the language, style and tone relevant to the audience needs.   |            |            |         |
|                         | The messages in the communications are consistent and in line with the observed behaviours and activities of workers and leaders.  |            |            |         |
|                         | Where communication is provided, there is a method to verify that it has been understood. This can be evidenced in a multitude of ways (from asking to testing)  |            |            |         |

### **A Leading Business**

The business communicates health and safety learnings to the wider business community, and provides opportunities for sharing health and safety improvements in their industry. The businesses actively looks for barriers to effective communication and takes steps to overcome these.

### **A Performing Business**

A variety of methods for communication can be identified in the business. These may include verbal, written, electronic, pictorial. The methods are relevant to the nature of the work being undertaken. For example, information and communication that is used outdoors is likely to be different to that used in an office. Communication methods have been explored with some workers or the representatives to identify the most effective methods to use in particular circumstances. The methods of communication are easy for workers to use. The communication methods and mechanisms for feedback extend to others including contractors, suppliers and those the business works with or alongside. There is a method for checking that communication is received and understood. The business actively encourages workers and representatives to suggest ways to communicate more effectively. Literacy, language, cultural diversity and levels of health and safety knowledge of the workers has been considered in communication content and delivery methods. Workers have opportunities to raise issues and ideas in alternate ways that are independent of line manager influence. There are a range of methods for reporting and raising issues – confidentially, written, verbal, electronic. The process (formal or informal) for raising issues and for issue resolution is understood by workers. The business communicates and shares information with contractors and suppliers, and communicates performance with them.

## PERFORMANCE REQUIREMENT 6

| The business engages with, and empowers, workers and representatives |   | Developing | Performing | Leading |
|--|---|------------|------------|---------|
|  |   |            |            |         |
| 6.1  | The business ensures that workers have the opportunity for involvement in matters that may affect their health and safety               |            |            |         |
| 6.2  | The business ensures that worker engagement, participation and representation practices are agreed, enabling, resourced and supportive  |            |            |         |
| 6.3  | The business defines worker and representative authority to take action in matters that directly affect their health and safety         |            |            |         |
| 6.4  | The business ensures workers and their representatives are effectively involved in decisions related to risk management                 |            |            |         |
| 6.5  | Workers and their representatives are directly involved in the setting and monitoring of health goals and safety goals for the business |            |            |         |

| Assessment              | Evidence  | Developing | Performing | Leading |
|-------------------------|---|------------|------------|---------|
| Observations            | Notice boards/key information points in the business may have pictures or information about representatives, worker forums or consultations.  |            |            |         |
|                         | Mechanisms for workers to communicate feedback on health and safety matters (access to electronic/paper based reporting systems).   |            |            |         |
|                         | Information on worker authority to take action in health and safety matters easily available  |            |            |         |
| Interviews with Workers | Workers have means to easily communicate with employee safety representatives.  |            |            |         |
|                         | Workers will be able to explain the opportunities they have to be involved in decisions or activities that may impact their health and safety.  |            |            |         |
|                         | They can provide examples of when they have been asked for their thoughts and ideas, and will be able to give examples of how this has influenced the action that was taken.  |            |            |         |
|                         | The workers and representatives will be able to describe the support and training/development they are provided to enable them to be involved in decisions that could impact their health and safety. This support includes time. |            |            |         |
|                         | Workers will be able to explain who represents them on health and safety matters (where formal representation exists), and what the role of these workers is.   |            |            |         |
|                         | Workers report that the membership of committees/meetings and methods to set agendas and run meetings, ensures workers/ representatives can raise issues and be involved in decision-making.                                      |            |            |         |
|                         | Workers identify that they are confident to stop work if they assess it as unsafe.  |            |            |         |
| Interviews with Leaders | Leaders can outline and provide examples of the processes used for worker engagement and worker involvement in decision making on health and safety matters.  |            |            |         |
| Documentation           | There may be formal terms of reference for participation forums.  |            |            |         |
|                         | Health and safety committee meeting minutes or actions.   |            |            |         |
|                         | Training plans. These have evidence of being agreed and developed with the workers.   |            |            |         |
|                         | Training Certificates.  |            |            |         |

### **A Leading Business**

Worker representatives are always involved in decisions impacting on health and safety. The business is continuously looking for ways to improve worker representation in health and safety and worker representative skills. Mechanisms are in place to include contractor and supplier worker representatives in the worker engagement processes.

### **A Performing Business**

Structures for worker participation and engagement are clear and understood by workers. They have been developed and designed with the workers and cover geographical locations and risk/activity differences. The business ensures diversity in participation and engagement practices, actively encouraging under-represented groups to participate and be engaged in health and safety matters that affect them. Senior leaders and Managers encourage workers to take a leadership role in health and safety, and provide development opportunities to enable them to do so. The business identifies and allocates the resources needed for effective worker engagement – this includes time, development and finance. Senior leaders and Managers respect differences of opinion and encourage workers to challenge assumptions, this leads to the business and workers engaging in open and transparent health and safety conversations. Workers are confident in expressing concern and ideas, and these are responded to by the business. Workers volunteer to be in health and safety roles and to participate in activities – there is no shortage of volunteers because the roles are perceived to be supported and important. The business takes actions to understand the effectiveness of worker engagement and participation practices and actively seeks to improve these with workers. Worker representatives influence spending and action for health and safety.

RISK MANAGEMENT

|   |                               |  |            |            |         |
|---|-------------------------------|--|------------|------------|---------|
| Four performance requirements have been established under Risk Management |                               |  | Developing | Performing | Leading |
|   |                               |  |            |            |         |
| 7   | Identifies risks              |  |            |            |         |
| 8   | Assesses risks                |  |            |            |         |
| 9   | Controls risks                |  |            |            |         |
| 10  | Ensure controls are effective |  |            |            |         |

## PERFORMANCE REQUIREMENT 7

| The business, with workers and their representatives, identifies work-related health risks and safety |   | Developing | Performing | Leading |
|---|---|------------|------------|---------|
| 7.1   | The business uses a variety of methods to identify health risks and safety risks  |            |            |         |
| 7.2   | The business applies the methods to the identification of both health risks and safety risks  |            |            |         |
| 7.3   | The business applies the methods to the identification of risks in its supply chain and/or from the activities of other parties including contractors |            |            |         |
| 7.4   | The business applies the methods to the identification of risks associated with change, non-routine activities and emergencies                        |            |            |         |

| Assessment              | Evidence  | Developing | Performing | Leading |
|-------------------------|---|------------|------------|---------|
| Observations            | All observed risks have been identified by the business.  |            |            |         |
|                         | Mechanisms available for workers to communicate risks (electronic/paper risk reporting).  |            |            |         |
|                         | Different risk identification methodologies observed in use (pre-start risk identification, environmental monitoring, reporting etc).   |            |            |         |
|                         | Evidence that risk identification has been applied to contractors/suppliers observed (job safety analysis in use where contractors working, permit systems in use etc).   |            |            |         |
|                         | Recent changes in the workplace observed (new equipment/materials/processes) to test risk identification as part of change management.  |            |            |         |
| Interviews with Workers | Workers are able to explain the health risks and safety risks they are both exposed to and create in their tasks and locations.   |            |            |         |
|                         | Workers understand the interaction between their work and the work of others either within their business or external to their business (contractors, others on site) and can explain how risks are identified in work where others are involved or nearby. |            |            |         |
|                         | Workers are able to explain the range of hazards that may lead to a particular risk event, and also the how they identify risks that may be a consequence of controls that they implement.  |            |            |         |
|                         | Workers say they generally report hazards and incidents.  |            |            |         |
|                         | Workers are able to explain how they identify emergencies and risks with non-routine activity.  |            |            |         |
| Interviews with Leaders | Leaders are able to explain the health risks and the safety risks that their workers are exposed to or create in their tasks and locations.   |            |            |         |
| Documentation           | There may be examples of documented learnings from external incidents or events and how this is used to identify risks.   |            |            |         |
|                         | The business reviews activities to identify emergencies that could occur as a result of work activities or work locations.  |            |            |         |
|                         | Training material or process documentation that explains the different methodologies may also include technical methods such as Bow Tie, Failure Mode and Effects Analysis, Fault Tree Analysis as appropriate to the business.                             |            |            |         |

### **A Leading Business**

Risk identification is embedded in all parts of the business including procurement, work planning and management of change. The business has a comprehensive understanding of the types of risks workers may be exposed to and actively seeks ways to identify where those risks may be present. The business actively looks for emerging health and safety risks in similar industries.

### **A Performing Business**

The business uses a variety of methods for identifying risks at the operational and strategic levels. A business at this level may seek external validation of its risk identification methods. Suppliers, contractors and other parties are involved in risk identification with the business. There is an understanding of how to identify risks arising from change and non-routine activity. The business identifies the risks that are created through the implementation of risk controls for other risks. The business identifies the risks its activities have on other parties including contractors, the public and suppliers. The business communicates, collaborates and coordinates with other parties including contractors, the public and suppliers to identify risks. The business actively seeks to identify risks before changes occur. The business has identified the risks that may lead to emergency situations, and fully understands risk in terms of chronic, acute and catastrophic.

PERFORMANCE REQUIREMENT 8

| The business, with workers and their representatives, assesses health risks and safety risks |  | Developing | Performing | Leading |
|--|--|------------|------------|---------|
| 8.1  | The business' methods for assessing risks are relevant, effective, understood and agreed |            |            |         |
| 8.2  | The business applies the methods for risk assessment to all risks                        |            |            |         |
| 8.3  | The risk assessment process focuses the business' attention and determines action        |            |            |         |

| Assessment              | Evidence  | Developing | Performing | Leading |
|-------------------------|---|------------|------------|---------|
| Observations            | Workers may be observed using risk assessment methodologies – particularly when undertaking a new task that day, or working in a new location.      |            |            |         |
|                         | Risk assessment information available to workers for main risks present at observed locations.  |            |            |         |
|                         | Workers have access to the risk assessment process and supporting information (where applicable).   |            |            |         |
|                         | Contractors can be seen using the risk assessment processes.  |            |            |         |
| Interviews with Workers | Workers will be able to explain the purpose of risk assessment, and how the assessment process(s) work in their business.                           |            |            |         |
|                         | Workers identify that they agree with the risk assessment process that is used.   |            |            |         |
|                         | Workers will be able to describe whether they apply the assessment process to most likely, or the severe but plausible outcomes.                    |            |            |         |
|                         | Workers will be able to explain the training they have had in risk assessment for safety risks and work-related health risks.                       |            |            |         |
|                         | They will be able to give examples of when they have assessed a risk during their work, and how this led to action.                                 |            |            |         |
| Interviews with Leaders | Leaders will be able to explain the risk assessment methodologies, how they are applied and what the outcomes could be from the assessment process. |            |            |         |
|                         | They will be able to describe how they use their team risk assessments to inform other areas of the business.                                       |            |            |         |
| Documentation           | Posters, risk registers, databases with risk information, pocket books, policies, procedures.   |            |            |         |
|                         | There is documented evidence that the risk methodology has been agreed with workers (eg meeting minutes)  |            |            |         |

### **A Leading Business**

Risk assessment includes input from all workers that may be impacted by risks, including contractors. The business uses information from industry to verify that risk assessment processes are accurate and valid. Risk assessment is integrated into all decision making where health and safety risks are present.

### **A Performing Business**

The business uses comprehensive risk assessment methodologies and has defined whether it is the most likely impact or the severe but plausible impact that is being assessed when the methodology is applied. The business is clear whether it is the inherent or residual risk assessment that is used for monitoring and reporting purposes, ensuring consistency. The results of the assessment are used to inform action, and the actions required for each assessment outcome are clearly defined. This may be escalation, cessation of work or acceptance of the risk. All workers are trained in the business risk assessment methodology, and are able to apply the assessment methodology in a dynamic way to their activities and tasks. Hazards and incidents are generally reported and this assists the business to identify risks. The business assesses the risks its activities may have on other parties including contractors, the public and suppliers, before work commences, and involves those parties in those risk assessments. It actively uses industry and regulator risk information when assessing risk, and assesses risks before worker exposure.

PERFORMANCE REQUIREMENT 9

| The business, with workers and their representatives, takes a proportionate approach to controlling |   | Developing | Performing | Leading |
|---|---|------------|------------|---------|
|   |   |            |            |         |
| 9.1   | The business applies a hierarchy when controlling risks   |            |            |         |
| 9.2   | The business identifies and applies a mix of controls to prevent, mitigate and respond to risks   |            |            |         |
| 9.3   | The business risk assessments inform the identification and application of risk controls  |            |            |         |
| 9.4   | The business identifies and uses guidance, standards and legal requirements when determining risk controls  |            |            |         |
| 9.5   | The business consults, cooperates and coordinates with other parties including contractors, suppliers and those it works with or alongside when controlling risks |            |            |         |

| Assessment              | Evidence  | Developing | Performing | Leading |
|-------------------------|---|------------|------------|---------|
| Observations            | Contractors and workers are observed working to the same standards.   |            |            |         |
|                         | Agreed risk controls can be observed in use (physical and behavioural).   |            |            |         |
|                         | Mechanisms to access information on agreed risk controls available in workplace.  |            |            |         |
|                         | Information on emergency response procedures easily available.  |            |            |         |
|                         | Emergency equipment easily available (mechanism for communicating emergency, spill equipment, rescue equipment, exit identification etc).   |            |            |         |
| Interviews with Workers | Workers are able to explain the key risks in their roles – and the key controls to manage those risks.  |            |            |         |
|                         | Workers explain how they contribute to developing and deciding on controls.   |            |            |         |
|                         | They will also be able to explain why those controls are required – the objective and purpose of each control.  |            |            |         |
| Interviews with Leaders | Leaders can explain the key risks in their work and in the work of their team.  |            |            |         |
|                         | They are able to explain how the risk controls were identified, and how they know that there is a consistent approach across the organisation in respect of risks that apply across multiple teams or locations.  |            |            |         |
|                         | Leaders will be able to explain how the risk controls were assessed as being the reasonably practicable steps they needed to take – and why elimination of a risk wasn't possible where controls are implemented. They may be able to provide examples of where risks have been eliminated. |            |            |         |
| Documentation           | There may be documented procedures or registers. These will exhibit language that is collaborative in nature and clearly tailored to the needs of the workers and the work environment. The documentation will show evidence of being used by workers.                                      |            |            |         |

### **A Leading Business**

The business always looks for the highest level of risk controls available and can demonstrate why a higher level of control is not practicable for all ongoing health and safety risks. The business actively encourages and assists other businesses to develop and adopt higher levels of controls through its interactions with, contractors, suppliers and other businesses.

### **A Performing Business**

The business eliminates or designs out risks where it is reasonable and practicable for them to do so. The business assesses the balance between cost and risk when applying a mix of prevention and response controls – this includes emergency planning, and is able to demonstrate how this assessment has been undertaken, and to explain why elimination was not reasonable or practicable. The business understands the trade-offs when implementing risk controls – and how controls may exacerbate or cause other risks. The business actively involves workers in the selection process for controls, and consults with contractors, suppliers and other parties to identify appropriate risk controls arising from all activities occurring on the same site. Those who are not directly involved in this process are informed of the actions they need to take to control the identified and assessed risks that are within the control and influence of the business. The business ensures that the objective or purpose of each control in managing the risk is clear. This ensures that workers understand the ‘why’ for each control that is identified and supports engagement and buy in. The controls used to manage the same risks in different locations, teams or sites are consistent. At this level the same level of protection is afforded to workers regardless of where or when they are exposed to a risk. The business uses national standards, guidance and industry practice to identify risk controls and workers and leaders are familiar with these materials.

PERFORMANCE REQUIREMENT 10

| The business, with workers and their representatives, ensures controls are effective in managing |   | Developing | Performing | Leading |
|--|---|------------|------------|---------|
| 10.1   | The business checks that identified controls for health risks and safety risks are understood and implemented |            |            |         |
| 10.2   | The business checks that other parties understand and implement agreed risk controls                          |            |            |         |
| 10.3   | The business tests and verifies the effectiveness of risk controls  |            |            |         |
| 10.4   | The business identifies and takes action to strengthen risk control effectiveness                             |            |            |         |
| 10.5   | The business investigates, learns and improves risk management from success and failure                       |            |            |         |

| Assessment              | Evidence  | Developing | Performing | Leading |
|-------------------------|---|------------|------------|---------|
| Observations            | Risk controls are observed to be in place.  |            |            |         |
|                         | Leaders may be observed checking risk controls are in place, or talking to those who are not implementing the controls.   |            |            |         |
| Interviews with Workers | Workers are able to explain the checks that they perform before exposure to a risk in their work, to ensure that they are controlling the risks effectively.  |            |            |         |
|                         | Workers may also be able to explain any checks they undertake on others (eg contractors).   |            |            |         |
|                         | Workers say that hazards and incidents are generally reported, investigated and acted on.   |            |            |         |
| Interviews with Leaders | Leaders are able to explain the information they provide to their leader (right up to the governance level) on risk control effectiveness.  |            |            |         |
| Documentation           | There may be a policy or procedure that encompasses the monitoring activity that the business will undertake on risk controls (their own or contractors and others).  |            |            |         |
|                         | Workers receive monitoring information about the effectiveness of controls and are involved in discussing ways to improve controls.   |            |            |         |
|                         | Monitoring reports and frameworks may exist which demonstrate the monitoring activity undertaken on key risk control indicators. This may include exposure monitoring, health monitoring and engineering tests for example. |            |            |         |
|                         | There may be investigation reports and evidence that follow-up actions have been identified and implemented.  |            |            |         |

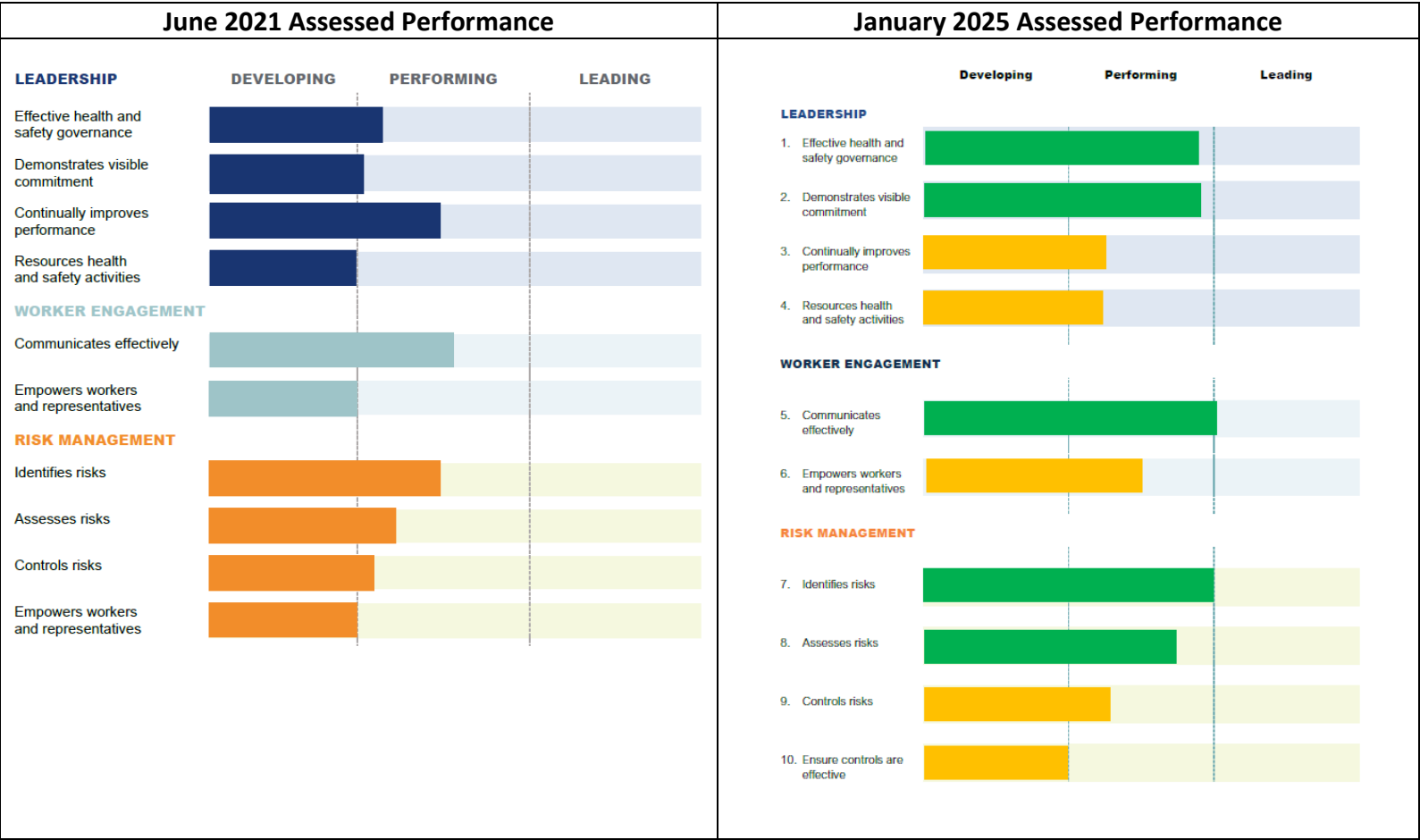
### **A Leading Business**

The business seeks independent verification that risk controls are in place and effective. The business assesses the effectiveness of risk controls for risks shared with businesses it interacts with, such as contractors and suppliers.

### **A Performing Business**

Key risk controls have been identified for critical risks, and these are monitored. The results of this monitoring inform senior leader action and decisions. The workers in the business check that controls are in place before each risk exposure. They are able to articulate why a control is required and understand which risk is being managed and why. The business has monitoring programmes in place that verify that this is being completed, and may have an external verification process that checks the monitoring programme is effective. Monitoring activity leads to demonstrable change and improvement over time, and the business is constantly looking for ways to improve in consultation with workers and representatives. There are high participation rates in programmes around health – particularly the health monitoring programme – and this type of monitoring is used to inform decisions and action. The business constantly reviews guidance, standards and national good practice as one of the methods for ensuring the effectiveness of risk controls. The business







## Health & Safety Audit – Recommendations and Proposed Actions

Action Owner: General Manager People & Capability

Target Date: To be reported in next Accountability Report

| Leadership        |  |  |
|-------------------|--|--|
| #                 | Recommendation   | Proposed Actions   |
| 1                 | Ensure that overlapping duties with contractors are reviewed and there is clarity of expectations and monitoring processes.  | A review/gap analysis to be undertaken between current processes and duplication/omissions in duties with contractors. Identified gaps to be addressed.  |
| 2                 | That the council considers developing a council wide Strategic Plan with input from the Health and Safety Committee (“HSC”) based on tasks/activities required to contribute towards improved health and safety performance. | The H&S strategy will be socialised with the HSC and any feedback will be, where deemed appropriate, incorporated into an updated strategy.  |
| 3                 | That the Health and Safety Committee be more actively involved in managing and monitoring of site-specific objectives.   | HSC terms of reference will be updated to ensure they are more involved with site objectives. Guidance will be developed to assist in the completion of this activity. Outcomes to be minuted.   |
| 4                 | Review and expand the organisations change management processes to include organisation change, such as but not limited to restructuring. Currently the focus is on changes to plant and equipment.                          | The change management framework will be reviewed to ensure that organisational and process changes ensure H&S implications are considered as part of BAU change.   |
| 5                 | Provide health and safety governance training for both elected members and the Senior Leadership Team.   | This is a recommendation from the 2021 report. Appropriate training will be identified and rolled out. Commitment to complete at the start of the new triennium and periodically thereafter.   |
| 6                 | Consider redefining the current health and safety framework on an established health and safety framework for example of the proposed health and safety management system model set out by WorkSafe.                         | There is no legislative requirement to do this, rather to have a framework is the key outcome. PNCC H&S framework, policies and procedures are nearing completion and their introduction is deemed to meet this intent.  |
| 7                 | That the Senior Leadership Team prioritises attendance at planned health and safety related meetings.  | This is a recommendation from the 2021 report. The GM P&C attends all H&S committee meetings, or a proxy is nominated (rare). The GM Infrastructure also attends whenever possible. SLT decided in November 2024 that attendance is a mandatory requirement going forward. |
| Worker Engagement |  |  |
| #                 | Recommendation   | Proposed Action  |

|                        |   |   |
|------------------------|---|---|
| 1                      | Consider ways to ensure workers are fully engaged in health and safety (two-way) and that it is a safe environment to raise issues.   | Recommunication of expectations around two-way feedback, including with team leaders/managers. Encouragement of good engagement.  |
| 2                      | Consider how to provide additional time for the Health and Safety Representative to complete assigned tasks and to promote health and safety  | People Operations will ensure that HSRs' managers/team leaders are cognisant of the need for sufficient time to complete HSR duties. To be built into workforce management schedules.   |
| 3                      | That the health and safety committee is actively involved in the development of the health and safety improvement plan.   | H&S improvement plan to be revisited with gap analysis and shared with HSCs. Where deemed appropriate, changes made on the back of feedback. Plan to be a standing agenda item at HSC meetings.   |
| 4                      | Consider providing additional focussed training for the Health and Safety Representatives to better assist them with reviewing health and safety processes and their involvement in risk assessments. | This is a recommendation from the 2021 report. While progress has already been made, additional HSR training to be identified, developed and rolled out progressively as part of the Training Needs Assessment Framework.                   |
| 5                      | To improve worker communication, consider providing a summary of committee discussions and sharing these during toolbox meetings.   | HSR's role descriptions will be expanded to ensure a verbal update of committee discussions is presented.   |
| 6                      | Provide additional information (potentially through toolbox meetings) on worker's rights and responsibilities for unsafe work practices.  | Presentation will be developed on workers' rights and responsibilities for unsafe work practices and rolled out with periodic presentations. To be included in the onboarding process as well.  |
| 7                      | Provide further opportunities for designated workers to be actively involved in the change management process that includes the design phase, the implementation phase and the review phase.          | Change management framework to include identification of this action. HSRs are to be given the opportunity to be included in the change process/conversation, where deemed practical, as well as seeking workers' inclusion where possible. |
| 8                      | Promote the function of the health and safety representatives across the organisation.  | HSC in conjunction with H&S Team and Internal Communications will develop visibility tools to use across the organisation.  |
| 9                      | Consider a budget or similar for the health and safety committee to, for example, engage guest speakers and seek independent advice.  | HSC Chairs in conjunction with H&S team will develop guests for each HSC. First one scheduled for April.  |
| <b>Risk Management</b> |   |   |
| #                      | Recommendation  | Proposed Action   |
| 1                      | The organisation may wish to consider using the bow-tie risk assessment methodology or similar for a more detailed analysis of identified critical risks  | This is a recommendation from the 2021 report. Gap analysis between current risk assessments and bowtie methodology to be undertaken and where gaps identified further risk assessment to be completed.                                     |
| 2                      | Once control plans have been established, review the monitoring processes to ensure compliance with and the effectiveness of controls.  | Development of assurance programme for critical risks and key controls. Already identified as an action in strategic risk.  |

|   |  |   |
|---|--|---|
| 3   | Provide additional health and safety-based training to the Health and Safety Representatives (similar to the recent two-day training) to better assist the organisation in its health and safety implementation. | This is a recommendation from the 2021 report. Additional HSR training to be identified, developed and rolled out progressively as part of the Training Needs Assessment Framework.         |
| 4   | Undertake a review of People Safe and whether this platform is still fit for purpose.  | This is a recommendation from the 2021 report. Assessment is underway as part of digital transformation programme. The outcome to be managed through the Quarterly Business Review process. |
| 5   | Provide additional training and guidance to those involved in the current site inspections. Furthermore, consider undertaking site inspection in pairs and in different areas of responsibility.                 | Training needs assessment to be undertaken for site inspections. Training to be identified/developed and rolled out. HSR role profiles are to be updated on inspection duties.              |
| 6   | Review the process to ensure appropriate documentation and decision-making considerations have been undertaken as part of contractor reviews.  | Review current documented processes for gaps, both in the agreements and the processes for assessment and decisions. Resolve any gaps.  |
| 7   | Develop a process to undertake practice scenarios of identified emergency situations noted in the emergency response plan.   | As part of the rewrite/review of business continuity plans, ensure H&S scenarios are included in test scripts. Conduct tests.   |
| <b>Critical Risks Deep Dive Recommendations</b> |  |   |
| #   | Recommendation   | Proposed Action   |
| 1   | The organisation may wish to undertake random planned safe behaviour observation of frontline staff to ensure workers are following expected safe work practices   | Development of a test script for different behaviours and experiential training tools along with a test plan. Include test outcomes to HSC and SLT.   |
| 2   | Undertake an annual review of the effectiveness of frontline risk controls.  | Develop self-assurance programme key controls with test script and test timing. Undertake review periodically. Report results along with any recommended improvements to HSC and SLT.       |
| 3   | The organisation may wish to undertake random planned safe behaviour observation of the working environment to ensure workers are following expected safe work practices   | Development of a test script for different behaviours and experiential training tools along with a test plan. Include test outcomes to HSC and SLT.   |
| 4   | Undertake an annual review of the effectiveness of the risk controls surrounding the working environment.  | Develop self-assurance programme key controls with test script and test timing. Undertake review periodically. Report results along with any recommended improvements to HSC and SLT.       |
| 5   | The organisation may wish to undertake random planned safe behaviour observation of Working at Height to ensure workers are following expected safe work practices   | Development of a test script for different behaviours and experiential training tools along with a test plan. Include test outcomes to HSC and SLT.   |

|   |   |   |
|---|---|---|
| 6 | The organisation may wish to undertake random planned safe behaviour observation of breaking ground to ensure workers follow expected safe work practices     | Development of a test script for different behaviours and experiential training tools along with a test plan. Include test outcomes to HSC and SLT. |
| 7 | The organisation may wish to undertake random planned safe behaviour observation related to lone worker to ensure workers follow expected safe work practices | Development of a test script for different behaviours and experiential training tools along with a test plan. Include test outcomes to HSC and SLT. |

## MEMORANDUM

**TO:** Risk & Assurance Committee

**MEETING DATE:** 12 March 2025

**TITLE:** Health and Safety Report, 1 October to 31 December 2024 (Quarter 2)

**PRESENTED BY:** Selwyn Ponga-Davis, Health and Safety Manager

**APPROVED BY:** Sarah Morris, General Manager People & Capability

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### RECOMMENDATION(S) TO RISK & ASSURANCE COMMITTEE

1. That the Committee receive the memorandum titled 'Health and Safety Report, 1 October to 31 December 2024 (Quarter 2)' presented to the Risk & Assurance Committee on 12 March 2025.
  2. That the Chief Executive release Attachment 2 as is practicable.
- 

### 1. EXECUTIVE SUMMARY

- 1.1 Timely and thorough incident reporting remains a key focus, reflecting a strong health and safety culture. Ongoing efforts ensure that the well-being and safety of our kaimahi remains a top priority.

The independent Health and Safety audit, requested by Elected Members in September last year, was scheduled for late January 2025 to provide an external perspective and ensure Council meets its obligations. The SafePlus assessment findings of that audit will be presented to the Senior Leadership Team and the Risk & Assurance Committee in March 2025; results will then be shared across PN City Council after that.

Critical Risk 1 – Frontline Working – remains a priority, with ongoing efforts to mitigate it through continued collaboration and training. We are partnering with Opsec Solutions to develop further frontline training that deals with abusive emails and phone calls. A pilot is planned for 14 March 2025.

- 1.2 Notable highlights over the 1 October through to 31 December 2024 quarter:
- MWLASS forum to empower Health and Safety Reps in mastering communication (October); as well as a collaborative Health and Safety Practitioner forum (November).
  - Achieved Gold re-accreditation with SiteWise for the 2024/2025 period.
  - The Health and Safety team provided support during the following community events: Palmy Play Festival (November) and Toitu Te Tiriti Hokoi (November).

### 1.3 Looking ahead:

- The investigation of other Health and Safety reporting systems continues; sits currently in the Digital Quarterly Business Review process.
- The Safety Framework has been reviewed by our internal Health and Safety Committees (Officers and Operations). Post Health and Safety audit the Framework will be progressed through to the Senior Leadership Team.
- The close out of actions tied to the 2021 SafePlus audit will be completed during the first quarter of 2025 following the recent 2024/2025 audit.
- Bi-monthly 2025 Health and Safety offsite visits are being scheduled for the Senior Leadership Team.

### 1.4 Updates on topics reported previously:

- Collaborations with other councils in support of front-facing kaimahi challenged by poor customer behaviour continues through early 2025.
- The PeopleSafe system realignment to reflect organisation-wide structure changes was completed (November).
- Update and refresh on the Health and Safety Management Plans for Turitea Water Treatment Plant are being progressed, and WasteWater Treatment Plant remains ongoing (progression of the Manual and Safe Operating Procedures for review by Health and Safety).

## 2. HEALTH AND SAFETY REPORT

2.1 This report covers the period 1 October through to 31 December 2024. The information included in Table 1 below is discussed at the Officers and Operations Health and Safety Committee meetings.

### A. Hazards, Incidents and Near Misses Reported

Table 1: Hazards, Incidents and Near Misses

| Quarter     | Sep-23 |     | Dec-23 |     | Mar-24 |     | Jun-24 |     | Sep-24 |     | Dec-24 |     |
|-------------|--------|-----|--------|-----|--------|-----|--------|-----|--------|-----|--------|-----|
|             | PNCC   | CON | PNCC   | CON | PNCC   | CON | PNCC   | CON | PNCC   | CON | PNCC   | CON |
| Hazards     | 55     | 5   | 28     | 11  | 83     | 4   | 56     | 4   | 57     | 0   | 73     | 7   |
| Incidents   | 115    | 11  | 108    | 11  | 80     | 7   | 80     | 19  | 78     | 9   | 108    | 6   |
| Near Misses | 9      | 1   | 14     | 1   | 7      | 0   | 13     | 7   | 16     | 2   | 17     | 1   |

Key: PNCC = Staff/Kaimahi; CON = Contractor

### 2.2 Comments:

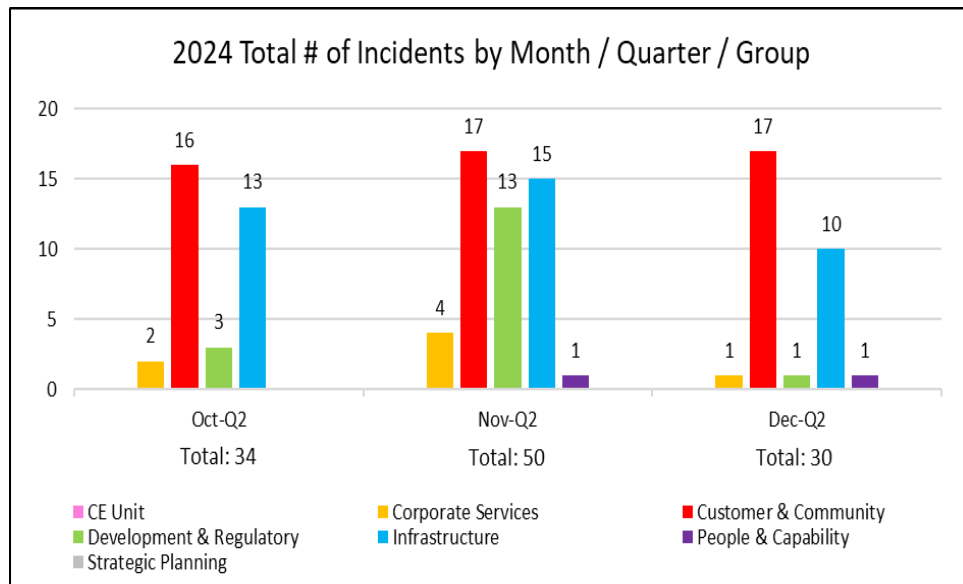
- Over the period **Mar-24** to **Sep-24** incidents had decreased – approach to managing risks effective with specific strategies (like

situational awareness and de-escalation training, and policy implementation on maintaining safety and minimising events).

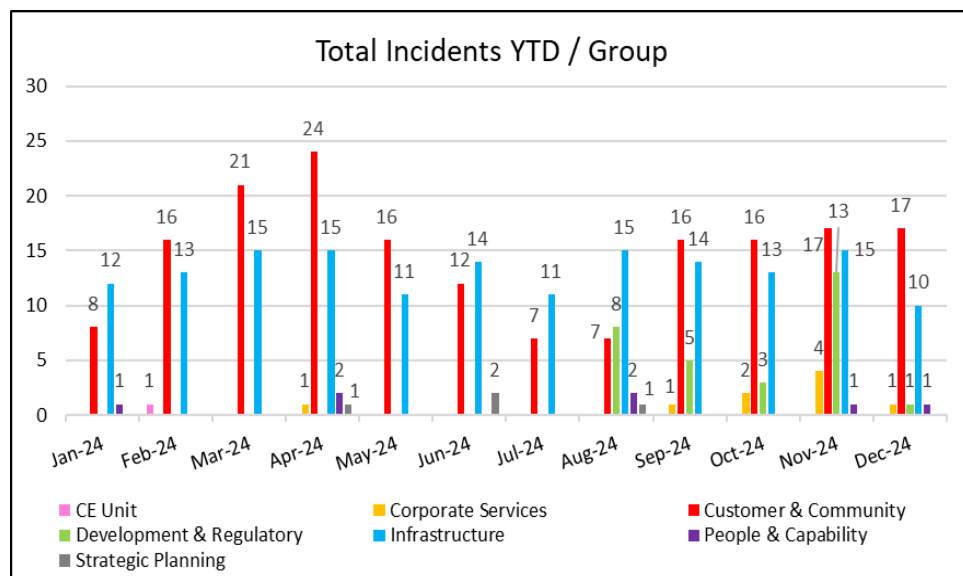
Continued encouragement for kaimahi to report hazards/incidents enabled the organisation to address problems before they escalated. This not only prevented incidents but also nurtured an open and supportive culture where kaimahi could continue to feel empowered to speak up without fear of negative consequences.

Although there has been a climb up in numbers in **Dec-24 (PNCC)** after declining previously, because of these strategies the spike could be attributed to focused engagement by our kaimahi in reporting incidents as they have been encouraged to do.

- The number of incidents by month/quarter is below – providing visibility on the events reported during Quarter 2 2024, categorised by business group.



- The **Total Incidents (YTD)** is reflected in the below graph by month and business group.



- In May 2024 Management progressed the need to align our structure with our strategy. To enable the delivery of the Long-Term Plan the organisation realignment resulted in the Customer unit separating into two Groups: Customer & Community and Development & Regulatory; hence, the jump in incidents in Development & Regulatory from none earlier in the year to reported incidents from August 2024 onwards occurring.
- **Hazards and Incidents.** During the quarter the following risks were identified and addressed.
  - Children throwing stones from a distance, posing a danger of serious head injuries. Engagement with the school held to ensure children understand the severity of the issue.
  - Public threats of self-harm, with kaimahi being unfairly blamed during their regular duties, potentially leading to mental and emotional distress. An internal focus group has been set up to establish a management process, with conclusions expected in early 2025.
  - Kaimahi wellbeing impacted when handling critical incidents involving public self-harm resulting in fatality. The aforementioned internal focus group will implement a clear process to support kaimahi during such incidents.
  - Non-frontline kaimahi may experience multiple face-to-face interactions with customers in a short period of time, which can be emotionally demanding and increase stress levels. Training is being explored to help kaimahi maintain emotional well-being during these interactions.
  - Threats received from businesspersons on how long investigative work was taking on a stormwater pipe. Threatened to damage a Council-owned asset. Potential risks would be mitigated through legal measures, the implementation of robust designs to deter damage/vandalism, and escalation to senior management.
  - A hose suspended from height posed a trip hazard on the ground or fall from the roof, potentially causing injury or damage, when Working at Height. Contractors to review each situation, provide detailed documentation, and complete site inductions.
  - A young individual jumped onto a seat, resulting in the board breaking. Wooden seating, exposed to the elements year-round, will require regular inspections. A Safety Plan has been established, and routine checks will be conducted.
  - Safe Operating Procedure established, and process formalised with Fire Services when data loggers are installed to fire hydrants to collect water reticulation information.
  - The windows at Youth Space are not made of safety glass, posing a potential risk to kaimahi and the public. Management

need to consider replacing the glass or applying a protective film as part of the location's upgrade or refurbishment.

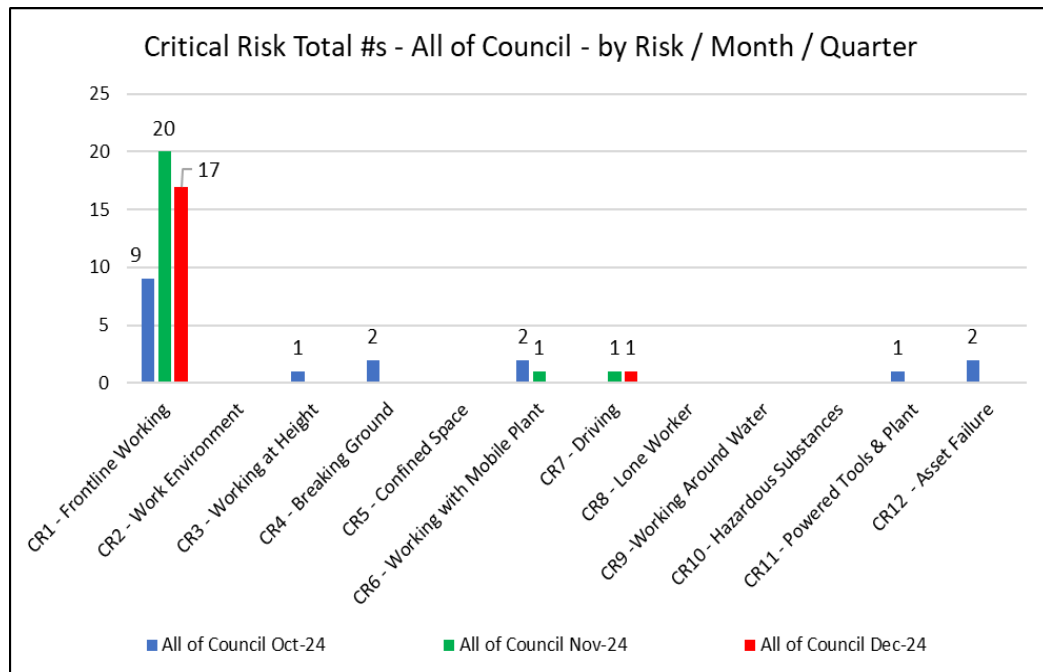
- The front doors of the dangerous dog block at Te Whare Kouru Animal Shelter required a chain and lock, as the sliding catch for dog poles lacked a safety latch to keep them securely closed while dogs are in the pens.
- Dogs can push against the guillotine doors, causing them to pop out of the tracks and allowing access to the exercise yards. To prevent this, management needs to reinforce the doors by increasing their thickness or adding bracing.

## **B. Critical Risks**

2.3 Table 2 below (along with the Critical Risk Total numbers graph) has been included to provide clarity on the number of Critical Risk incidents and the Story Type category each event relates to.

Table 2: Critical Risks

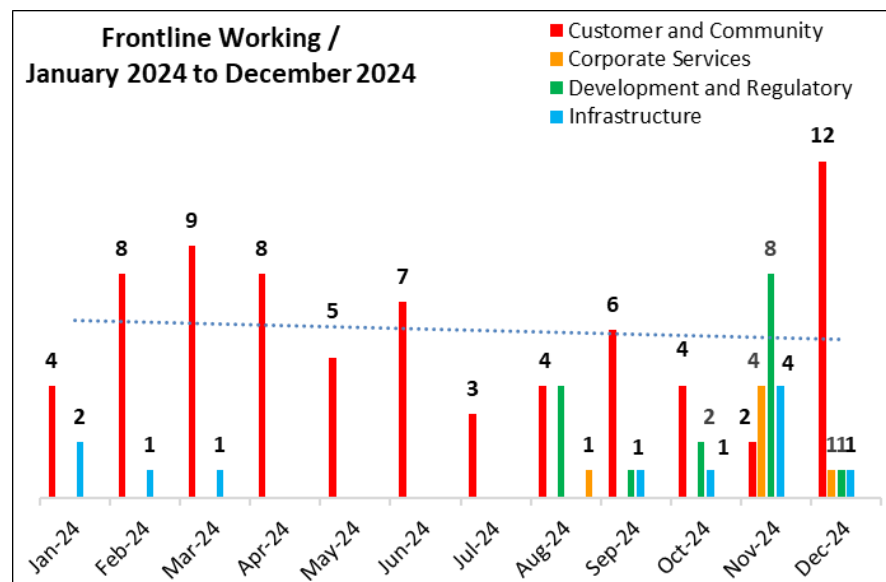
| <b>No.</b> | <b>Critical Risk</b>           | <b>Near Miss</b> | <b>Incident</b> | <b>Total: 57</b> |
|------------|--------------------------------|------------------|-----------------|------------------|
| 1          | Frontline Working              | 4                | 42              | 46               |
| 2          | Work Environment               |                  |                 |                  |
| 3          | Working at Height              | 1                |                 |                  |
| 4          | Breaking Ground                | 2                |                 |                  |
| 5          | Confined Space                 |                  |                 |                  |
| 6          | Working with Mobile Plant      | 2                | 1               |                  |
| 7          | Driving                        |                  | 2               |                  |
| 8          | Lone Worker                    |                  |                 |                  |
| 9          | Working Around Water           |                  |                 |                  |
| 10         | Hazardous Substances           |                  |                 |                  |
| 11         | Use of Power Handtools / Plant |                  | 1               |                  |
| 12         | Asset Failure                  | 1                | 1               |                  |



- For more information on the individual events please refer to the confidential Critical Risks Report schedule (Attachment 2).

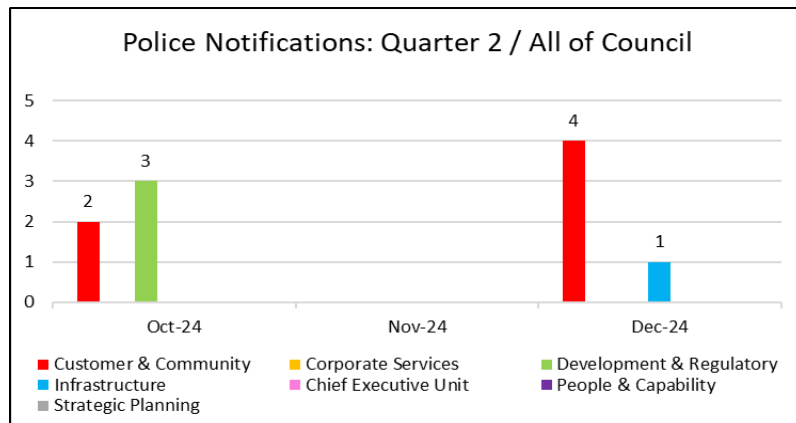
#### 2.4 Comments:

- Our top Critical Risk 1 – Frontline Working – provides evidence of incidents that have occurred over the quarter concerned. Police support and Trespass Notice information is provided further down.

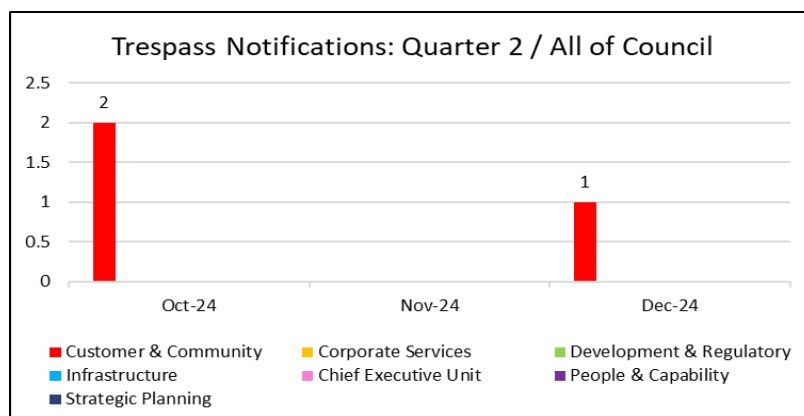


- CR1 – Frontline Working – spiked in November; effort continues to be invested as mentioned earlier – we have been approached by other councils about our Frontline Awareness and Safety Training (FAST). Although incidents decreased slightly in December, the number of events occurred mainly in the City Central Library.

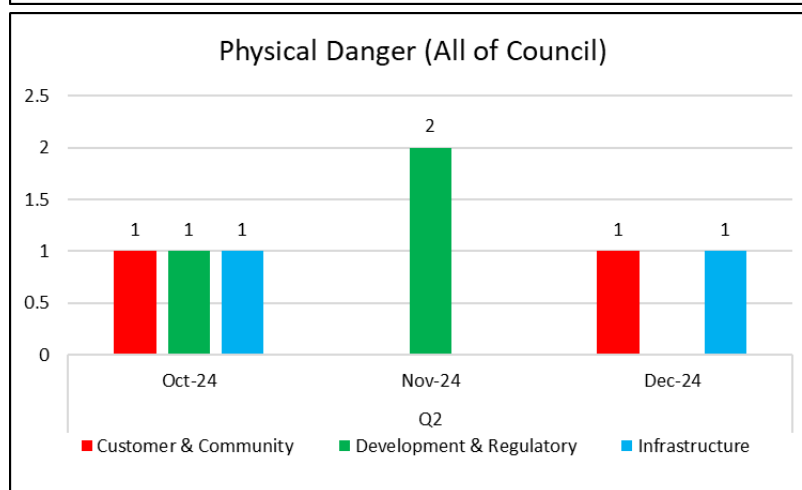
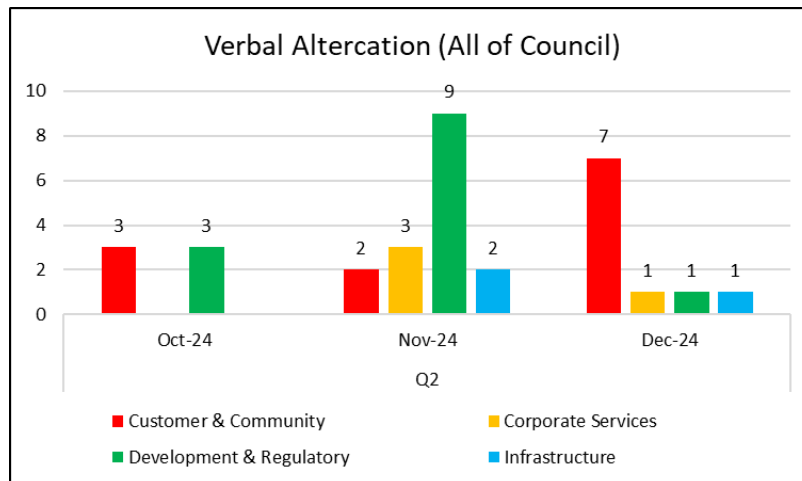
- Observing the trend over the year in the graph above, Customer & Community and Development & Regulatory were identified as the highest risk. Since August, Customer & Community has remained the highest risk, while Development & Regulatory follows as the second highest, and Infrastructure ranks third.
- The trend also seems to be concentrated in the reported quarter from October to December 2024. This may indicate focused engagement by internal stakeholders in reporting incidents as they occur, rather than a decline in the effective handling of situations.
- **Police** support to Council continues. During Quarter 2 there were ten notifications made to Police (up on Quarter 1 – eight).



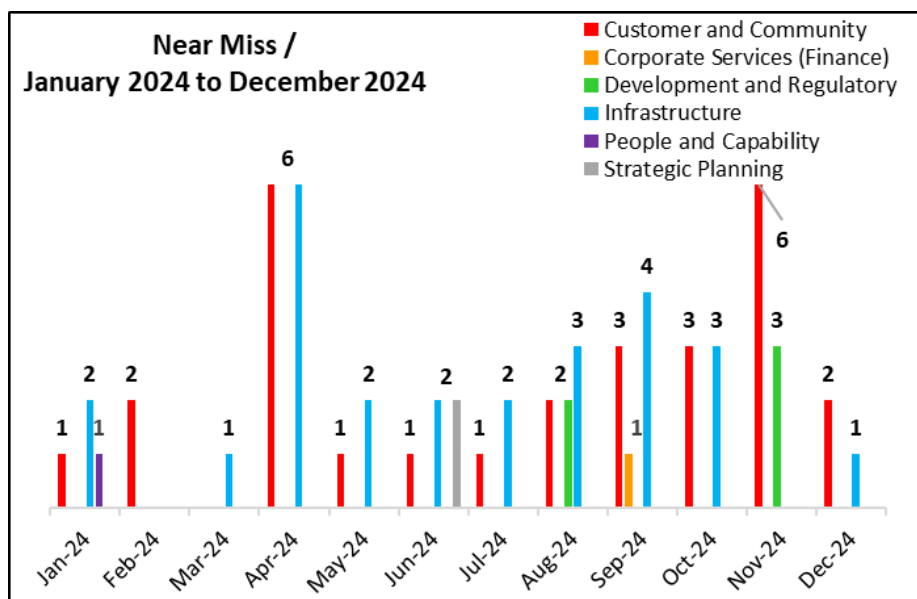
- The Police response to notifications is captured under the Action Taken column in the Critical Risks Report schedule (Attachment 2).
- Three **Trespass Notices** have been actioned during Quarter 2 (no change on Quarter 1).



- The graphs below identify Critical Risks involving **Verbal Altercation** (VA) and / or **Physical Danger** (PD) when kaimahi are Frontline Working. Again, for more information on the individual events please refer to the confidential Critical Risks Report schedule (Attachment 2).



- Near Miss incidents of interest:



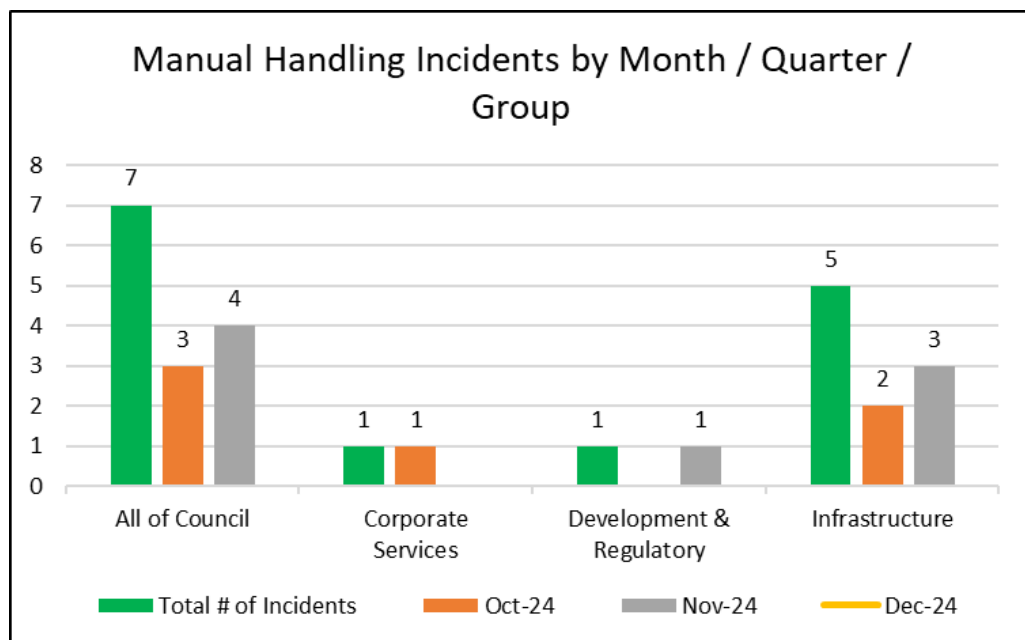
- Within Customer & Community one **October** incident involved a Contractor (Working at Height at the Arena). Infrastructure incidents of note involved Three Waters excavating (Breaking Ground).

- During **November** Customer & Community was up on October – incidents within our libraries and the Wildbase. Development & Regulatory was also up on October – incidents occurring within Parking.
- Lastly, in **December** Customer & Community was down on November. Infrastructure recorded one event in December.
- For more information on the individual Near Miss events please refer to the confidential Critical Risks Report schedule (Attachment 2).

### C. Manual Handling

2.5 Several proactive Manual Handling measures continue to be applied across Council.

- Manual Handling education (stretching, warm-up/cool-down), which is covered during a kaimahi's onboarding process – workstation set-up and onboarding induction; the early reporting of discomfort and pain and injury is also covered during Health and Safety inductions.
- Move at Work/Manual Handling training occurs annually with refresher training every three years (next occurrence is August 2025). There is also an online self-booking manual handling course available via The Sauce.
- Monitoring – Manual Handling incidents are reviewed, and additional training/supervision initiated as needed.
- A refresh on Manual Handling training options used over recent years (onsite via an external provider, internally, and virtually) is being considered.



## D. Investigations

- 2.6 WorkSafe investigation information remains on the report for 12 months or until actions are completed.

Table 3: Investigations

|   |   |
|---|---|
| Investigations occurred this quarter            | 0 |
| <b>Previous Investigations (last 12 months)</b> |   |
| Number of remedial actions required             | 0 |
| Number of remedial actions completed            | 0 |

- 2.7 Comments:

- During the 1 October to 31 December (Q2) 2024 period PN City Council classified nil incidents as 'notifiable'.

## E. Training

- 2.8 Summary information on Health and Safety training undertaken in the last 12 months is shown below as reported in PeopleSafe and delivered internally by Health and Safety – there may be some minor lag due to information being filtered through our systems on time. For more expansive information on training for Quarter 2, please refer to the Training Update schedule (Attachment 3).

Table 4: Training

| Date                    | Mar-24 | Jun-24 | Sep-24 | Dec-24 |
|-------------------------|--------|--------|--------|--------|
| Number of events        | 15     | 16     | 16     | 15     |
| Staff/Kaimahi attending | 204    | 104    | 133    | 52     |

- 2.9 Comments:

- Coordinated via the Employee Experience team, Frontline Awareness and Safety Training (FAST) refreshers facilitated to Parking (Development & Regulatory) and Project Management (Infrastructure) kaimahi.
- Health and Safety Management at Council training module provided in mid-December to our People Leaders.
- At the last meeting (November), Elected Members enquired about the decline in training and whether it was linked to competency. The decrease has continued this quarter, primarily due to the two-year cycle of training qualifications.

### 3. COMPLIANCE AND ADMINISTRATION

|  |   |
|--|---|
| Does the Committee have delegated authority to decide?   | <b>Yes</b>  |
| Are the decisions significant?   | <b>No</b>   |
| If they are significant do they affect land or a body of water?  | <b>No</b>   |
| Can this decision only be made through a 10 Year Plan?   | <b>Yes</b>  |
| Does this decision require consultation through the Special Consultative procedure?  | <b>No</b>   |
| Is there funding in the current Annual Plan for these objectives?  | <b>No</b>   |
| Are the recommendations inconsistent with any of Council's policies or plans?  | <b>No</b>   |
| The recommendations contribute to:<br>Whāinga 3: He hapori tūhonohono, he hapori haumarū<br>Goal 3: A connected and safe community   |   |
| The recommendations contribute to this plan:<br>9. Mahere haumarū hapori, hauora hapori<br>9. Community Safety and Health Plan<br>The objective is: Co-ordinate and support community safety and harm reduction. |   |
| Contribution to strategic direction and to social, economic, environmental and cultural well-being   | Providing information to Council about the ongoing progress towards the good performance of the organisation regarding health and safety. |

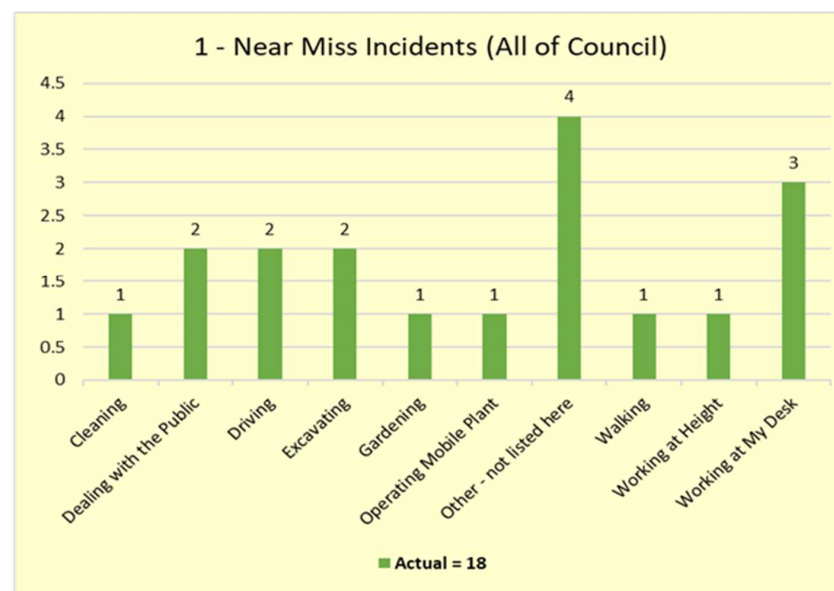
### ATTACHMENTS

1. Health & Safety Dashboard report, Q2 2024 [↓](#) 
2. Health & Safety Critical Risks report, Q2 2024 - **Confidential**
3. Training Update for Q2 2024 [↓](#) 

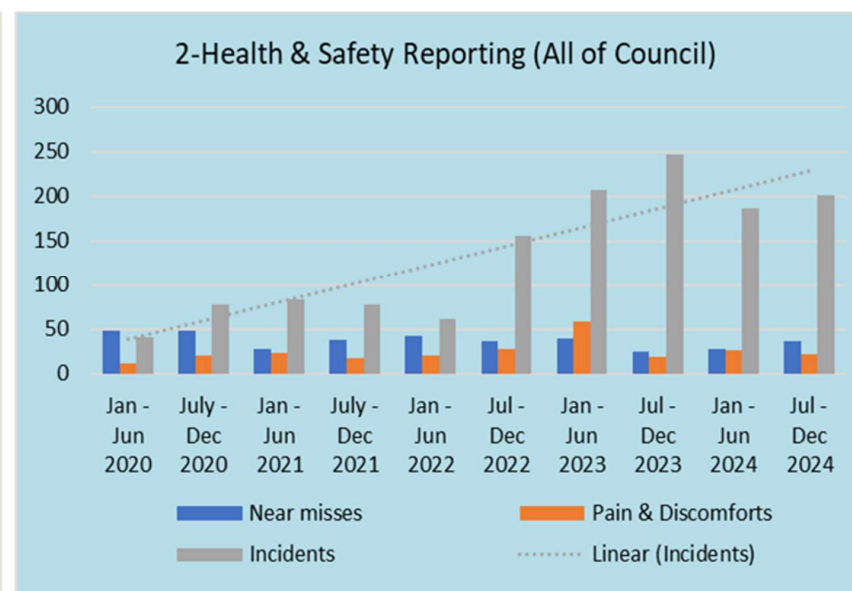


# Health and Safety Quarterly Dashboard Report: 1 October to 31 December 2024

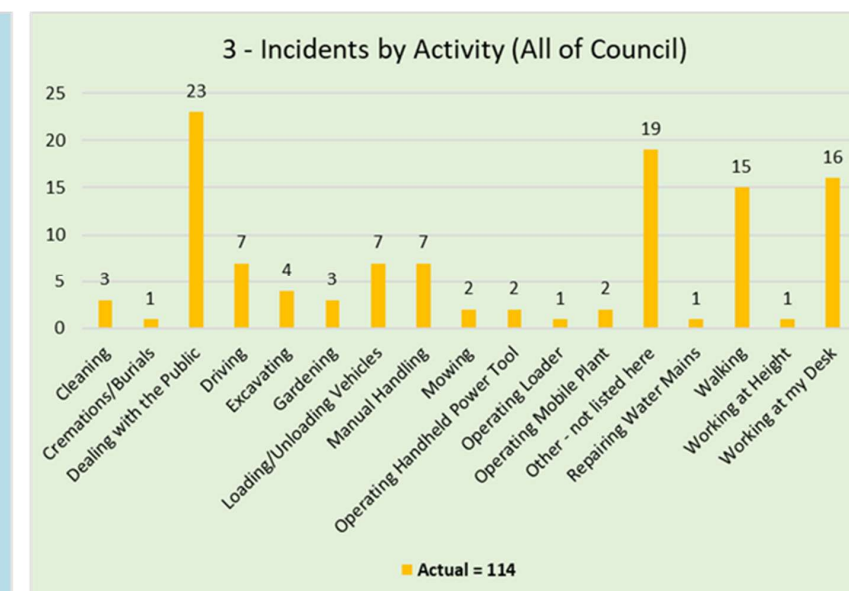
ALL OF COUNCIL



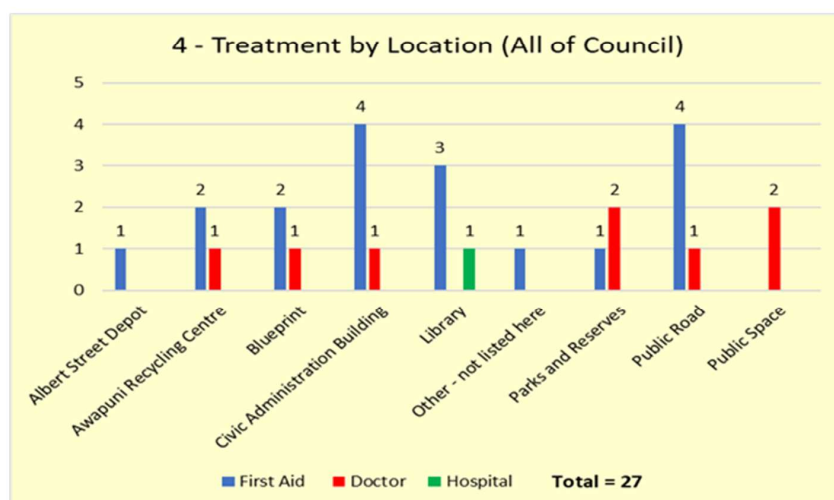
**1 – Near Miss by Activity:** Quarter 2 numbers are slightly down on Quarter 1 (July to September = 19). Dealing with the Public, Driving, Excavating, Working at my Desk, and Other record the highest incidents of note.



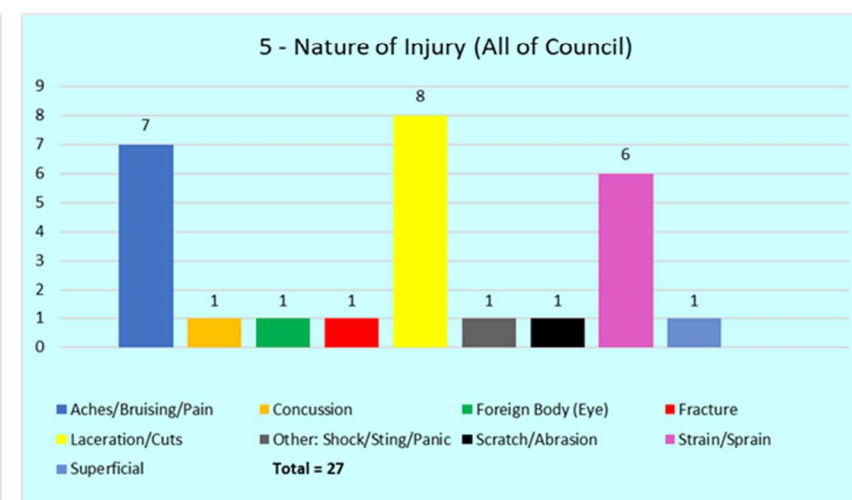
**2 – The Health & Safety Reporting** graph gets refreshed every six months to enhance the visibility of trends. The next update (during the second half of 2025) will cover the January to June 2025 period. The number of reported incidents overall is still trending favourably.



**3 – Incidents by Activity:** Top Activities account for 64%. The Activities of note are: Dealing with the Public (20%), Other – not listed here (17%), Working at my Desk (14%), and Walking (13%). Details are included in the confidential Critical Risks Report schedule (Attachment 2).



**4 – Treatment by Location** data reflects work-related injuries and where they have occurred. Q2 totals 27 – well up on Q1 (10). Interventions of note resulted in ergonomic assessments and a fracture sustained by a library patron. Reviews are being held regularly.



**5 – Nature of Injury** graph is reflective of Manual Handling (during Collections, etc), Other (during Cleaning), Working at my Desk (panic attack), Dealing with the Public (fracture from clothing being caught on a chair). Resulted in aches/bruising/pain, lacerations/cuts, strains/sprains and a fracture.

## Note:

1 – Near Miss by Activity. The category 'Other – not listed here' involves the following: A trial evacuation (resulted in changes to processes and further training); minor lift fault within the CAB; a member of the public throwing a firework near a building entrance; and members of the public disputing a parking ticket between themselves.

3 – Incidents by Activity. The category 'Other – not listed here' involves the following: Those incidents outlined above; minor injuries sustained whilst not paying attention during an activity, etc; Frontline Working incidents (refer to the confidential Critical Risks Report schedule – Attachment 2); kaimahi rushing to complete a job; a lithium battery causing a fire.



**Attachment 3 – 1 October to 31 December 2024 (Quarter 2): Training undertaken<sup>1</sup>**

| Event                                       | Dec-23 | Mar-24 | Jun-24 | Sep-24 | Dec-24 |
|---|--------|--------|--------|--------|--------|
| Asbestos Awareness Training                 |        |        |        |        |        |
| Auditing Awareness                          |        |        |        |        | 1      |
| Basic Site Safety                           |        |        |        |        | 7      |
| Behavior Safety Observed training           |        |        |        |        |        |
| Breathing Apparatus                         |        |        |        |        |        |
| Business (First Line Management) L4         |        |        |        |        |        |
| Butt Welding Course                         |        |        |        |        |        |
| Certified Handler Preparation Online (CHOP) |        |        |        |        |        |
| Certified Handlers (Hazardous Substances)   |        |        |        |        |        |
| Chainsaw Training                           |        |        |        |        | 2      |
| Chemical training /handling                 |        |        |        |        |        |
| Concrete Saw Usage and Basic Safety         |        |        |        | 36     |        |
| Confined Space and Gas Detection            | 5      | 8      | 4      | 1      |        |
| Confined Space Entry                        | 1      |        |        | 1      |        |
| Contractor All-In Induction sessions        |        | 41     |        |        |        |
| CTO Class 1 Vehicle                         | 12     |        |        |        |        |
| CTO Class 2 Crew Cab                        | 6      |        |        |        |        |
| CTO Class 4                                 | 2      | 2      |        |        |        |
| CTO Class 5                                 |        | 2      |        |        |        |
| CTO Concrete Saw                            | 1      |        |        |        |        |
| CTO Excavator                               | 2      |        |        |        |        |
| CTO Hiab Truck Operation                    |        | 1      |        |        |        |
| CTO Loader                                  | 10     |        |        |        |        |
| CTO New Transport Trailer                   |        |        |        |        |        |
| CTO Road Saw                                |        |        |        |        |        |
| <sup>2</sup> Customer Conflict Awareness    |        |        |        |        |        |
| Dangerous Goods (DG)                        |        |        |        |        |        |
| Driver Assessment Training                  |        |        |        |        |        |
| Driver's License – Class 1 Motor Vehicle    | 1      |        | 1      |        |        |
| Driver's License – Class 1R (Restricted)    |        |        |        |        |        |
| Driver's License – Class 1 (Car License)    |        |        |        |        |        |
| Driver's License – Class 2L (Learners)      |        |        |        |        |        |

<sup>1</sup> Sourced from Health & Safety and PeopleSafe training resources.

<sup>2</sup> As the last Customer Conflict Awareness training occurred in 2021, the Employee Experience unit is not currently looking at this training offering anymore.

| Event   | Dec-23 | Mar-24 | Jun-24 | Sep-24 | Dec-24 |
|---|--------|--------|--------|--------|--------|
| Driver's License – Class 2 (Medium Rigid Vehicle)       | 1      |        |        |        | 2      |
| Driver's License – Class 3 (Medium Combination)         |        |        |        |        |        |
| Driver's License – Class 4L (Learners)                  |        |        |        |        |        |
| Driver's License – Class 4 (Heavy Rigid)                |        |        |        |        |        |
| Driver's License – Class 5 (Heavy Combination)          |        |        |        |        |        |
| Driver's License – Class 6 (Motorcycle)                 |        |        |        |        |        |
| Drug and Alcohol  |        |        |        |        |        |
| DSE Workstation Risk Assessment                         |        |        |        |        | 1      |
| Duress Alarm Training                                   |        |        | 13     |        |        |
| Efficient Compaction Operators Course                   |        |        |        |        |        |
| Electrofusion Certificate                               |        |        | 3      |        |        |
| Electrofusion Jointing PE Pipe                          |        |        | 3      |        |        |
| Elevated Working Platform (Scissor Lift and Boom)       |        | 2      | 3      | 8      |        |
| Emergency Medical Response Revalidation                 |        |        |        |        |        |
| Endorsement (D) Dangerous Goods                         |        |        |        |        |        |
| Endorsement (F) Forklift                                | 10     |        |        |        |        |
| Endorsement (R) Roller                                  |        |        | 6      |        |        |
| Endorsement (T) Tracks                                  |        |        | 6      |        |        |
| Endorsement (W) Wheeled Special Type                    |        |        | 6      |        |        |
| Endorsement R   |        |        |        |        |        |
| Endorsement T   |        |        |        |        |        |
| Endorsement W   |        |        |        |        |        |
| Evac Chair  |        |        | 20     | 4      |        |
| Evac Chair – Certified In-House Trainer Certificate     |        |        | 17     | 6      |        |
| Fire Safety   |        |        |        |        |        |
| Fire Warden Training                                    |        | 1      |        | 1      |        |
| First Aid Certificate                                   | 39     | 16     | 16     | 29     | 27     |
| Floor Warden – In House - Training                      |        | 34     | 3      |        |        |
| Forklift OSH Certificate                                | 10     |        |        | 6      | 1      |
| Forklift (F) Endorsement                                |        |        |        |        |        |
| Frontline Awareness Safety Training <sup>3</sup> (FAST) | 7      |        |        |        |        |
| Front Counter Safety Training (CERT)                    |        |        |        |        |        |
| Front End Loader  |        |        |        |        |        |
| Gantry Crane Training                                   |        |        |        |        |        |

<sup>3</sup> Frontline Awareness Safety Training – FAST (previously Situational Safety & Tactical Communications) – data is reported on within the Wellbeing Report by Employee Experience.

| Event   | Dec-23 | Mar-24 | Jun-24 | Sep-24 | Dec-24 |
|---|--------|--------|--------|--------|--------|
| Grow-safe   |        |        |        | 11     |        |
| <sup>4</sup> Harassment Prevention and Awareness        |        |        |        |        |        |
| Harassment Prevention and Awareness – Managers workshop |        |        |        |        |        |
| Hazardous Substances in the Workplace                   |        |        |        |        |        |
| Hazardous Substance Training General                    |        |        |        |        |        |
| H&S Refresher Annual Induction                          |        |        |        |        | 4      |
| Height Safety Introduction                              | 4      |        |        |        |        |
| Height Safety Advanced                                  | 4      |        | 1      |        |        |
| Height Safety Advanced Latest                           | 4      |        |        |        |        |
| Height Safety and Fall Arrest                           | 4      |        |        |        |        |
| Health and Safety Representative Stage 1                | 16     |        |        |        |        |
| H&S Site Induction – Awapuni Resource Recovery          |        |        |        | 2      | 1      |
| H&S Representative Training                             |        |        |        |        |        |
| Higgins Gas Toolbox Discussion                          | 31     |        |        |        |        |
| Horticulture Level 3 (no exp)                           |        |        |        |        | 1      |
| How to: Tell Your Story                                 | 1      |        |        |        |        |
| ICAM Investigation                                      | 1      |        |        |        |        |
| Internal Training – Basic Asbestos                      | 1      |        |        |        |        |
| Internal SWP – LEV Rear Packer Collection Vehicle       | 1      |        |        |        |        |
| Internal SWP – LEV Rubbish Collection Vehicle           | 1      | 2      |        |        |        |
| Internal SWP – Street Bins Collection Vehicle           | 1      | 2      |        |        | 1      |
| Internal Training LEV Glass Collection Vehicle          | 2      |        |        |        |        |
| Internal Training Side Load Collection Vehicle          | 1      |        |        |        |        |
| Internal Training – Forklift SOP                        |        |        |        |        |        |
| Internal Training – Manual Handling                     |        |        |        |        |        |
| Internal Training – Safe Entry & Exit from Cab          |        |        |        |        |        |
| Isolations Lockout etc                                  |        | 4      |        |        |        |
| ISO 9001 Quality Management Systems                     |        |        |        |        |        |
| IVO Power Brush XL – Cleaners                           |        |        |        |        |        |
| JSA Risk Assessment & Thought Process                   |        |        |        | 15     |        |
| Kerbside Collection Traffic Leader KCTL (was WCTL)      |        |        |        | 5      |        |
| Liquor Control Qualifications (LCQ)                     |        | 1      |        |        |        |
| Low Level Scaffolding & Inspection                      |        |        |        |        |        |

<sup>4</sup> Harassment Prevention and Awareness training has been superseded by Challenging Conversations and Resilience – for frontline workers; facilitated via Employee Experience who also offer Creating Cultures of Respect, which is our bullying and harassment training.

| Event  | Dec-23 | Mar-24 | Jun-24 | Sep-24 | Dec-24 |
|--|--------|--------|--------|--------|--------|
| Management and Handling of Hazardous Substance     |        |        |        |        |        |
| Manual Handling                                    | 23     |        |        |        |        |
| Manual Handling Awareness                          |        |        |        |        | 1      |
| Manual Handling Online                             |        |        |        |        |        |
| Mask Fit Testing                                   | 3      |        |        |        |        |
| Move at Work (Manual Handling)                     |        |        |        |        | 13     |
| NC Horticulture Level 4                            |        |        |        |        |        |
| NC Sewer Level 3                                   |        |        |        |        |        |
| NC Utilities Maintenance L4 (water)                |        |        |        |        |        |
| NC WasteWater Retic Service Person Level 3         |        |        |        |        |        |
| NC Water Reticulation & WasteWater Level 3         |        |        |        |        |        |
| NC Water Reticulation Level 3                      |        |        |        |        |        |
| NC Water Reticulation Supervisor Level 4           |        |        |        |        |        |
| NZ Certificate in Infrastructure Level 2           |        |        |        |        |        |
| NZ Certificate in Infrastructure Level 3           |        |        |        |        |        |
| OPSEC Situational Safety                           |        | 87     |        |        | 1      |
| PeopleSafe Training                                |        |        |        |        |        |
| PeopleSafe Dashboard Reporting                     |        |        |        |        |        |
| PeopleSafe for Managers/Supervisors                |        | 1      |        |        |        |
| PeopleSafe Standard User Training                  |        |        |        |        |        |
| PeopleSafe & The Law – Notifiable Events           | 1      |        |        |        |        |
| Permit Issuer                                      |        |        |        |        |        |
| Permit to Work                                     |        |        |        |        |        |
| Plan Reading Basics                                |        |        |        |        |        |
| Playground Safety Inspections                      |        |        |        |        |        |
| Quality Management System Training (3 Waters)      |        |        |        |        |        |
| Risk Assessment Awareness                          |        |        |        |        | 1      |
| Road Saw Operation                                 |        |        |        |        |        |
| Safety Induction (CAB)                             |        |        | 1      |        |        |
| Safety 'n Action – Construction Site Access Course |        |        |        |        |        |
| Safety Plans                                       |        |        |        |        |        |
| Safe Work Zones                                    | 1      |        |        |        |        |
| Safety in Trenches                                 |        |        |        | 1      |        |
| Site Induction (Depot, Collections)                |        |        | 1      |        |        |
| Site Induction Training: MRF                       | 1      |        |        |        |        |
| Site Safe Foundation Passport                      |        |        |        |        |        |

| Event  | Dec-23     | Mar-24     | Jun-24     | Sep-24     | Dec-24    |
|--|------------|------------|------------|------------|-----------|
| Site Specific Safety Plan                              |            |            |            |            |           |
| Sliding Regular Loads                                  |            |            |            |            |           |
| Spill Management                                       |            |            |            |            |           |
| SOP Compost Op G/Waste Shredder                        |            |            |            |            |           |
| STMS Level 1 – Site Traffic Management                 | 1          |            |            |            |           |
| TC1 – Basic Traffic Controller Level 1                 |            |            |            |            |           |
| T1 Tennant Battery Floor Scrubber - Cleaners           |            |            |            |            |           |
| TC Refresher   |            |            |            |            |           |
| Tele Handler # 23637                                   |            |            |            | 5          |           |
| Tools for Change                                       |            |            |            |            |           |
| Trenching and Excavation                               |            |            |            |            |           |
| Truck Loader Crane / HI AB                             |            |            |            |            |           |
| Twintec TTB 1840 Battery Compact - Cleaners            |            |            |            |            |           |
| Understanding NZS3910 – Conditions of Contract (v2013) |            |            |            | 3          |           |
| Would You Do It?                                       | 1          |            |            |            |           |
| <b>Total Number of Events</b>                          | <b>35</b>  | <b>15</b>  | <b>16</b>  | <b>16</b>  | <b>15</b> |
| <b>Total Number of Staff Attending</b>                 | <b>210</b> | <b>204</b> | <b>104</b> | <b>133</b> | <b>52</b> |



## MEMORANDUM

**TO:** Risk & Assurance Committee

**MEETING DATE:** 12 March 2025

**TITLE:** Wellbeing Report, 1 October to 31 December 2024 (Quarter 2)

**PRESENTED BY:** Connie Roos, Manager Employee Experience and Wayne Wilson, Manager People Operations

**APPROVED BY:** Sarah Morris, General Manager People & Capability

### RECOMMENDATION(S) TO RISK & ASSURANCE COMMITTEE

1. That the Committee receive the memorandum titled 'Wellbeing Report, 1 October to 31 December 2024 (Quarter 2)' presented to the Risk & Assurance Committee on 12 March 2025.

#### 1. ISSUE

- 1.1 Wellbeing continues to be a focus area for leadership at all levels of Council and is core to our Employee Experience.
- 1.2 Employee initiated turnover and lost time is included in this report.

#### Prevent Harm

- 1.3 The Employee Experience team are in the process of compiling a paper to Senior Leadership Team to outline an approach to psychosocial risk management in PN City Council. The Employee Experience team has consulted with Poutāhū, our internal reference group, about both this approach and our existing wellbeing framework to obtain feedback and insights on existing offerings.

| Quarter 2 Wellbeing Report – Prevent Harm | Q2 2024 | YTD  | Average Quarter for 2023/24 FY |   |
|---|---------|------|--------------------------------|---|
| Wellness space usage                      | 1625    | 3436 | 1536                           | The comparative data shows that wellness space usage has improved compared to the previous average. The inclusion of Piringa Āio – Peaceful Haven has changed this metric to wellness space usage rather than gym |

| Quarter 2 Wellbeing Report – Prevent Harm | Q2 2024 | YTD | Average Quarter for 2023/24 FY |   |
|---|---------|-----|--------------------------------|---|
|   |         |     |                                | usage.  |
| Biennial health / eye check               | 19      | 30  | 26                             | There has been a decrease in numbers as this is a manual process and the holiday season has impacted uptake. The criteria for these checks have now changed to anyone that hasn't had one in the last 24 months, which should decrease barriers to engage with this benefit. We therefore expect to see this increasing from Quarter 3 onwards. |

### Provide Support

- 1.4 The Employee Experience team (with support from the Health and Safety team) have also provided critical incident support to teams after adverse situations. In Quarter 3 this will include reviewing critical incident procedures and exploring training offerings for staff interacting with the public.

| Quarter 2 Wellbeing Report - Provide Support | Q2 2024 | YTD | Average Quarter for 2023/24 FY |  |
|--|---------|-----|--------------------------------|--|
| Vitae – On-site services                     | 133     | 373 | 224                            | On-site services involve Vitae Officers visiting sites to conduct informal wellbeing check-ins. This quarter is smaller than the previous due to the end of year break and Vitae Officers being on leave.  |
| Reflect and Learn sessions                   | 8       | 18  | 11                             | Sessions are designed to assist staff to deal constructively with high conflict incidents in front facing customer roles. Some of our spaces that have both on-site support and Reflect and Learn have chosen to opt-out of Reflect and Learn as they feel that they |

| Quarter 2 Wellbeing Report - Provide Support | Q2 2024 | YTD | Average Quarter for 2023/24 FY |   |
|--|---------|-----|--------------------------------|---|
|  |         |     |                                | didn't require both services. This will impact session numbers going forward. |

### Enhance Wellbeing

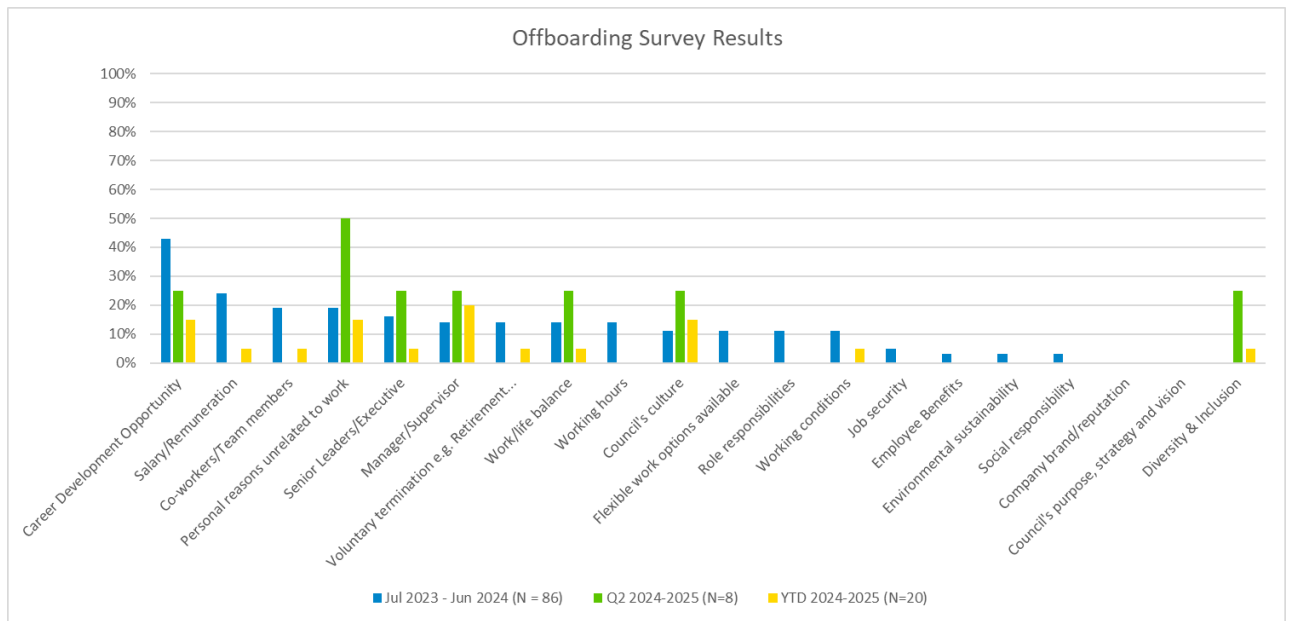
| Quarter 2 2024                                     | Year to date Number of attendees | Target to be completed by end of FY 24/25 |  |
|--|----------------------------------|---|--|
| Creating Cultures of Respect (attendees)           | 13                               | 45  | In the previous year this training was known as Creating Respectful Workplaces. It has received a revamp by the provider with an increased focus on creating positive and respectful organisational culture. This training encourages positive workplace relationships by addressing unacceptable behaviours such as bullying and harassment that could create internal and unhealthy conflict.  |
| Challenging Conversations & Resilience (attendees) | 12                               | 30  | This workshop is designed to provide employees with practical information and frameworks to deal successfully with situations evoking strong emotional responses.  |
| Tools for Change (attendees)                       | 0                                | 30  | This training helps employees to identify thinking styles, recognise thinking traps and manage responses to change. Both Tools for Change and Leading Through Change are internal courses run by Principal Advisor Change Management. Due to the significant number of kaimahi that have attended this training, both the occurrence of this training and the target will decrease compared to previous FY. The first offering of this training will debut in Quarter 3. |

|  |                             |                     |   |
|--|-----------------------------|---------------------|---|
| Manager Completion of Leading Through Change (Manager attendees) | 0                           | 15                  | One way to support employees' wellbeing is to provide managers with a toolset to lead their team through changing environments. Due to the significant number of kaimahi that have attended this training, both the occurrence of this training and the target will decrease compared to previous FY. The first offering of this training has been postponed until later in the financial year. |
| Situational Awareness and De-escalation training                 | 33                          | 50                  | Situational Awareness and De-escalation training is a new offering developed by the Health and Safety team. This training package aims to provide our people with all the key information and skills when working on the frontline to keep them safe.   |
| Wellbeing Presentation (attendees)                               | 50/54 (93% of new starters) | 90% of new starters | This presentation helps to orient new starters to the wellbeing support available here at Council. This presentation was first created in February 2023 and is presented to all staff who attend Orientation Day.   |

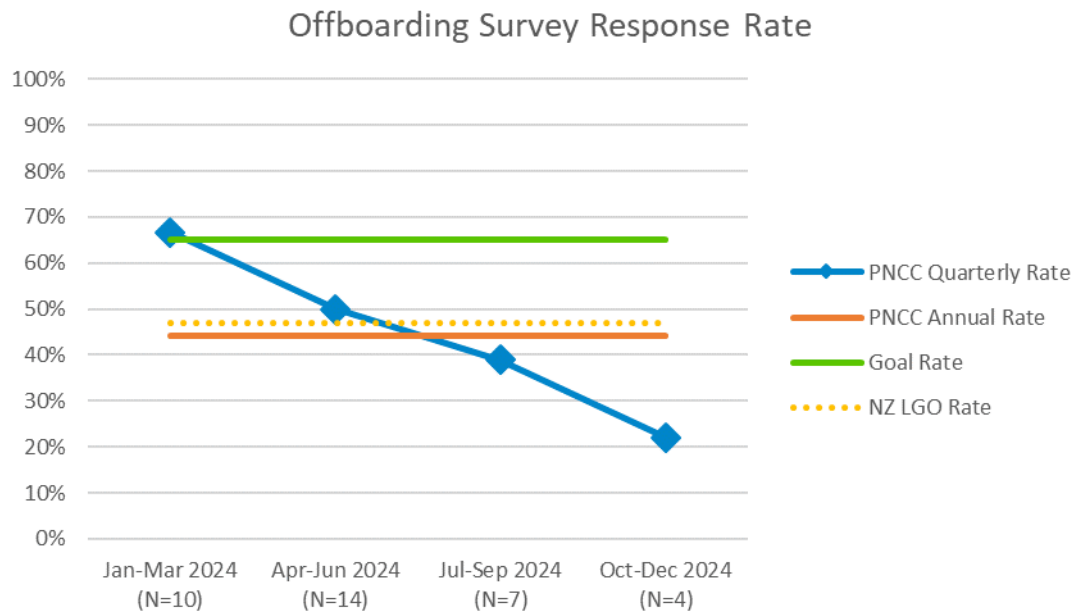
- 1.5 Unmind is a tool that takes a proactive, preventative approach to mental health. This includes wellbeing and mood trackers, courses and short videos focused on wellbeing. Unmind has a total uptake of 42%. The benchmark compared to similarly sized organisations is 30-36%. Top completed Unmind Shorts in October to December are: (a) Seaside (a focus tool), (b) Never Too Late (a sleep tool) and (c) Signature Workout (an exercise tool). Unmind has specific manager tools and trainings that are now available to our People Leaders to utilise.

### Offboarding Data

- 1.6 The offboarding data represents the number of people that have completed the survey, not the number of people who have left.



- 1.7 The Offboarding Survey Results graph presents the reasons that people choose to leave Council. People may choose more than one reason for leaving in the survey and these reasons are included in the first graph above. For example, while there is a total of 8 reasons recorded in the above graph over the quarter there has only been 4 completed offboarding surveys (as detailed in the Offboarding Survey Response Rate graph below). For the last financial year, the most common reason for someone to leave Council was Career Development Opportunity. This financial year so far, the most common reason for someone to leave Council is Manager/Supervisor, followed by Career development opportunity, Council's culture and Personal reasons unrelated to work. This will develop further as the financial year continues. Please note that the number of responses is low which impacts the data above.



- 1.8 The Offboarding Survey Response rate above presents the quarterly response rate, as well as the total number of responses received each quarter. This graph also includes both the New Zealand Local Government (LGO) response rate for exit surveys and our Council goal response rate. The graph above indicates that over the last quarter there was a response rate of 22% in the offboarding survey. This is a further decrease from the previous quarter. This process is manual, and not automated, which can cause it to be subject to human error and is single-point sensitive. As an action to mitigate this falling rate Employee Experience will now take the procedure within the team to ensure continuity of processing and administration. This will also ensure there is cover for sick leave, annual leave, or any other extenuating circumstances. At present, this is the only variable within the manual process that the EEX team can control. We anticipate that this action will effectively address the issue. However, if the problem persists, it may indicate the presence of additional contributing factors which would require more investigation. Furthermore, additional reminders have been implemented to ensure that departing staff have sufficient opportunities to complete the offboarding survey.

### Turnover

| Year               | 18/19 | 19/20 | 20/21 | 21/22 | 22/23 | 23/24 | 24/25<br>SEP 1/4 | 24/25<br>DEC 1/4 |
|--------------------|-------|-------|-------|-------|-------|-------|------------------|------------------|
| Employee Initiated | 67    | 85    | 120   | 123   | 114   | 95    | 19               | 15               |
| %                  | 12.0% | 14.1% | 20.9% | 19.8% | 18.8% | 14.6% | 11.7%            | 9.1%             |

|       |  |  |  |      |      |      |      |      |
|-------|--|--|--|------|------|------|------|------|
| Other |  |  |  | 13   | 8    | 14   | 2    | 2    |
| %     |  |  |  | 2.1% | 1.3% | 2.1% | 1.2% | 1.2% |

This quarter there have been 2 others, 1 redundancy and 1 frustration.

| Month  | Employee Initiated Turnover for Month | Turnover Previous 12 Months | Percentage (annual) |
|--------|---------------------------------------|-----------------------------|---------------------|
| Jan 23 | 14                                    | 127                         | 20.0%               |
| Feb 23 | 9                                     | 130                         | 20.6%               |
| Mar 23 | 9                                     | 128                         | 20.3%               |
| Apr 23 | 11                                    | 126                         | 19.9%               |
| May 23 | 7                                     | 119                         | 18.8%               |
| Jun 23 | 8                                     | 114                         | 18.0%               |
| Jul 23 | 10                                    | 112                         | 17.7%               |
| Aug 23 | 8                                     | 112                         | 17.7%               |
| Sep 23 | 5                                     | 105                         | 16.6%               |
| Oct 23 | 8                                     | 105                         | 16.9%               |
| Nov 23 | 7                                     | 104                         | 16.7%               |
| Dec 23 | 9                                     | 105                         | 16.4%               |
| Jan 24 | 8                                     | 99                          | 15.7%               |
| Feb 24 | 10                                    | 100                         | 15.9%               |
| Mar 24 | 4                                     | 95                          | 15.2%               |
| Apr 24 | 11                                    | 95                          | 14.7%               |
| May 24 | 7                                     | 95                          | 14.5%               |
| Jun 24 | 8                                     | 95                          | 14.6%               |
| Jul 24 | 6                                     | 91                          | 14.2%               |

|        |   |    |       |
|--------|---|----|-------|
| Aug 24 | 9 | 92 | 14.2% |
| Sep 24 | 4 | 91 | 14.1% |
| Oct 24 | 7 | 90 | 13.7% |
| Nov 24 | 5 | 88 | 13.4% |
| Dec 24 | 3 | 82 | 12.5% |

#### Turnover by Unit (12 months to Dec 2024)

|                          |    |       |
|--------------------------|----|-------|
| Corporate                | 5  | 10.0% |
| Customer & Community     | 23 | 12.8% |
| Development & Regulatory | 13 | 15.5% |
| Infrastructure           | 35 | 13.3% |
| People & Capability      | 5  | 10.0% |
| Strategy & Planning      | 2  | 7.7%  |
| Headquarters             | 0  | 0     |

Turnover has continued to decrease since February 2023.

Infrastructure had 9 terminations in Rubbish and Recycling and the Contact Centre had 13 terminations.

#### ACC Lost Time (Days)

| Period   | 2020<br>Ave/<br>Qtr | 2021<br>Ave/<br>Qtr | 2022<br>Ave/<br>Qtr | 2023<br>Ave/<br>Qtr | 2023<br>Ave/<br>Qtr | Mar-24 | Jun 24 | Sep 24 | Dec 24 |
|----------|---------------------|---------------------|---------------------|---------------------|---------------------|--------|--------|--------|--------|
| Work     |                     |                     |                     | 145.4               | 116.3               | 83.9   | 149.3  | 181.1  | 50.9   |
| Non-Work |                     |                     |                     | 116.1               | 230.7               | 173.8  | 255.9  | 307.2  | 185.7  |
| Total    | 233.6               | 379.6               | 325.8               | 261.5               | 347.0               | 257.7  | 405.2  | 488.3  | 236.6  |

- 1.9 The number of days lost due to work accidents is 50.9 or 21.5% of all lost time due to accidents.
- 1.10 There were 3 work related accidents in the quarter resulting in 20.6 lost days.
- 1.11 The 15 non-work accidents resulted in 185.7 lost days.

## **2. BACKGROUND**

- 2.1 Wellbeing is interconnected with a variety of individual and systemic factors which makes it a difficult area to report on. The above metrics have been recorded with that in mind.
- 2.2 The Employee Experience team continue to review the provision of Mental Health/Resilience training to identify opportunities and improvements to capture our workforce and equip our people with skills and tools.

## **3. NEXT STEPS**

- 3.1 Explore opportunities in the wellbeing space to prevent harm, provide support and enhance wellbeing.
- 3.2 The Employee Experience team will explore the development of 'Thriving at Work' guidelines, aligned with the Wellbeing Framework.
- 3.3 Investigate providing optional free hearing checks to kaimahi during World Hearing Week (3-7 March).
- 3.4 A review of appropriate wellbeing spaces at different Council sites was undertaken in Quarter 1. A memo has been created and provided to General Manager People and Capability with an overview of the different sites and facilities.

## **4. COMPLIANCE AND ADMINISTRATION**

|   |            |
|---|------------|
| Does the Committee have delegated authority to decide?  | <b>Yes</b> |
| Are the decisions significant?  | <b>No</b>  |
| If they are significant do they affect land or a body of water?                               | <b>No</b>  |
| Can this decision only be made through a 10 Year Plan?  | <b>No</b>  |
| Does this decision require consultation through the Special Consultative procedure?           | <b>No</b>  |
| Is there funding in the current Annual Plan for these objectives?                             | <b>No</b>  |
| Are the recommendations inconsistent with any of Council's policies or plans?                 | <b>No</b>  |
| The recommendations contribute to this plan:<br>14. Mahere mana urungi, kirirarautanga hihiri |            |

|  |   |
|--|---|
| <p>14. Governance and Active Citizenship Plan</p> <p>The objective is: Oversee Council operations and communicate outcomes and decisions to our communities.</p> |   |
| <p>Contribution to strategic direction and to social, economic, environmental and cultural well-being</p>  | <p>Providing information to Council about the ongoing progress towards the good performance of the organisation regarding wellbeing. The wellbeing of our kaimahi (staff) directly relates to how the strategic direction is implemented.</p> |

## ATTACHMENTS

Nil

## MEMORANDUM

**TO:** Risk & Assurance Committee

**MEETING DATE:** 12 March 2025

**TITLE:** Setting Council's Risk Management Appetite and Tolerance Levels

**PRESENTED BY:** Stephen Minton, Risk Management Advisor and Desiree Viggars, Manager Legal, Risk and Assurance/Legal Counsel

**APPROVED BY:** Cameron McKay, General Manager Corporate Services

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### RECOMMENDATION(S) TO COUNCIL

1. That Council reconfirm the risk appetite and risk tolerance levels as noted in section 3.1 and 3.2 of the memorandum titled 'Setting Council's Risk Management Appetite and Tolerance levels', presented to the Risk and Assurance Committee on 12 March 2025.
- 

#### 1. ISSUE

- 1.1 The Risk Management Framework requires the Council to adopt risk appetite and tolerance levels. The levels describe the amount and category of risk the Council is willing to accept to pursue its goals and the level of risk the Council should endure without significantly affecting its ability to achieve its objectives.
- 1.2 The levels were presented to the Risk and Assurance Committee in March 2024 where current levels were agreed with the Request "*That the Committee review risk appetite and tolerance levels annually.*" (Clause 4-24)
- 1.3 This paper provides that opportunity and sets out officer recommendations to Council.

#### 2. BACKGROUND

- 2.1 Effective risk management means *attempting to control, as much as possible, future outcomes by acting proactively rather than reactively.*
- 2.2 Council's Risk Management Policy outlines its policy statement and objectives along with the roles and responsibilities of officers. This policy is operationalised through the Council's Risk Management Framework, a structured approach that Council follows to identify, assess, and manage risks that could affect its objectives or goals.

- 2.3 Council's Risk Management Framework was developed using ISO:31000 International Risk Management standards. The Risk Policy and Framework were presented to the Risk & Assurance Committee on 18 October 2023 for information and remains current. Both are next due for review in 2026.
- 2.4 The Risk Management Framework describes the Council's risk appetite and tolerance, which allows Officers to manage identified risks appropriately, escalates risks outside of the Council's tolerance levels for approval, and assists in good decision-making.
- 2.5 Officers created risk appetite and tolerance levels based on several factors, including legislative requirements, acceptance level of tolerance, cost of compliance with tolerance, current maturity of risk management in the organisation and peer review where data exists.
- 2.6 The risk matrix (Figure 1) determines the Council's risk ratings and should be read in conjunction with the likelihood and consequence tables in Attachment 1.
- 2.7 The data used to determine the consequence and likelihood tables is largely subjective and the risk ratings are therefore largely qualitative.

Figure 1: Risk Matrix

|            |                       | CONSEQUENCE  |                 |                 |                 |                 |
|------------|-----------------------|--------------|-----------------|-----------------|-----------------|-----------------|
|            |                       | Minor<br>(1) | Moderate<br>(2) | Serious<br>(3)  | Major<br>(4)    | Severe<br>(5)   |
| LIKELIHOOD | Almost<br>Certain (5) | Medium<br>5  | High<br>10      | Very High<br>15 | Extreme<br>20   | Extreme<br>25   |
|            | Likely (4)            | Medium<br>4  | High<br>8       | Very High<br>12 | Very High<br>16 | Extreme<br>20   |
|            | Possible<br>(3)       | Low<br>3     | Medium<br>6     | High<br>9       | Very High<br>12 | Very High<br>15 |
|            | Unlikely<br>(2)       | Low<br>2     | Medium<br>4     | Medium<br>6     | High<br>8       | High<br>10      |
|            | Rare (1)              | Low<br>1     | Low<br>2        | Low<br>3        | Medium<br>4     | Medium<br>5     |

- 2.9 The Council uses a five-scale risk matrix, relatively common across organisations, which provides more insight into levels of severity. Apart from those risk categories that are rated at the absolute lowest levels of our tolerance (e.g. health and safety harm to our people), most tolerance levels for organisations will be slightly higher than the absolute minimum given this five-scale graduality. Because of this increased granularity, and in the sphere

of subjective assessments, most risk appetite and tolerance levels are relatively conservative.

- 2.10 The Risk Management Framework defines risk appetite as the amount of risk the Council is willing to accept or retain, on a broad level, in order to achieve its objectives/goals.

It also defines risk tolerance as the level of risk-taking acceptable to achieve a specific objective or manage a category of risk.

The difference between the two is that risk appetite is a broad-based description of the desired level of risk that Council will take in pursuit of its goals, whereas risk tolerance reflects the acceptable variation in outcomes related to specific measures linked to objectives the Council seeks to achieve.

- 2.8 The Risk Management Framework categorises risk appetite into three broad bands: averse, neutral, and seeking. These are defined below.

**Averse:** Avoidance of risk must be the priority, with minimal risk exposure and maximum treatment effort required.

Any uncertainty or risk that remains after treatment efforts (controls and/or mitigation) should only be allowable where necessary to achieve goals.

**Neutral:** Risk exposure is not preferred but is recognised as part of achieving objectives.

Treatments to minimise risks and uncertainties are expected to be in place where reasonably considered necessary.

**Seeking:** The Organisation is actively seeking to take on more of this risk/uncertainty as it relates to and enhances the achievement of goals.

### 3. SETTING COUNCIL'S RISK APPETITE AND TOLERANCE LEVELS

- 3.1 Officers recommend maintaining the risk appetite for Council at the existing settings. This, outlined below, broadly follows other councils and general expectations of a publicly funded local government entity; that is tending to the conservative/aversion side of the matrix.

| Risk Category              | Risk Appetite |   |   |         |   |   |         |   |   |
|----------------------------|---------------|---|---|---------|---|---|---------|---|---|
|                            | Averse        |   |   | Neutral |   |   | Seeking |   |   |
|                            | 1             | 2 | 3 | 4       | 5 | 6 | 7       | 8 | 9 |
| Financial                  |               |   |   |         |   |   |         |   |   |
| Legal/Compliance           |               |   |   |         |   |   |         |   |   |
| Environmental              |               |   |   |         |   |   |         |   |   |
| Health, Safety & Wellbeing |               |   |   |         |   |   |         |   |   |
| Reputational               |               |   |   |         |   |   |         |   |   |
| Service Delivery           |               |   |   |         |   |   |         |   |   |
| Performance and Capability |               |   |   |         |   |   |         |   |   |
| Cultural                   |               |   |   |         |   |   |         |   |   |
| Strategic                  |               |   |   |         |   |   |         |   |   |

For risk category descriptions, refer to Attachment 2 to this memorandum.

### 3.2 Setting Council's Risk Tolerance

Officers recommend maintaining the risk tolerance for the Council at the current levels. The risk matrix should be referenced while reviewing the risk tolerance levels. This risk matrix will help guide users to the level of likelihood and relevant consequences acceptable to Council.

| Risk Category              | Risk Tolerance |
|----------------------------|----------------|
| Financial                  | Medium         |
| Legal/Compliance           | Medium         |
| Environmental              | Medium         |
| Health, Safety & Wellbeing | Low            |
| Reputational               | Medium         |
| Service Delivery           | Medium         |
| Performance and Capability | Medium         |
| Cultural                   | Medium         |
| Strategic                  | Medium         |

3.3 Ultimately, risk tolerance, versus risk appetite, is the final determinant on the amount of risk the Council is prepared to take, setting the line to which it endeavours not to cross.

3.4 The tolerance levels determine in part the degree of mitigation required to maintain risk within these levels, generally involving increasing or decreasing

costs and/or consequences depending on the level set. For example, if a risk category had an extremely high appetite and tolerance, there may be zero cost to implement controls and mitigation, albeit with increasing levels of costly events occurring.

3.5 The Risk Management Framework requires escalation of risk tolerance breaches to an appropriate Officer level for acceptance and remedial actions/management. This involves explaining the current state and proposed actions to reduce the risk through new and/or improved controls and mitigation, or in a worst-case scenario, ceasing the activity if the risk is considered unacceptable.

3.6 Implications on risk appetite and risk tolerance if different to recommendations:

| Risk Category            | Implications  |   |
|--------------------------|---|---|
|                          | Increased Appetite & Tolerance  | Decreased Appetite & Tolerance  |
| <b>Financial</b>         | <ul style="list-style-type: none"> <li>Increased potential financial losses</li> <li>Reduced costs (through non-delivery of services/activities and reduced mitigation costs)</li> <li>Increased legal disputes</li> <li>Increased public disquiet</li> <li>Greater occurrences of project costs blowouts</li> <li>Greater opportunities for fraud (internal &amp; external)</li> </ul> | <ul style="list-style-type: none"> <li>Increased financial costs through control/mitigation implementation</li> <li>Reduced financial losses, albeit at cost of implementation of controls</li> <li>Requirement for higher buffers/contingencies to mitigate unforeseen events</li> <li>Increased insurance requirements and resultant premium costs</li> <li>Slower delivery of outcomes due to burdensome processes and procedures</li> </ul> |
| <b>Legal/ Compliance</b> | <ul style="list-style-type: none"> <li>Increased defensive litigation</li> <li>Increased legal defence costs</li> <li>Appointment of a commissioner</li> <li>Judicial or Ombudsman adverse rulings</li> <li>Increased legal fines and adverse litigious outcomes</li> </ul>   | <ul style="list-style-type: none"> <li>Increased legal advice costs</li> <li>Increased internal legal resource costs</li> <li>Increased cost through transfer of legal risk</li> </ul>  |
| <b>Environmental</b>     | <ul style="list-style-type: none"> <li>Increased measurable, reversible damage to the environment</li> <li>Breaches of environmental protection legislation and</li> </ul>  | <ul style="list-style-type: none"> <li>Decreased measurable, reversible damage to the environment</li> <li>Higher mitigation/compliance costs</li> </ul>  |

| Risk Category                       | Implications   |   |
|-------------------------------------|--|---|
|                                     | Increased Appetite & Tolerance   | Decreased Appetite & Tolerance  |
|                                     | <ul style="list-style-type: none"> <li>regulations</li> <li>Potential public discourse at environmental inaction and/or damage</li> <li>Higher recovery costs</li> </ul>   | <ul style="list-style-type: none"> <li>Perceived imbalance from the public of costs versus environmental protections</li> <li>More opportunities for realising co-benefits</li> <li>Restrictive growth opportunities</li> </ul>   |
| <b>Health, Safety and Wellbeing</b> | <ul style="list-style-type: none"> <li>Causing death or serious injury to our people</li> <li>Increased incidence of health &amp; safety events</li> <li>Breaches of Health &amp; Safety at Work Act 2015, and potentially prosecution</li> <li>Increased absenteeism, and resultant decreased productivity</li> </ul> | <ul style="list-style-type: none"> <li>Not applicable (already lowest level)</li> </ul>   |
| <b>Reputational</b>                 | <ul style="list-style-type: none"> <li>Increased public disquiet across the city</li> <li>Ineffective community engagement</li> <li>Increasing loss of public trust</li> </ul>   | <ul style="list-style-type: none"> <li>Additional resource and increased engagement requirements</li> <li>Increased costs for community well-being and activity delivery to meet broader level of satisfaction</li> <li>Increased costs to meet goals</li> <li>Increasing conflicts between priorities</li> </ul> |
| <b>Service Delivery</b>             | <ul style="list-style-type: none"> <li>Reduced activities provision</li> <li>Provision of services not meeting community expectations and low customer satisfaction</li> <li>More regular suspension of activities and services</li> </ul>   | <ul style="list-style-type: none"> <li>Significant increase in costs to meet greater service delivery goals</li> <li>Potential stifling of innovation, including productivity gains</li> </ul>  |
| <b>Performance and Capability</b>   | <ul style="list-style-type: none"> <li>Higher turnover rates</li> <li>Continuous loss of corporate knowledge</li> <li>Reduced technical expertise</li> <li>Not seen as an employer of choice, actual or perceived</li> </ul>   | <ul style="list-style-type: none"> <li>Increased remuneration costs</li> <li>Increased costs for benefits and wellbeing provisions</li> </ul>   |
| <b>Cultural</b>                     | <ul style="list-style-type: none"> <li>Causing cultural/spiritual</li> </ul>   | <ul style="list-style-type: none"> <li>Increased operational costs of</li> </ul>  |

| Risk Category                 | Implications  |   |
|-------------------------------|---|---|
|                               | Increased Appetite & Tolerance  | Decreased Appetite & Tolerance  |
| (Including spiritual matters) | <ul style="list-style-type: none"> <li>offence</li> <li>Undermine relationships with Maori and cultural/ethnic representatives/groups</li> <li>Not fulfil fully our Treaty commitments and obligations</li> </ul> | <ul style="list-style-type: none"> <li>control/mitigation for avoidance</li> <li>Increased advisor resourcing within Maori Advisory, Community Development or consultancy costs</li> <li>Strengthened cultural resilience and resultant costs, including cultural events, engagement, etc.</li> <li>Increasing conflict in priorities across segments of the community</li> </ul> |



#### 4. NEXT STEPS

- 4.1 Officers will continue to embed risk management in Council processes.
- 4.2 The Risk Management Framework will be reviewed on a triennial basis, or by a request of Council or the Chief Executive. Updated Framework will be presented to this Committee.
- 4.3 Risk appetite and tolerance will continue to be presented to the Risk & Assurance Committee on an annual basis.
- 4.4 Officers will continue to report on strategic risks to the Risk & Assurance Committee.

#### 5. COMPLIANCE AND ADMINISTRATION

|  |            |
|--|------------|
| Does the Committee have delegated authority to decide?                                   | <b>No</b>  |
| Are the decisions significant?   | <b>No</b>  |
| If they are significant do they affect land or a body of water?                          | <b>No</b>  |
| Can this decision only be made through a 10 Year Plan?                                   | <b>No</b>  |
| Does this decision require consultation through the Special Consultative procedure?      | <b>No</b>  |
| Is there funding in the current Annual Plan for these objectives?                        | <b>Yes</b> |
| Are the recommendations inconsistent with any of Council's policies or plans?            | <b>No</b>  |
| The recommendations contribute to:<br>Whāinga 3: He hapori tūhonohono, he hapori haumarū |            |

|  |  |
|--|--|
| Goal 3: A connected and safe community   |  |
| The recommendations contribute to this plan:<br>14. Mahere mana urungi, kirirarautanga hihiri<br>14. Governance and Active Citizenship Plan<br>The objective is: Oversee Council operations and communicate outcomes and decisions to our communities. |  |
| Contribution to strategic direction and to social, economic, environmental and cultural well-being   | The risk management system is one of the aspects that assists in ensuring Council can fulfil the tasks required to achieve its purpose and objectives. These objectives will cover all aspects of the organisation, including strategy, tactics, operations and compliance. The risk appetite and risk tolerance guide the parameters within which to operate. |

## ATTACHMENTS

1. Risk Consequence and Likelihood Tables [↓](#) 
2. Risk Categories [↓](#) 

## Attachment - Risk Assessment of Likelihood

### From Risk Management Framework

|                         | General Description                                     | Strategic   | Project   | Quantitative  | Likelihood     |
|-------------------------|---|---|---|---|----------------|
| Likelihood of Frequency | Risk is expected to occur in most circumstances.        | Almost certain to occur in the next 3 years.            | Almost certain to occur in most circumstances during the life of the project. | >90% within the next 12 months, or 18 out of every 20 years.      | Almost Certain |
|                         | Risk event will probably occur in most circumstances.   | Will likely occur in the next 3 years.                  | Will likely occur sometime during the life of the project.                    | 75% - 90% within the next 12 months, or 11 out of every 20 years. | Likely         |
|                         | Risk event should occur at some time.                   | Possibly occur in the next year.                        | Possibly occur sometime during the life of the project.                       | 25% - 75% within the next 12 months, or 5 out of every 20 years.  | Possible       |
|                         | Risk event could occur at some time.                    | Unlikely to occur in the next 3 years.                  | Unlikely to occur during the life of the project.                             | 5% - 25% within the next 12 months, or 1 out of every 10 years.   | Unlikely       |
|                         | Risk event may only occur in exceptional circumstances. | Would occur only in rare instances in the next 3 years. | Occur in only rare circumstances during the life of the project.              | <5% within the next 12 months, or 1 out of every 20 years.        | Rare           |

## Risk Criteria (Consequence Table)

| Risk Category                              | Minor  | Moderate   | Serious   | Major  | Severe  |
|--|--|--|---|--|---|
| Financial                                  | No impact on achievement of output targets, business can continue as normal.<br>Localised failure only.<br>Financial loss <\$50,000  | Up to 1% impact on targets<br>Limited to a single business area of the Council.<br>Financial loss between \$50,000 and \$200,000   | Up to 5% impact on targets<br>Financial loss or between \$200,000 and \$500,000   | Up to 10% impact on targets.<br>Financial loss between \$500,000 and \$1 million.<br>Impact to multiple and diverse areas of the Council   | Greater than 10% impact on targets<br>Financial loss >\$1 million.  |
| Financial – Projects (Budget means Annual) | No impact on achievement of budget targets or <\$10,000  | Up to 1% impact on Project budget, or between \$10,000 and \$100,000   | Up to 5% impact on Project budget, or between \$100,000 and \$250,000   | Up to 10% impact on Project budget or between \$250,000 and \$1 million.   | Greater than 10% impact on Project budget or greater than \$1 million   |
| Legal/ Compliance                          | Council fined / sued for a sum <\$10,000   | Council fined / sued for a sum between \$10,000 and \$100,000  | Council fined / sued for a sum between \$100,000 and \$250,000<br>Compliant to the Ombudsman or other statutory office  | Council fined / sued for a sum between \$250,000 and \$1 million<br>Legislative noncompliance involving the prosecution or the potential for a fine or a significant criticism of Council by Judiciary or Ombudsman.<br>Adverse ruling by the Ombudsman or other statutory officer with power to investigate or make rulings.<br>Judicial review of Council decision   | Council fined / sued for a sum more than \$1 million.<br>Legislative noncompliance involving potential for imprisonment of a Councilor or senior officer<br>Judicial review of a Council decision on a matter relating to funding or rates  |
| Environmental                              | Small localised and reversible environmental resulting in:<br>➤ Slight, short term damage to use (use of) land and/or water<br>➤ Slight short-term damage to land and/or water ecosystems<br>➤ No noticeable species reduction<br>Occasional inconsistency with the intent of legislation, district plan, and Council's goals. | Contained and reversible (minimal) environmental impact resulting in:<br>➤ Localised minor reversible damage to use (use of) land and/or water<br>➤ Localised minor reversible damage to land and/or water ecosystems<br>➤ Temporary reduction in one species<br>Minor erosion and/or damage to property.<br>Minor inconsistency with the intent of legislation, district plan, and Council's goals. | Measurable damage to the environment requiring significant corrective action resulting in:<br>➤ Localised medium-term reversible damage to use (use of) land and/or water<br>➤ Localised medium-term reversible damage to land and/or water ecosystems<br>➤ Moderate reduction in 1 or more species<br>Moderate erosion and/or damage to property. Recovery time 1 month.<br>Repeated inconsistency with the intent of legislation, district plan, and Council's goals. | Irreversible localised damage (major) to the environment resulting in:<br>➤ Widespread long-term reversible damage to use (use of) land and/or water<br>➤ Widespread long-term reversible damage to land and/or water ecosystems<br>➤ Significant reduction in 1 or more species<br>Serious erosion and/or damage to property. Recovery time up to 6 months.<br>Repeated and significant inconsistency with the intent of legislation, district plan, and Council's goals. | Extensive irreversible damage (widespread) to the environment resulting in:<br>➤ Widespread long-term irreversible damage to use (use of) land and/or water<br>➤ Widespread irreversible damage to land and/or water ecosystems<br>➤ Permanent reduction in 1 or more species<br>Destruction of property/widespread flooding. Recovery time exceeding 9 months.<br>No recognition of the intent of legislation, district plan, and Council's goals. |
| Reputational                               | No significant adverse comment of media coverage<br>Letter to Council and/or to Call Centre<br>Minimal public disquiet   | Adverse comment on local media (coverage 3 days+)<br>Letters to CE, complaints to Councilors<br>Public disquiet limited to small sections of the community   | Adverse comment on local media (coverage 1 week+)<br>Coverage in national media<br>Public disquiet one or more community  | Adverse comment on local media (coverage 2-3 weeks)<br>Coverage in national media 2-3 days<br>Public disquiet over majority is city e.g. major rates issue   | Adverse comment on local media (coverage for 4 weeks+)<br>Coverage in national media >3 days<br>All plus "Commission of Inquiry/questions in Parliament<br>Widespread civil unrest  |
| Strategic                                  | Negligible impact on goals and outcomes.   | Temporary impact on long terms goals and outcomes.   | Noticeable impact on long term goals in one or more categories.   | Achievement of goals significantly below expectation in one or more categories.  | Achievement of goals significant across all outcome categories.   |
| Performance and Capability                 | ➤ Permanent staff turnover equal to or 1.25 times industry average<br>Insignificant skill gaps.<br>➤ Individual significance or concern that can be managed as part of business as usual   | ➤ Permanent staff turnover 1.25 – 1.5 times industry average.<br>➤ Few specialist skills gaps.<br>➤ Minor disruption to the organisation that can be managed as part of business as usual  | ➤ Permanent staff turnover 1.5 – 1.75 times industry average<br>➤ Some specialist skill gaps.<br>➤ Moderate disruption to the organisation resulting in reduced performance   | ➤ Permanent staff turnover 1.7 – double industry average<br>➤ Major specialist skill gaps.<br>➤ Major disruption to the organisation resulting in the failure of core activities   | ➤ Permanent staff turnover is more than double industry average<br>➤ No internal or external specialist skills available.<br>➤ Critical disruption to the organisation resulting in the ongoing failure to deliver core activities  |

| Risk Category  | Minor  | Moderate   | Serious  | Major   | Severe  |
|--|--|--|--|---|---|
| <b>Health &amp; Safety</b><br>NB: To be addressed under Health, Safety & Wellbeing Risk Type | Minor injury or near miss, first aid not required.   | Minor injury requiring first aid (minor cuts, bruises).  | Injury and/or sickness requiring medical treatment. Up to 3 months incapacitation.   | Serious injury and/or sickness requiring specialist medical treatment or hospitalisation. 3+ months incapacitation or long-term disability. H&S issue taken to court.   | Permanent severe disability or loss of life, or multiple serious injuries. H&S issue taken to court resulting more likely in fine imprisonment or entering in to Undertaking arrangement. Widespread sickness in the community.   |
| <b>Wellbeing</b><br>NB: To be addressed under Health, Safety & Wellbeing Risk Type           | The person impacted resolves themselves. There is no disruption to ongoing work  | Some internal intervention (facilitation, training, restorative) is required. Any issues are resolved within the workplace. There may be some disruption to the work, person or team, but it's not ongoing.  | An external level of intervention (e.g. GP, psychologist, mediator, EAP) is required to support. There may be short-term (generally less than a month) impact of absenteeism / presenteeism / reduced capability / performance.  | An external level of intervention is ongoing. There is a negative impact on the wider team and / or organisation. There may be a long term (more than one month) impact of absenteeism / presenteeism / impact on capability / performance. Trust in the organisation is diminished   | Permanent or ongoing impact on a person. This could result in resignation / severely affected mental health or illness, or loss of life / suicide. Results in adverse impact on rest of team and operational functions of the service. Negative impact is on whole function. Impact on reputation of organisation if not addressed. Loss of employee trust in the organisation. |
| <b>Service Delivery</b><br>-General  | No loss of operational capability and/or minimal disruption to service levels. Access affected Minimal loss of internal capacity. No measurable disruption to delivery of essential services.  | Loss of operational capability in some areas and/or some disruption to service levels.   | Serious loss of operational capability and /or disruption to service levels. Isolated, or suburb-wide impact to essential service delivery/facility.   | Serious loss of operational capability for over extended period and major disruption to service levels. Suburb, multi-suburb or critical facility impact to essential service delivery that is extended over significant period.  | Serious loss of operational capability long term and serious disruption to service levels loss of internal capacity. Suburb, multi-suburb or critical facility /service impact to critical service delivery.  |
| <b>Service Delivery</b><br>-Essential Services   | 25% of the RTO is reached  | 50% of the RTO is reached  | 100% of the RTO is reached   | The RTO is breached by up to 50%  | The RTO is breached by more the 50%   |
| <b>Service Delivery</b><br>- Critical Services   | 50% of the RTO is reached  | 100% of the RTO is reached   | The RTO is breached by up to 50%   | The RTO is breached by more the 50%   | The RTO is breached by more the 100%  |
| <b>Service Delivery</b><br>- Other Services  | 100% of the RTO is reached   | The RTO is breached by up to 50%   | The RTO is breached by more the 50%  | The RTO is breached by more the 100%  | The RTO is breached by more the 250%  |
| <b>Time Delay</b><br>-Projects<br>-Programmes of work  | 1 month (0-5%)   | 1-3 months (5-10%)   | 3-6 months (10-15%)  | 6-9 months (15-20%)   | >9 months (20%)   |
| <b>Cultural</b>  | Cultural factors are not considered when making decisions requiring a review before the decision is implemented<br><ul style="list-style-type: none"> <li>Minor observations of tikanga and/or other cultural protocols</li> <li>Translations including signage</li> <li>Lack of cultural confidence</li> <li>Perceiving Māori engagement as more challenging or difficult</li> <li>Perceiving engagement with culturally and/or linguistically diverse community members as more challenging or difficult.</li> </ul> | Cultural factors are not considered when making decision requiring decisions to be reviewed and reconsidered after action has commenced on the decision<br><ul style="list-style-type: none"> <li>Cultural advice not sought</li> <li>Relevant parties excluded from a decision affecting their cultural interests</li> <li>Failure to acknowledge Rangitāne Partnership with PNCC and their kaitiaki role encompassing all cultures</li> <li>Failure to consider culturally and/or linguistically diverse community members in a decision.</li> </ul> | Offence is caused to a group of people requiring some effort to repair relationships; or; mana, artefacts/place of cultural or heritage significance is damaged requiring repair.<br><ul style="list-style-type: none"> <li>Disregard for tikanga and/or other cultural protocols</li> <li>Cultural advice ignored.</li> </ul> | Offence is caused to a group of people requiring significant efforts to repair relationships; or; mana, artefacts/place of cultural or heritage significance is significantly damaged. Rectification may be difficult but possible in the long term<br><ul style="list-style-type: none"> <li>Decision to act against best practice advice and/or tikanga and/or other cultural protocols.</li> </ul> | <ul style="list-style-type: none"> <li>Significant offence is caused to a group of people resulting in ongoing strain on relationships; Or; mana, artefacts/place of cultural or heritage significance is irreparably destroyed</li> <li>Systematic or conscious suppression of Treaty partnership commitments and diverse cultural worldviews of our community.</li> </ul>     |

RTO: Recovery Time Objective. Refer section 5.9, Consequence Tables. Refer also to Divisions' Business Continuity Plan.



## Attachment – Risk Categories

| Risk Category                                 | Description  |
|---|--|
| Financial:                                    | Generally related to risks to money and assets.  |
| Legal/Compliance:                             | The risk that the Organisation has violated a law or regulation or risk or loss because of regulatory or legal actions. This includes our legislative obligations under the Treaty.  |
| Environmental:                                | Adverse effects on living organisms and/or the environment.  |
| Health, Safety and Wellbeing <sup>NB1</sup> : | The potential for harm to come to people. Includes physical and psychological security.  |
| Reputational:                                 | Potential for a major adverse event that threatens the Organisation's reputation. It is typically related to financial mismanagement, employee relations, social concerns, governance, information security, violation of laws or environmental practices. |
| Service Delivery <sup>NB2</sup> :             | Failure of a process, such as a human error and/or digital tools, can give rise to the non-delivery of service, activity or project.   |
| Performance and Capability:                   | Lack of people, capital or inappropriately trained people. It also refers to higher than normal staff turnover.  |
| Strategic:                                    | Risks that arise from the fundamental decisions concerning the Organisation's objectives and goals. Essentially, strategic risks are the risks of failing to achieve these objectives and goals.   |
| Cultural<br>(Including spiritual matters)     | The risks that arise because of monocultural local government systems not responding to the diverse communities they serve. The failure to uphold obligations relating to the Treaty of Waitangi partnership and relationship with tangata whenua.         |

NB1: Consequence tables have health & safety separated from wellbeing

NB2: Service delivery consequences are broken down into subsets dependent on the type of delivery.



## MEMORANDUM

**TO:** Risk & Assurance Committee

**MEETING DATE:** 12 March 2025

**TITLE:** Strategic Risk Management Reporting October 2024 to December 2024 (Quarter 2)

**PRESENTED BY:** Stephen Minton, Risk Management Advisor and Desiree Viggars, Manager Legal, Risk & Assurance/Legal Counsel

**APPROVED BY:** Cameron McKay, General Manager Corporate Services

### RECOMMENDATION(S) TO RISK & ASSURANCE COMMITTEE

1. That the Committee receive the following updated strategic risk assessment
  - Strategic Risk 7: Failure to Attract and Retain Staff
 and the Strategic Risk Dashboard (section 3.2).

#### 1. ISSUE

- 1.1 Council agreed on 11 strategic risk statements in the Risk & Assurance Committee on 6 March 2024. All assessments were completed and presented progressively during the calendar year 2024.
- 1.2 Officers will undertake iterative reviews of the strategic risks at least annually.
- 1.3 The Committee moved on 27 November 2024:
 

*"That all future reporting and updates on Strategic Risk Assessments clearly differentiate between new actions and existing actions, connect each action with resourcing, and indicate progress and timeframe for implementation."* [at 35-24]

#### 2. BACKGROUND

- 2.1 Officers have completed an iterative review of Strategic Risk 7: Failure to Attract and Retain Staff. This review has considered any new or emerging contextual aspects of the risk and progress on the detailed action plan/considerations articulated in the last assessment.
- 2.2 The conclusion has been updated and an additional action plan summary has been created and attached (Attachment 1). Progress of the detailed action plans is currently within the expected timeframes. While key controls and action plans/considerations are unchanged from the last report, Officers still consider them to be current in the existing risk environment.

- 2.3 The reporting template has been updated to reflect the resolution in 1.3 above and this is principally reflected in the action plan in Attachment 1. Note the “Existing” or “New” annotation against each of the actions.
- 2.4 The Committee is invited to provide feedback on the new form of reporting in achieving, particularly with respect to the motion passed in November, Members’ expectations.

### 3. STRATEGIC RISK DASHBOARD

- 3.1 The strategic risk dashboard is set out below. The risk ratings have been determined based on the current risk environment and consequences of the risk event, the controls and their effectiveness, and the reliance on individual controls.
- 3.2 There has been no change in the rating since the last report in November 2024.

| STRATEGIC RISK DASHBOARD   |           | AS AT 12 MARCH 2025 |             |
|--|-----------|---------------------|-------------|
| Risk Name  | Raw Risk  | Residual Risk       | Target Risk |
| <b>Risk 1:</b> Failure to meet financial obligations   | Extreme   | Medium              | Medium      |
| <b>Risk 2:</b> Failure to deliver on key projects and programmes                                 | Extreme   | Medium              | Medium      |
| <b>Risk 3:</b> Failure to manage and protect Council information                                 | Extreme   | High                | Medium      |
| <b>Risk 4:</b> Failure to adapt to the effects of climate change                                 | Extreme   | High                | Medium      |
| <b>Risk 5:</b> Ineffective relationship and stakeholder engagement                               | Very High | Medium              | Medium      |
| <b>Risk 6:</b> Major failure of health, safety and wellbeing policies and procedures             | Extreme   | Medium              | Low         |
| <b>Risk 7:</b> Failure to attract and retain staff   | Very High | Medium              | Medium      |
| <b>Risk 8:</b> Failure to meet legal obligations   | Extreme   | High                | Medium      |
| <b>Risk 9:</b> Significant disruption to Council's continuity and/or lifeline utility disruption | Extreme   | Very High           | Medium      |
| <b>Risk 10:</b> Failure to manage critical/strategic assets                                      | Extreme   | High                | Medium      |
| <b>Risk 11:</b> Loss of public trust   | Very High | High                | Medium      |



#### 4. NEXT STEPS

- 4.1 Further Strategic Risks will be assessed and presented to the Committee going forward, with a focus on those risks deemed to have changes in the control/mitigation scene or new/emerging changes to the risk context.
- 4.2 The Committee is reminded that reviews may also be triggered if there is a significant change in one of the following parameters:
- 4.2.1 Significant change in the internal or external context, including major organisational or process changes (Reference Risk Management Framework, Section 4.3.1 for external and internal context descriptors).
  - 4.2.2 Major risk event that is deemed to have an influence on the strategic risk.
  - 4.2.3 Substantial control or mitigation failure.

#### 5. COMPLIANCE AND ADMINISTRATION

|   |  |
|---|--|
| Does the Committee have delegated authority to decide?  | <b>Yes</b>   |
| Are the decisions significant?  | <b>No</b>  |
| If they are significant do they affect land or a body of water?   | <b>No</b>  |
| Can this decision only be made through a 10 Year Plan?  | <b>No</b>  |
| Does this decision require consultation through the Special Consultative procedure?   | <b>No</b>  |
| Is there funding in the current Annual Plan for these objectives?   | <b>Yes</b>   |
| Are the recommendations inconsistent with any of Council's policies or plans?   | <b>No</b>  |
| <p>The recommendations contribute to:</p> <p>Whāinga 3: He hapori tūhonohono, he hapori haumarū</p> <p>Goal 3: A connected and safe community</p>   |  |
| <p>The recommendations contribute to this plan:</p> <p>14. Mahere mana urungi, kirirautanga hihiri</p> <p>14. Governance and Active Citizenship Plan</p> <p>The objective is: Oversee Council operations and communicate outcomes and decisions to our communities.</p> |  |
| Contribution to strategic direction and to social, economic, environmental and cultural well-being  | The risk management objectives cover all aspects of Council, including strategy, tactics, operations and compliance. The Risk Management Framework sets out the basis for managing risk across Council and a large part of this is culminated through the creation of risk registers and the strategic risk assessments. |

## ATTACHMENTS

1. Strategic Risk 7: Failure to Attract & Retain Staff [↓](#) 
2. Legend [↓](#) 

## Strategic Risk No. 7: Failure to Attract and Retain Staff

Date: 12/03/24

Group Owner: General Manager People and Capability

Raw Risk: Extreme

Current Residual Risk: Medium

Target Residual Risk: Medium

Control Rating: Effective

Control Reliance: High

Risk Tolerance: Medium

### Overview

**Description:** Inability to attract sufficient capable talent and retain due to poor employee value proposition and/or poor organisational cultural reputation.

**Implications:** Council's most valuable resource is its people, without whom there would be no deliverables. Attracting and retaining the right people long-term adds significantly to the productivity of the organisation.

**Control Environment:** Few of the controls and mitigations are in their final state of maturity to be able to bring their full potential to bear. A number are well advanced, and save any unforeseen budgetary constraints are headed towards an effective setting. However, a number, including longer-term initiatives, still have some way to go to achieve a more mature and acceptable control state.

### Conclusion & Action Plan/Considerations

**Conclusion:** The Council continues to make progress in setting the internal context to improve the employee value proposition. The employee engagement and wellbeing initiatives are setting the scene for long-term attraction and retention of staff. While some are still in their infancy, many initiatives are progressing well, and management needs to ensure they are fully embedded in the organisation and with an intuitive operation. Turnover continues to drop, in part due to this internal context improvement however market-driven dynamics and external context are playing an ever-increasing role in the improvement of this strategic risk. Control effectiveness is now assessed as effective.

**Action Plan:** Identified actions continue to progress and are in line with expectations. Individual actions are clearly assigned to owners with milestones set for each individual item. As they move to BAU, activities should be part of iterative reviews and there needs to be a clear review timetable laid down and followed.

### Key Controls and Mitigations Summary

| Causes                                    | Key Controls  | Control Rating      | Control Reliance | Action Plan/Considerations   |
|---|---|---------------------|------------------|--|
| Remuneration                              | ➤ Fit for purpose remuneration system which includes: <ul style="list-style-type: none"> <li>• Clear, effective framework for job profile creation and review</li> <li>• Annual market review of salaries by independent outside agencies</li> <li>• Effective evaluation process for new or changed roles</li> <li>• Clear, transparent and effective periodic salary review process</li> <li>• Measurable performance measures.</li> </ul>                            | Effective           | Very High        | ➤ Build out performance expectations that are measurable, realistic and achievable for roles across the Organisation. (E)  |
| Communication                             | ➤ Non-monetary offerings, including multiple leave offerings, in-kind services, development opportunities and support, hybrid working.  | Effective           | Very High        | ➤ Additional work required around messaging/communication EVP. (E)   |
| Career Management/ Performance Enablement | ➤ Career management (key engagement driver) through: <ul style="list-style-type: none"> <li>• Competent and confident managers/leaders in delivery of framework</li> <li>• Creation of coaching and learning orientated environment</li> <li>• Clearly defined technical and non-technical skills</li> <li>• Effective performance enablement discussions</li> <li>• Personal development plans</li> <li>• Retention planning</li> <li>• Succession planning</li> </ul> | Partially Effective | High             | ➤ Creation and rollout of career development framework and practises. (E)<br>➤ Performance Enablement Framework rollout. (E)   |
| Wellbeing                                 | ➤ Provision of support and counselling services   | Effective           | High             | ➤ Ongoing support. (E)   |
|   | ➤ Psychosocial risk framework with identified mitigation actions.   | Partially Effective | High             | ➤ Psychosocial risk management framework development and implementation needs to continue to fruition. (E)   |
| Change Management                         | ➤ Change capability to ensure officers supported and brought along on the development and change journey. Build leadership capability, develop officer proficiency, and provide clear support and ownership of change ownership.  | Partially Effective | High             | ➤ Ongoing development of good change management process framework required along with implementation of change management in all activities. (E)   |
| Training                                  | ➤ Training needs assessment framework along with fit-for-purpose training capture platform<br>➤ Suite of training propositions and material.  | Partially Effective | High             | ➤ Broad corporate training programme needs ongoing development (Learning and Development strategy). (E)  |
| Culture and Values                        | ➤ Clear, understood and connected values representing cross cultural environment embedded in the Organisation.  | Effective           | Medium           | ➤ Continue work of values description, rollout and embedding through the Poutāhū Reference Group. (E)  |
| Feedback                                  | ➤ Undertake periodic surveys from employees and include feedback loop and monitoring.   | Partially Effective | Medium           | ➤ Continue Tuia te Whakaaro survey. (E)<br>➤ Ensure process in place for measurement and socialisation of survey results. (E)<br>➤ Ensure feedback loop is effective and any actions are monitored and closed. (E) |
| Talent Attraction                         | ➤ Fit for purpose broad talent communication, identification and attraction practise.   | Effective           | High             | ➤ Broaden articulation around, and therefore attraction of, more inclusivity in activities. (E)<br>➤ Building talent pool and ensure its effectiveness and fit for purpose. (E)                                    |
| Onboarding and Offboarding                | ➤ Systematic, seamless documented onboarding processes and record retention<br>➤ Systematic process for offboarding and exit survey/interviews with feedback loop.  | Partially Effective | Medium           | ➤ Documented, effective procedures for onboarding and offboarding. (E)<br>➤ Actionable feedback from offboarding. (E)  |

E: Existing / N: New

## Strategic Risk No. 7: Failure to Attract and Retain Staff

| Causes  | Action Plan/Considerations   | Current Update   | Due Date                               |
|---|--|--|--|
| Remuneration                                    | 1. Build out performance expectations that are measurable, realistic and achievable for roles across the Organisation.   | 1. No progress at present on this point however Kaimahi Performance Enablement Framework, which is in progress of being rolled out, as a dependency, will inform performance expectations across the Council. At this point, no additional resources are envisaged.  | 06/26                                  |
| Communication                                   | 2. Additional work required around messaging/communication EVP.  | 2. As EVP evolves, collateral is being built up. No additional resources are expected. Annual checkpoints.   | BAU                                    |
| Career Management/<br>Performance<br>Enablement | 3. Creation and rollout of career development framework and practises<br>4. Performance Enablement Framework rollout.  | 3. People Leadership Capability Framework has been approved and procurement is in process to identify a suitable training provider to assist with developing people leader skills and capabilities. Successful implementation will lead to broader rollout. Implementation plan is expected by the end of April 2025. Programme budget in place.<br>4. Kaimahi Performance Enablement Framework approved. Progressing design of tools, processes, guidelines and templates. Existing internal resources are being used and are expected to conclude by 06/25.  | 04/25<br>06/25                         |
| Wellbeing                                       | 5. Ongoing support   | 5. The organisation is fully committed to well-being through Āhurutanga Safe Space which includes reference to protecting well-being. A Wellbeing Programme in place that is grounded in preventing harm, supporting people and enhancing well-being. Feedback on the status of well-being support reported to the Risk and Assurance Committee quarterly.   | BAU                                    |
|   | 6. Psychosocial risk management framework development and implementation needs to continue to fruition.  | 6. Proposal by 06/25. Options will be explored to manage psychosocial risks with or without external resources. The preferred approach is expected to have an external assessment. Psychosocial risk management will be progressed in the FY 25/26 year pending option and SLT approval. Resources allocated in FY25/26.   | 06/25                                  |
| Change Management                               | 7. Ongoing development of good change management process framework required along with implementation of change management in all activities.  | 7. Change Management Framework approved 12/24. Implementation plan will be rolled out during the next two financial years. Resources are expected to be included within individual programme budgets without additional allocation.  | 06/28                                  |
| Training  | 8. Broad corporate training programme needs ongoing development (Learning and Development strategy).   | 8. Corporate Training programme has been extended with offering financial management essentials (complete), performance conduct and recruitment essentials training to people leaders. No additional resources required.   | 06/26                                  |
| Culture and Values                              | 9. Continue work of values description, rollout and embedding through the Poutāhū Reference Group.   | 9. Restatement of values has been completed. All people leaders have been provided with resources and toolkits to discuss what organisational values would look like in their respective areas. Team conversations are ongoing and supported by People and Capability Business Partners and Principal Change Advisor.  | BAU                                    |
| Feedback  | 10. Continue Tuia te Whakaaro survey<br>11. Ensure process in place for measurement and socialisation of survey results<br>12. Ensure feedback loop is effective and any actions are monitored and closed. | 10. Tuia Te Whakaaro survey will run in April 2025. Budget allocated.<br>11. Socialisation of results continuously linked to CE updates and Leadership Forums. All people leaders have direct access to live results to discuss in their teams and explore potential actions to improve experiences.<br>12. Feedback loop gets closed at team and organisational levels and actions monitored through engagement with People and Capability Business Partners. Ownership allocated to the Senior Leadership. Organisational or systemic issues are explored to identify process improvement.   | BAU<br>BAU<br>06/25                    |
| Talent Attraction                               | 13. Broaden articulation around, and therefore attraction of, more inclusivity in activities<br>14. Building talent pool and ensure its effectiveness and fit for purpose                                  | 13. Review to be undertaken on recruitment process. Commence 7/25 with target closure date 03/26. No additional resources are envisaged.<br>14. Talent pool to be built out and improvements and utilisation to be actioned. Commence 7/25. No additional resources are envisaged.   | 03/26<br>03/26                         |
| Onboarding and<br>Offboarding                   | 15. Documented, effective procedures for onboarding and offboarding.<br>16. Actionable feedback from offboarding.  | 15. A new checklist to support Managers with consistent onboarding practices was introduced 10/24. A survey is sent to all new employees after 6 weeks. Information is used to inform continuous improvement practices. The overall Organisational Onboarding Programme is running well. Next step is to work on onboarding for new people leaders. It is expected to be up and running by 12/25. Managed within existing resources.<br>16. Offboarding surveys set up, although high participation rates remain a challenge. Results reported to the Risk and Assurance Committee quarterly. Continuous improvement to process and within existing resources. | 15a: Complete<br>15b: 12/25<br>16: BAU |

BAU: Business as usual although periodically monitor ongoing effectiveness on action

## Legend

| Risk Ratings          | Definition   |
|-----------------------|--|
| <b>Raw Risk</b>       | The initial assessment of a risk without any controls or mitigation. Sometimes referred to as gross or inherent risk.  |
| <b>Residual Risk</b>  | Risk remaining after implementation of risk treatment (through mitigation or controls). The treatment might include avoiding, modifying or sharing the risk. Considers control effectiveness and reliance. |
| <b>Target Risk</b>    | Assessed residual risk if all controls are operating effectively and/or new controls or improvements to controls are implemented.  |
| <b>Risk Tolerance</b> | The level of risk-taking acceptable to achieve a specific objective or manage a category of risk.  |

| Effectiveness Rating       | Level of protection/mitigation   |
|----------------------------|--|
| <b>Effective</b>           | The control environment should provide management with a reasonable level of assurance that objectives will be achieved. Control practices are embedded in business processes. There may be some minor control weakness or system improvements that management can make to improve controls and/or efficiency. |
| <b>Partially Effective</b> | The control environment is only partially effective at mitigating risks, with either gaps or weaknesses in control identified where control practices are not fully embedded in business-as-usual processes yet. Significant process changes may be required.  |
| <b>Ineffective</b>         | The control environment does not mitigate identified risks, is inefficient or ineffective (i.e. controls are yet to be implemented, not implemented effectively and/or additional controls are needed). Control breaches are common. Objectives are likely not to be achieved.                                 |
| <b>Non-existent</b>        | The effectiveness of controls has not been adequately determined or is unknown, or there are no identified or planned controls.  |

| Reliance Rating  | Description  |
|------------------|--|
| <b>Very High</b> | Operation of this control is critical to the management of risk. Without this control this risk would revert to its raw state.   |
| <b>High</b>      | This control plays a key role in the management of the risk. The presence of other controls (significant or routine) means that the management of the risk is not totally dependent on this control. |
| <b>Medium</b>    | This control provides comfort that a component of the risk is managed, e.g. the likelihood or the impact has been reduced.   |
| <b>Low</b>       | Control could be considered important were it not for the presence of other controls. The absence of this control would not change the classification of the risk.                                   |

## Risk Matrix

|            |                       | CONSEQUENCE  |                 |                 |                 |                 |
|------------|-----------------------|--------------|-----------------|-----------------|-----------------|-----------------|
|            |                       | Minor<br>(1) | Moderate<br>(2) | Serious<br>(3)  | Major<br>(4)    | Severe<br>(5)   |
| LIKELIHOOD | Almost Certain<br>(5) | Medium<br>5  | High<br>10      | Very High<br>15 | Extreme<br>20   | Extreme<br>25   |
|            | Likely<br>(4)         | Medium<br>4  | High<br>8       | Very High<br>12 | Very High<br>16 | Extreme<br>20   |
|            | Possible<br>(3)       | Low<br>3     | Medium<br>6     | High<br>9       | Very High<br>12 | Very High<br>15 |
|            | Unlikely<br>(2)       | Low<br>2     | Medium<br>4     | Medium<br>6     | High<br>8       | High<br>10      |
|            | Rare<br>(1)           | Low<br>1     | Low<br>2        | Low<br>3        | Medium<br>4     | Medium<br>5     |



## MEMORANDUM

**TO:** Risk & Assurance Committee

**MEETING DATE:** 12 March 2025

**TITLE:** Audit NZ 2024 Management Report with Action Plan

**PRESENTED BY:** Desiree Viggars, Manager Legal, Risk & Assurance/Legal Counsel and Scott Mancer, Manager Finance

**APPROVED BY:** Cameron McKay, General Manager Corporate Services

### RECOMMENDATION(S) TO RISK & ASSURANCE COMMITTEE

1. That the Committee receive the memorandum titled 'Audit NZ 2024 Management Report with Action Plan' presented to the Risk & Assurance Committee on 12 March 2025.

#### 1. ISSUE

- 1.1 Audit NZ undertook the annual Statutory Financial Statement Audit for Year End 30 June 2024.
- 1.2 As part of the annual audit, each year Audit NZ produces an Audit Management Report providing an overview of the audit and outlining any matters from the audit, and an assessment of Council's internal controls. Recommendations for improvements are included in this report, along with progress against previous recommendations raised in prior audits.
- 1.3 In January 2025 Audit NZ released a draft management report for the June 2024 audit. Following further discussions and clarifications with management, this was finalised by Audit NZ on 28 February 2025 (Attachment 1).
- 1.4 An action plan was subsequently agreed with management to address the findings that Audit NZ had highlighted (Attachment 2). This was approved by the Senior Leadership Team on Tuesday 4 March 2025.

#### 2. BACKGROUND

- 2.1 In response to the Audit NZ report, the Legal, Risk & Assurance division facilitated the preparation of an action plan that was subsequently endorsed by management.
- 2.2 It should be noted that five findings from the prior year were closed off during the testing. Some of the previous points are still outstanding, however the reason for a lack of progress on that front can be attributed to resourcing and

system constraints. We have therefore updated the previous action plan to reflect up-to-date target dates.

### 3 MANAGEMENT COMMENT BY CHIEF FINANCIAL OFFICER

- 3.1 Officers have noted that there has been some good progress on issues raised by Audit NZ, with 5 completed issues this year. There were 5 new issues raised, with 3 of these attributable to the new Authority Altitude system and requiring updated internal processes with this system now in place. These processes are well underway and expected to be resolved in the upcoming audit. Some internal policies are overdue for review and Officers intend to rectify these as quickly as resourcing and capacity allows. The items awaiting Audit NZ testing have again been requested to be reviewed in the upcoming audit for the 2024/25 year.

### 3. NEXT STEPS



- 4.1 The action plan that has been developed will be followed up on by Legal, Risk & Assurance and will be reported back to Risk & Assurance Committee through the accountability reporting.

### 4. 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:<br>Whāinga 1: He tāone auaha, he tāone tiputipu<br>Goal 1: An innovative and growing city   |   |
| The recommendations contribute to this plan:<br>14. Mahere mana urungi, kirirautanga hihiri<br>14. Governance and Active Citizenship Plan<br>The objective is: Oversee Council operations and communicate outcomes and decisions to our communities. |   |
| Contribution to strategic direction and to social, economic, environmental   | Business Assurance aims to help the Council succeed by building trust and confidence in the core controls relied on by management and governance. |

|                         |  |
|-------------------------|--|
| and cultural well-being |  |
|-------------------------|--|

## ATTACHMENTS

1. Audit NZ Management Report - for the year ended 30 June 2024 [↓](#) 
2. 2024 Management Action Plan [↓](#) 



# Report to the Council on the audit of

Palmerston North City  
Council

For the year ended 30 June 2024

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## Key messages

We have completed the audit for the year ended 30 June 2024. This report sets out our findings from the audit and draws attention to areas where the Palmerston North City Council (the City Council) is doing well and where we have made recommendations for improvement.

### Audit opinion

We issued an unmodified audit opinion over the City Council's financial statements and a qualified opinion over the service performance provision on 30 October 2024. The qualified opinion relates to the non-financial performance measures – inaccurately recorded resource consent processing times, incomplete information about the number of complaints for some services, and the prior year comparative for the average quality of ride on a sealed local road network measured by smooth travel exposure.

Without further modifying our audit opinion, we included an emphasis of matter paragraph to draw the users' attention to the relevant disclosure in the statement of service provision which outlines the inherent uncertainty in the reported greenhouse gas (GHG) emissions.

### Matters identified during the audit

The significant issues considered during the audit were:

- **Statement of service provision.** We continue to find that the recording of complaints was not in line with the Department of Internal Affairs (DIA) guidance. Our recommendation is included in Appendix 1 of this report.

The City Council has implemented a new system in March 2024, which we understand will address the concerns that have around the reporting of complaints.

We were also unable to obtain assurance over the performance measure for the percentage of resource consent applications processed within statutory timeframes due to the City Council's systems not accurately recording resourcing consent processing times. Refer to Section 5.1 of this report for further comments.

- **Valuation of land and buildings.** The City Council has appropriately presented and disclosed the information related to the valuation in the financial statements, including the resulting change in values. The assumptions and judgements relating to the valuation are adequately disclosed.

We have raised five new recommendations which are summarised in Section 1.1 of this report.

**Thank you**

We would like to thank the Council, management, and staff for the assistance given to the audit team over the course of the audit.



Debbie Perera  
Appointed Auditor  
27 February 2025

## 1 Recommendations



Our recommendations for improvement and their priority are based on our assessment of how far short current practice is from a standard that is appropriate for the size, nature, and complexity of your business. We use the following priority ratings for our recommended improvements.

| Priority   | Explanation   |
|------------|---|
| Urgent     | <p><b>Needs to be addressed <i>urgently</i></b></p> <p>These recommendations relate to a significant deficiency that exposes the City Council to significant risk or for any other reason need to be addressed without delay.</p>   |
| Necessary  | <p><b>Address at the earliest reasonable opportunity, <i>generally within six months</i></b></p> <p>These recommendations relate to deficiencies that need to be addressed to meet expected standards of best practice. These include any control weakness that could undermine the system of internal control.</p> |
| Beneficial | <p><b>Address, <i>generally within six to 12 months</i></b></p> <p>These recommendations relate to areas where the City Council is falling short of best practice. In our view it is beneficial for management to address these, provided the benefits outweigh the costs.</p>                                      |

### 1.1 New recommendations

The following table summarises our recommendations and their priority.

| Recommendation   | Reference | Priority |
|--|-----------|----------|
| <p><b>Percentage of resource consent applications processed within statutory timeframes</b></p> <p>Implement a system to record the processing times for resource consent applications. The system should include a review control to ensure that resource consent processing times are accurately recorded.</p> | 5.1       | Urgent   |

| Recommendation  | Reference | Priority  |
|---|-----------|-----------|
| <b>Review of changes to the creditor masterfile</b><br>Develop a report that shows all changes made to the creditor masterfile.<br>Perform a regular, independent review of changes made to the Creditor Masterfile to confirm that they are valid and accurate.            | 5.2       | Necessary |
| <b>Review of terminated employee's final pay</b><br>Perform an independent review over all final pay calculations before payment is made to ensure that are accurate.<br>Improve the Redundancy Template so that the only inputs are the employee's start and finish dates. | 5.3       | Necessary |
| <b>Disposals of property, plant and equipment</b><br>Create a disposal policy and processes that includes mandatory notification to Finance for all disposed assets.  | 5.4       | Necessary |
| <b>Payroll reconciliations</b><br>Train the Payroll team to perform regular reconciliations between the payroll system and general ledger.<br>Ensure the payroll reconciliations are independently reviewed.  | 5.5       | Necessary |

## 1.2 Status of previous recommendations

Set out below is a summary of the action taken against previous recommendations. Appendix 1 sets out the status of previous recommendations in detail.

|                       | Priority |           |            |           |
|-----------------------|----------|-----------|------------|-----------|
|                       | Urgent   | Necessary | Beneficial | Total     |
| Open                  | 1        | 6         | -          | 7         |
| Implemented or closed | -        | 5         | -          | 5         |
| <b>Total</b>          | <b>1</b> | <b>11</b> | <b>-</b>   | <b>12</b> |

## 2 Our audit report

### 2.1 We issued a modified audit report



We issued an unmodified audit opinion over the financial statements and a qualified opinion over the service performance provision on 30 October 2024.

This means that we were satisfied that the financial statements present fairly the City Council's activity for the year and its financial position at the end of the year and that the financial statements comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards.

The qualified opinion relates to the statement of service provision, as there were issues, as documented below, with inaccurately recorded resource consent processing times, incomplete information about the number of complaints for some services, and the prior year comparative for the average quality of ride on a sealed local road network measured by smooth travel exposure.

Our testing of resource consents identified that the City Council's system has not accurately recorded resource consent processing times during the year. Due to the extent of the inaccuracies, we were unable to determine whether the City Council's reported result for this measure was materially correct.

The City Council is required to report against the performance measures set out in the Non-Financial Performance Measure Rules 2013 (the Rules) made by the Secretary for Local Government. These include mandatory performance measures relating to the number of complaints received in relation to its drinking water supply, wastewater system, and performance of the stormwater system.

Our audit testing found that the City Council had not been counting complaints in accordance with the Rules and that the City Council's method of counting was likely to have understated the actual number of complaints received both in the current year and in the comparative year to 30 June 2023. This has been an issue impacting our audit opinions since the year ended 30 June 2020.

Our audit opinion for the year ended 30 June 2023 was qualified because the City Council had not undertaken a road smoothness survey within the last two financial years. As a result, the City Council did not have any up-to-date data to calculate its result for this measure, and the actual quality of ride on the sealed local road network may have differed materially from the result reported. This issue has been resolved for the year ended 30 June 2024. As the limitation on our work cannot be resolved for the prior year, the City Council's performance information reported for this performance measure for the 30 June 2023 year may not be directly comparable to the 30 June 2024 performance information.

## 2.2 Emphasis of matter – Green House Gas Emissions

The City Council has chosen to include a measure of its greenhouse gas (GHG) emissions in its performance information. In considering the public interest in climate change related information, we drew attention to page 108 of the statement of service provision, which outlines the inherent uncertainty in the reported GHG emissions. Quantifying GHG emissions is subject to inherent uncertainty because the scientific knowledge and methodologies to determine the emissions factors and processes to calculate or estimate quantities of GHG sources are still evolving, as are GHG reporting and assurance standards.

## 2.3 Uncorrected misstatements

There were no uncorrected misstatements.

## 2.4 Uncorrected disclosure deficiencies

There were no uncorrected disclosure deficiencies.

## 2.5 Uncorrected performance reporting misstatements

There were no uncorrected performance reporting misstatements.

## 2.6 Corrected misstatements

We identified misstatements that were corrected by management. These corrected misstatements had the net effect of increasing revenue by \$6,897,000, increasing assets by \$5,435,000, and decreasing liabilities by \$1,462,000 compared to the draft financial statements that were provided on 2 August 2024.

| Current year corrected misstatements | Ref | Assets           | Liabilities      | Equity           | Financial performance |
|--------------------------------------|-----|------------------|------------------|------------------|-----------------------|
|                                      |     | Dr (Cr)<br>\$000 | Dr (Cr)<br>\$000 | Dr (Cr)<br>\$000 | Dr (Cr)<br>\$000      |
| Cash                                 | 1*  | 155              |                  |                  |                       |
| Other Receivables                    |     | (155)            |                  |                  |                       |
| Other Receivables                    | 2   | 40               |                  |                  |                       |
| Redundancy Payments                  |     |                  |                  |                  | (40)                  |
| GST Receivables                      | 3*  | 331              |                  |                  |                       |
| Trade Payables                       |     |                  | (331)            |                  |                       |

| Current year corrected misstatements | Ref | Assets           | Liabilities      | Equity           | Financial performance |
|--------------------------------------|-----|------------------|------------------|------------------|-----------------------|
|                                      |     | Dr (Cr)<br>\$000 | Dr (Cr)<br>\$000 | Dr (Cr)<br>\$000 | Dr (Cr)<br>\$000      |
| Derivatives – current assets         | 4   | (478)            |                  |                  |                       |
| Derivatives – non-current assets     |     | 1,639            |                  |                  |                       |
| Loss on derivatives                  |     |                  |                  |                  | (1,161)               |
| Trade payables                       | 5*  |                  | 979              |                  |                       |
| Other expenses                       |     |                  |                  |                  | (979)                 |
| Loss on fair value                   | 6   |                  |                  |                  | 290                   |
| Investment properties                |     | (290)            |                  |                  |                       |
| Vested assets – work in progress     | 7   | 4,564            |                  |                  |                       |
| Vested Assets – revenue              |     |                  |                  |                  | (4,564)               |
| Revenue in advance                   |     |                  | 483              |                  |                       |
| Capital revenue                      |     |                  |                  |                  | (483)                 |
| <b>Total parent and group</b>        |     | <b>5,435</b>     | <b>1,462</b>     |                  | <b>(6,897)</b>        |

\* Corrected misstatement is attributable to an issue with the implementation of the new Financial Management Information System.

#### Explanation of corrected misstatements

- 1 To correct the cash and cash equivalent general ledger account for transactions that were deposits recorded by the bank but were not yet allocated in the general ledger.
- 2 To correct a redundancy payment that was overpaid.
- 3 To correct the presentation of GST receivable from a debit in current liabilities to a debit in current assets.
- 4 To correct the derivatives and loss on derivatives accounts based on audit work performed.
- 5 To correct an error identified in the trade payables balance relating to the accrual of purchase orders that had actually been cancelled.
- 6 To reflect the results of the 2024 investment property valuation.

- 7 To recognise assets vested to the City Council by Palmerston North Airport Limited and to correctly recognise a capital revenue contribution made by them.

## 2.7 Corrected disclosure deficiencies

| Detail of disclosure deficiency  |
|--|
| Disclosure to update the rates revenue.  |
| Derivatives revenue and financial instruments disclosures to match the audit work performed. |
| Related parties disclosures were updated to match the audit work performed.                  |
| Updated disclosures on the explanation of budget variances.                                  |
| Updated disclosure on the water services reform programme – events after balance sheet date. |
| Correction of Full Time Employee (FTE) and severance payments disclosures.                   |
| Updated disclosures relating to capital and operational commitments.                         |
| Updated disclosure of the replacement costs of infrastructure assets.                        |

## 2.8 Corrected performance reporting misstatements

| Detail of misstatement   |
|--|
| Updated disclosures on climate change – city wide emissions.   |
| Updated disclosures relating to change in the number of fatal and serious injury crashes from the previous year on the city's local road network |
| Updated the disclosure around percentage of the sealed local road network that is resurfaced based on audit work performed.                      |
| Updated the disclosure to include the methodology per DIA guidance on percentage of real water loss from the water reticulation network.         |
| Revised the disclosure in the number of dry weather wastewater overflows commentary.   |
| Updated the disclosure on the compliance with Part 5 (protozoal compliance) of the drinking water quality rules.                                 |

## 2.9 Quality and timeliness of information provided for audit



Management needs to provide information for audit relating to the annual report of the City Council. This includes the draft annual report with supporting working papers. We provided a listing of information we required to management on 19 July 2024. This included the dates we required the information to be provided to us.

Most of the information was provided on time and the quality was good. The valuation reports and data for the land and buildings valuation and investment property valuation were delayed. This in turn delayed the completion of our audit work over these valuations.

### 3 Matters raised in the Audit Plan



In our Audit Plan we identified the following matters as the main audit risks and issues:

| Audit risk/issue   | Our audit response   |
|--|--|
| <b>Valuation of land and buildings and investment property</b>   |  |
| <p>The City Council is revaluing its operational and restricted land and buildings as of 30 June 2024. The relevant accounting standard is PBE IPSAS 17 <i>Property plant and equipment</i>.</p> <p>The City Council also revalues its investment property annually. The relevant accounting standard is PBE IPSAS 16 <i>Investment Property</i>.</p> <p>The fair value of land and buildings and investment properties need to reflect the market conditions as at reporting date.</p> <p>Due to the nature and value of the revaluations, any bias or errors in the inputs used or calculations performed could result in a significant misstatement in the value of land and buildings and investment property.</p> | <p>We have:</p> <ul style="list-style-type: none"> <li>• reviewed the valuation reports and held discussions with the City Council and the valuer to confirm our understanding of them;</li> <li>• reviewed the valuation reports to assess whether the requirements of PBE IPAS 17 and PBE IPSAS 16 (including the appropriateness of the valuation basis) for land and buildings and investment properties were met;</li> <li>• evaluated the qualifications, competence, and expertise of the external valuer;</li> <li>• reviewed the valuation method and assessed if the applicable method used was in line with the financial reporting framework, including the reasonableness of the data and key assumptions used; and</li> <li>• reviewed the accounting entries and associated disclosures in the annual report against relevant accounting standards.</li> </ul> <p><b>Conclusion</b></p> <p>The City Council has appropriately presented and disclosed the information related to the land and building and investment properties valuations in the financial statements, including the resulting change in values. The assumptions and judgements relating to the valuation are adequately disclosed.</p> |

| Audit risk/issue  | Our audit response   |
|---|--|
| <b>Fair value assessment of property, plant and equipment</b>   |  |
| <p>The City Council's roading infrastructure assets were last revalued in 2023 and the water, wastewater and stormwater infrastructure assets were last revalued in 2022. The City Council is not planning to revalue these assets this year but will need to perform a fair value movement assessment to determine whether there is a significant difference between the fair value and the carrying value. Where the estimated difference is significant a revaluation may be necessary.</p> <p>An assessment should:</p> <ul style="list-style-type: none"> <li>• factor in local cost information;</li> <li>• utilise relevant and reliable price movement indicators; and</li> <li>• involve consulting with valuers, if necessary.</li> </ul> <p>Alternatively, the City Council could engage valuers to assist in preparing a fair value assessment.</p> | <p>We reviewed the reasonableness of the City Council's assessment including the appropriateness of the assumptions used in the assessment.</p> <p>The assessment included utilising relevant and reliable price movement indicators.</p> <p><b>Conclusion</b></p> <p>We are satisfied that the value of the assets that were not revalued in the current year approximates their fair value. A full valuation was not required.</p>   |
| <b>New FMIS – data migration</b>  |  |
| <p>The City Council has established a programme to replace its legacy finance and regulatory systems with the Authority Altitude, a Financial Management Information System (FMIS). The programme concluded with the go-live of Authority Altitude in July 2023.</p>  | <p>We have:</p> <ul style="list-style-type: none"> <li>• reviewed the project plan;</li> <li>• reviewed the project closure certificate to ensure that all incidents are resolved, and all data is migrated and accepted by the City Council;</li> <li>• reviewed the data migration; and,</li> <li>• reconciled closing balances from the old FMIS Ozone to the opening balances in the new FMIS.</li> </ul> <p><b>Conclusion</b></p> <p>We found controls around data conversion during the development and deployment stage were adequate to ensure data extracted from Ozone and converted to Authority Altitude were complete and accurate. Reconciliations were performed with no issues or, if any, variances were explainable.</p> <p>We found the controls over data transfer were performed adequately, with sufficient checks and procedures to ensure the accurate and appropriate transfer of data.</p> |

| Audit risk/issue  | Our audit response  |
|---|---|
| <b>"Local Water Done Well" programme</b>  |   |
| <p>In February 2024 the Government passed legislation that repealed the affordable waters reform legislation passed into law by the previous Government.</p> <p>The Government has enacted the Local Government (Water Services Preliminary Arrangements) Act 2024. The new legislation requires City Council to deliver a Water Services Delivery Plan (WSDP) to the Secretary for Local Government by 3 September 2025. The plan must include the anticipated or proposed model or arrangements and implementation plan for delivering water services. The City Council will not know what the model or arrangements are likely to be until the WSDP is approved by the Secretary.</p> <p>A second bill will set out provisions relating to long-term requirements for financial sustainability, provide for a complete economic regulation regime, and a new range of structural and financing tools, including a new type of financially independent council-controlled organisation.</p> <p>The City Council should ensure that sufficient disclosure about impact of the programme (to the extent that the impact is known) is included in the annual report.</p> | <p>We reviewed the City Council's disclosures to ensure they accurately reflected the significance and uncertainty of the Local Water Done Well programme on the City Council.</p> <p><b>Conclusion</b></p> <p>The City Council has appropriately disclosed the latest information from the Government on the Local Water Done Well programme in the subsequent events note.</p>  |
| <b>The risk of management override of internal controls</b>   |   |
| <p>There is an inherent risk in every organisation of fraud resulting from management override of internal controls.</p> <p>Management is in a unique position to perpetrate fraud because of their ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.</p> <p>Auditing standards require us to treat this as a risk on every audit.</p>   | <p>Our audit response to this risk included:</p> <ul style="list-style-type: none"> <li>• testing the appropriateness of selected journal entries;</li> <li>• reviewing accounting estimates for indications of bias; and</li> <li>• evaluating any unusual or one-off transactions, including those with related parties.</li> </ul> <p><b>Conclusion</b></p> <p>From our testing we did not identify any issues that indicated management override.</p> |

## 4 Assessment of internal control



The Council, with support from management, is responsible for the effective design, implementation, and maintenance of internal controls. Our audit considers the internal control relevant to preparing the financial statements and the service performance information. We review internal controls relevant to the audit to design audit procedures that are appropriate in the circumstances. Our findings related to our normal audit work, and may not include all weaknesses for internal controls relevant to the audit.

### 4.1 Control environment

The control environment reflects the overall attitudes, awareness and actions of those involved in decision-making in the organisation. It encompasses the attitude towards the development of accounting and performance estimates and its external reporting philosophy and is the context in which the accounting system and control procedures operate. Management, with the oversight of the Council, need to establish and maintain a culture of honesty and ethical behaviour through implementation of policies, procedures and monitoring controls. This provides the basis to ensure that the other components of internal control can be effective.

We have performed a high-level assessment of the control environment, risk management process, and monitoring of controls relevant to financial and service performance reporting. We considered the overall attitude, awareness, and actions of the Council and management to establish and maintain effective management procedures and internal controls.

We consider that a culture of honesty and ethical behaviour has been created. The elements of the control environment provide an appropriate foundation for other components of internal control.

### 4.2 Internal controls

Internal controls are the policies and processes that are designed to provide reasonable assurance as to the reliability and accuracy of financial and non-financial reporting. These internal controls are designed, implemented and maintained by the Council and management.

We reviewed the internal controls, in your information systems and related business processes. This included the controls in place for your key financial and non-financial information systems. In performing this assessment, we consider both the “design effectiveness” and “operational effectiveness” of internal control. However, it is not the purpose of our assessment to provide you with assurance on internal control in its own right. As such we provide no assurance that our assessment will necessarily identify and detect all matters in relation to internal control, but we do report any deficiencies we have identified. See Section 5 and Appendix 1 for issues identified with internal controls.

## 5 Other matters identified during the audit



In this section we outline the issues we have identified through the audit work we have performed.

### 5.1 Percentage of resource consent applications processed within statutory timeframes

#### Recommendation

Implement a system to record the processing times for resource consent applications. The system should include a review control to ensure that resource consent processing times are accurately recorded.

#### Findings and analysis

An important part of the City Council's service performance is the percentage of resource consent applications processed in accordance within statutory timeframes. Our audit testing of resource consents identified that the City Council's systems have not accurately recorded resource consent processing times during the year. Due to the extent of the inaccuracies, we are unable to determine whether the City Council's reported result for this measure was materially correct.

As a result, our work was limited and there were no practicable audit procedures we could apply to obtain assurance over the reported result for this performance measure. Our audit report was modified as a result of this issue.

Management has informed us that they have experienced issues with the system used to process resource consents, and therefore data for recording and reporting performance is not accurate and may not be complete. Functionality in the system to stop and restart processing times is currently not working. Management's initial review of the source data also raised concerns over the completeness of the data.

#### Management comment

*A number of measures have been implemented as part of a plan to ensure accuracy in the reporting of processing time for resource consent applications. These include systematic improvements alongside operational improvements. With respect to the system improvements, work has continued with Civica, who own the Authority Altitude platform, to get the 'stop clock' function operating correctly. The latest update is in a testing phase and the expectation is that it will be operable in the near future.*

*At an operational level a much higher degree of oversight has been implemented since the start of the 24/25 Financial Year to improve administrative practices. This has included a consent by consent review of the 2023/24 dataset alongside additional training of team members based on the learnings from this work. There are also twice weekly control*

*meetings to ensure that the manual entry of data into the system is accurate and that any issues are dealt with quickly.*

## **5.2 Review of changes to the creditor masterfile**

### **Recommendations**

Develop a report that shows all changes made to the creditor masterfile.

Perform a regular, independent review of changes made to the Creditor Masterfile to confirm that they are valid and accurate.

### **Findings and analysis**

Since the implementation of the new FMIS there has been no functionality or report to show changes made to the creditor masterfile. Changes include the addition of new creditors and amendments to the details of existing creditors such as their bank account number.

Management previously carried out regular reviews of changes made to the creditor masterfile in order to detect any changes that were not valid or accurate. When a report is created management should perform a review of all changes made since July 2023, when the new FMIS went live. Subsequent reviews should then be performed prior to each pay run.

### **Management comment**

*A Creditor Audit Check report has been written which will identify any changes made to creditor masterfile data since the implementation of the Authority Altitude system. An independent review and verification process has been developed and implemented in the 2024/25 financial year.*

## **5.3 Review of terminated employee's final pay**

### **Recommendation**

Perform an independent review over all final pay calculations before payment is made to ensure that are accurate.

Improve the Redundancy Template to automatically calculate the redundancy pay with the only inputs into the template being the employee's start and finish dates.

### **Findings and analysis**

We identified that a redundancy payment made to a terminated employee was calculated incorrectly. The error was caused by the Redundancy Template not being correctly updated for the employee's details. This error resulted in an overpayment of \$40,045 to the terminated employee. We understand that this overpayment is being recovered.

We also identified that there was no independent review performed on the redundancy payment calculation. It is the City Council's policy that as part of the pay run a staff member calculates the final pay amount and another staff member reviews it and signs off on the pay run as evidence of review. If the review did occur the overpayment could have been prevented.

**Management comment**

*We have implemented a new template as per the recommendation. All final pays are now peer reviewed by another payroll employee prior to processing.*

*The overpayment will be fully recovered April 2025.*

**5.4 Disposals of property, plant and equipment**

**Recommendation**

Create a disposal policy and processes that includes mandatory notification to Finance for all disposed assets.

**Findings and analysis**

During our audit work on property, plant and equipment, we identified a number of operational assets that were fully depreciated, and therefore had reached the end of their economic useful lives. Management informed us that it was possible that when the assets were fully depreciated they had been disposed of and replaced however, the Finance team had not been advised to remove any of these from the fixed asset register.

We also noted that the disposal policy is still outstanding at year end.

We have been informed that Finance team has prioritised completing the implementation of the new FMIS, and will carry out work to investigate asset disposals in the upcoming year.

**Management comment**

*The drafting of asset disposal policies for both operation assets and infrastructure assets has commenced. Initial drafts are now undergoing peer review and we intend to have these policies finalised and implemented in the 2025/26 financial year.*

**5.5 Payroll reconciliations**

**Recommendation**

Train the Payroll team to perform regular reconciliations between the payroll system and general ledger.

Ensure the payroll reconciliations are independently reviewed.

**Findings and analysis**

The Payroll team is responsible for preparing a reconciliation between the payroll system and the general ledger. The reconciliation is then independently reviewed by the Finance team.

Since the implementation of the new FMIS a new process is required to reconcile the payroll system and the general ledger. At the time of our audit, the Payroll team did not have sufficient knowledge of the new FMIS to design the reconciliation process and so the regular reconciliations ceased. Management has informed us that a new process will be designed and the Payroll team will be given training on how to perform the reconciliation.

The payroll system and the general ledger were reconciled by the Finance team at year end and we reviewed this reconciliation as part of our audit work.

**Management comment**

*A new payroll reconciliation process has been developed by the Finance team, and training has been carried out with the Payroll team. Responsibility for these monthly reconciliations has now passed to the Payroll team, with review carried out by the Finance team*

## 6 Public sector audit



The City Council is accountable to the local community and to the public for its use of public resources. Everyone who pays taxes or rates has a right to know that the money is being spent wisely and in the way the City Council said it would be spent.

As such, public sector audits have a broader scope than private sector audits. As part of our audit, we have considered if the City Council has fairly reflected the results of its activities in its financial statements and non-financial information.

We also consider if there is any indication of issues relevant to the audit with:

- compliance with its statutory obligations that are relevant to the annual report;
- the City Council carrying out its activities effectively and efficiently;
- the City Council incurring waste as a result of any act or failure to act by a public entity;
- any sign or appearance of a lack of probity as a result of any act or omission, either by the City Council or by one or more of its members, office holders, or employees; and
- any sign or appearance of a lack of financial prudence as a result of any act or omission by a public entity or by one or more of its members, office holders, or employees.

There were no matters noted during our audit that need to be brought to your attention.

## 7 Group audit



The group comprises:

- Palmerston North City Council (parent)
- Palmerston North Airport Limited
- Te Manawa Museums Trust
- The Regent Theatre Trust
- Globe Theatre Trust Board
- Palmerston North Performing Arts Trust

We have not identified any of the following during our audit for the year ended 30 June 2024:

- instances where our review of the work of component auditors gave rise to a concern about the quality of that auditor's work.
- limitations on the group audit.
- fraud or suspected fraud involving group management, component management, employees with significant roles in group-wide controls, or others where the fraud resulted in a material misstatement of the group financial statements.

## 8 Useful publications



Based on our knowledge of the City Council, we have included some publications that the Council and management may find useful.

| Description  | Where to find it   |
|--|--|
| <b>Performance reporting</b>   |  |
| Performance reporting is an essential part of the public sector's accountability to New Zealanders. Performance reporting is important, but it can also be difficult. This guide is to help those in the public sector who are responsible for preparing performance reports to find and use the many resources the OAG have made available.                                 | On the Office of the Auditor-General's website under publications.<br><br>Link: <a href="#">A guide to our resources to support better performance reporting</a>   |
| <b>Procurement</b>   |  |
| Value for money is an important measure of public sector performance that helps public organisations to strike the right balance between what is spent and what is achieved. In this article, the Auditor-General describes the public sector's challenge with defining, assessing, the reporting on value for money.  | On the Office of the Auditor-General's website under publications.<br><br>Link: <a href="#">Value for money – a simply complex problem</a>   |
| The OAG are continuing their multi-year work programme on procurement.<br><br>They have published an article encouraging reflection on a series of questions about procurement practices and how processes and procedures can be strengthened.<br><br>Whilst this is focused on local government, many of the questions are relevant to all types of public sector entities. | On the OAG's website under publications.<br><br>Links: <a href="#">Strategic suppliers: Understanding and managing the risks of service disruption</a><br><a href="#">Strategic suppliers: Understanding and managing the risks of service disruption - follow-up</a><br><a href="#">Getting the best from panels of suppliers</a><br><a href="#">Local government procurement</a> |

| Description   | Where to find it  |
|---|---|
| <b>Good practice</b>  |   |
| <p>The OAG's website contains a range of good practice guidance. This includes resources on:</p> <ul style="list-style-type: none"> <li>• audit committees;</li> <li>• conflicts of interest;</li> <li>• discouraging fraud;</li> <li>• good governance;</li> <li>• service performance reporting;</li> <li>• procurement;</li> <li>• sensitive expenditure; and</li> <li>• severance payments.</li> </ul>  | <p>On the OAG's website under good practice.</p> <p>Link: <a href="#">Good practice</a></p>   |
| <b>The Auditor-General's report on the results of recent audits</b>   |   |
| <p>The OAG publishes a report on the results of each cycle of annual audits for the sector.</p>   | <p>On the OAG's website under publications.</p> <p>Links: <a href="#">Insights into local government: 2023</a></p>  |
| <b>Managing conflicts of interest involving council employees</b>   |   |
| <p>This article discusses findings across four councils on how conflicts of interest of council employees, including the chief executive and staff, are managed.</p>  | <p>On the Office of the Auditor-General's website under publications.</p> <p>Link: <a href="#">Getting it right: Managing conflicts of interest involving council employees</a></p> |
| <b>Sensitive expenditure</b>  |   |
| <p>The Auditor-General's good practice guide on sensitive expenditure provides practical guidance on specific types of sensitive expenditure, outlines the principles for making decisions about sensitive expenditure, and emphasises the importance of senior leaders "setting the tone from the top". It also describes how organisations can take a good-practice approach to policies and procedures for managing sensitive expenditure.</p> | <p>On the Office of the Auditor-General's website under good practice.</p> <p>Link: <a href="#">Sensitive expenditure</a></p>   |

## Appendix 1: Status of previous recommendations

### Open recommendations

| Recommendation  | First raised                   | Status  |                |       |                                |              |      |                        |               |      |   |
|---|--------------------------------|---|----------------|-------|--------------------------------|--------------|------|------------------------|---------------|------|---|
| <b>Urgent</b>   |                                |   |                |       |                                |              |      |                        |               |      |   |
| <p><b>Performance reporting - recording of complaints and attendance and resolution times</b></p> <p>Record all complaints, and attendance and resolution times in the City Council's Knowledge Base system in accordance with the DIA guidance and formalise the procedural guidance.</p>  | 2020                           | <p><b>In progress</b></p> <p>The City Council has adjusted their system for recording afterhours services, but the Council does not record all complaints in line with DIA guidance.</p> <p>Management has implemented a new system in March 2024 that we understand addresses the issue. We will review this system during our next audit.</p> |                |       |                                |              |      |                        |               |      |   |
| <b>Necessary</b>  |                                |   |                |       |                                |              |      |                        |               |      |   |
| <p><b>Roading revaluation</b></p> <p>Implement the valuers' recommended improvement actions for roading assets.</p>   | 2023                           | <p><b>Open</b></p> <p>We will review the implementation of the valuer's recommended improvement actions as part of our work on the next roading valuation.</p>  |                |       |                                |              |      |                        |               |      |   |
| <p><b>Council policies overdue for review</b></p> <p>We recommend the following policies (which are overdue for review) be reviewed against current accepted good practice in the public sector:</p> <table border="1"> <thead> <tr> <th>Ref</th><th>Policy</th><th>Due for review</th></tr> </thead> <tbody> <tr> <td>MT 57</td><td>Gifts, inducements and rewards</td><td>October 2017</td></tr> <tr> <td>MT71</td><td>Information Technology</td><td>November 2014</td></tr> </tbody> </table> | Ref                            | Policy  | Due for review | MT 57 | Gifts, inducements and rewards | October 2017 | MT71 | Information Technology | November 2014 | 2018 | <p><b>In progress</b></p> <p>The Fraud and Whistleblowing policy is currently in the process of being reviewed. Regular monitor of the policy is conducted for its effectiveness and thus achieving its intended purpose.</p> <p>A new policy framework has been endorsed by ELT which has updated review timetables.</p> |
| Ref   | Policy                         | Due for review  |                |       |                                |              |      |                        |               |      |   |
| MT 57   | Gifts, inducements and rewards | October 2017  |                |       |                                |              |      |                        |               |      |   |
| MT71  | Information Technology         | November 2014   |                |       |                                |              |      |                        |               |      |   |

| Recommendation  |                          |                | First raised  | Status  |
|---|--------------------------|----------------|---------------|---|
| MT75  | Fraud and Whistleblowing | September 2023 |               |   |
| OAG guidance should be sought for credit cards, travel, meals and accommodation, motor vehicles, loyalty reward schemes, staff support well-being and entertainment and hospitality.  |                          |                |               |   |
| <b>Financial statement reconciliations</b><br><br>We recommend that all financial statements reconciliations be independently reviewed.<br><br>We recommend timely preparation of all reconciliations.  |                          |                | Prior to 2017 | <b>In progress</b><br><br>Year-end reconciliations were provided for the purposes of our audit. We continue to recommend that a routine process be implemented to ensure that reconciliations are prepared and independently reviewed. Management are working on improving the timeliness of completing month reconciliations.  |
| <b>Procurement</b><br><br>We recommend:<br><br>That conflict-of-interest declaration forms be completed; including being signed off, as soon as a person becomes involved in the procurement process. The continued involvement of a person who has not sufficiently completed the declaration process creates a potential risk to the integrity of the procurement.<br><br>Staff who are involved in procurement be made aware of the different types of conflict of interest and how these should be managed (for example, considering the relationship with the incumbent going for the tender as a potential conflict of interest). Regardless of whether there is an actual conflict or bias, it is important to consider perceptions to maintain market confidence.<br><br>Declaration forms be treated as a live document, and they are updated numerous times throughout the procurement. |                          |                | 2017          | <b>In progress</b><br><br>Procurement was last reviewed by our Special Audit and Assurance Services (SAAS) team in 2021/22. No audit work was performed over procurement during this year's audit.<br><br>Management has informed us that they have made significant progress against our recommendations. They indicated that conflict of interest guidance and a new conflict of interest tool are covered under a new procurement portal. The portal was adopted and implemented in its entirety at the end of the 2023 calendar year. The benefits of this should be apparent in Audit New Zealand's next review.<br><br>We will review progress against our recommendations as part of our next audit. |

| Recommendation  | First raised  | Status  |
|---|---------------|---|
| <p><b>Contract management</b></p> <p>We recommend:</p> <ul style="list-style-type: none"> <li>ensure completeness and accuracy of data information on the contract management system. Also, review the data that is being placed there.</li> <li>ensure consistency of what is retained on the contract management system by formally documenting the required documents that are needed on the system.</li> </ul>  | Prior to 2017 | <p><b>In progress</b></p> <p>Contract management was last reviewed by our SAAS team in 2021/22. No audit work was performed over contract management during this year's audit.</p> <p>Management has informed us that they have made significant progress against our recommendations. We will review progress against our recommendations as part of our next audit.</p> |
| <p><b>Mandatory performance measures</b></p> <p>We made the following recommendations for improvement:</p> <p>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.</p> <p>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. We would expect that these reviews are formally evidenced by way of a date and signature.</p> <p>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.</p> <p>Document any calls that are excluded as DIA service requests or complaints. This may require additional fields to be added</p> | Prior to 2017 | <p><b>In progress</b></p> <p>We have noted that management has implemented a new system in March 2024 that will address these recommendations. We will review this system during our next audit.</p>  |

| Recommendation  | First raised | Status |
|---|--------------|--------|
| <p>to the existing RFS if this information is not already captured.</p> <p>Continue to review Department of Internal Affairs' guidance to ensure that the data being captured and reported meets the mandatory reporting requirements. We expect that there will be further clarification around these measures as they become embedded into the annual reporting.</p> <p>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.</p> <p>This is important to ensure accurate monitoring of performance by contractors against the City Council's key performance targets.</p> |              |        |

**Implemented or closed recommendations**

| <b>Recommendation</b>   | <b>First raised</b> | <b>Status</b>   |
|---|---------------------|---|
| <b>Road smoothness</b><br>Conduct a road smoothness survey across the entire sealed road network during the 2023/24 period, and at least every two years thereafter.  | 2023                | <b>Closed</b><br>This issue has been resolved for the year ended 30 June 2024.  |
| <b>Dry weather overflows</b><br>Improve categories included in the RFS system for overflows to ensure that it is clear if there was an overflow and, if so, whether it was a dry or wet period as defined in the regulations. Alternatively ensure that clear descriptions capturing that information are added for each item raised in the system. | 2022                | <b>Closed</b><br>We did not identify any issues or raise concerns following our testing of dry weather overflows this year.               |
| <b>IT business continuity plan</b><br>The IT business continuity plan (BCP) should be finalised and retested. Plans be regularly updated and tested.  | Prior to 2017       | <b>Closed</b><br>The IT BCP has been finalised in 2023.   |
| <b>Vested assets</b><br>Develop policies and procedures to ensure the Finance Team is notified when assets are vested to the City Council. This process should include a regular review of s224c certificates issued by the City Council for any related vested assets.   | 2023                | <b>Closed</b><br>A procedure has been implemented to ensure that the Finance Team is notified when assets are vested to the City Council. |
| <b>Roading revaluation</b><br>Review the depreciation accounting policy in the financial statements and ensure it is aligned to the useful lives stated in the valuation report.  | 2023                | <b>Closed</b><br>The depreciation accounting policy has been updated.   |

## Appendix 2: Disclosures

| Area   | Key messages  |
|--|---|
| Our responsibilities in conducting the audit | <p>We carried out this audit on behalf of the Controller and Auditor-General. We are responsible for expressing an independent opinion on the financial statements and performance information and reporting that opinion to you. This responsibility arises from section 15 of the Public Audit Act 2001.</p> <p>The audit of the financial statements does not relieve management or the Council of their responsibilities.</p> <p>Our Audit Engagement Letter contains a detailed explanation of the respective responsibilities of the auditor and the Council.</p>   |
| Auditing standards                           | <p>We carried out our audit in accordance with the Auditor-General's Auditing Standards. The audit cannot and should not be relied upon to detect all instances of misstatement, fraud, irregularity or inefficiency that are immaterial to your financial statements. The Council and management are responsible for implementing and maintaining your systems of controls for detecting these matters.</p>  |
| Auditor independence                         | <p>We are independent of the City Council in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: <i>International Code of Ethics for Assurance Practitioners</i>, issued by New Zealand Auditing and Assurance Standards Board.</p> <p>In addition to the audit, we have carried out engagements in the areas of the City Council's Trust Deed, which is compatible with those independence requirements. Other than the audit and this engagement, we have no relationship with or interests in the City Council or its subsidiaries.</p>   |
| Fees   | <p>The audit fee for the year is \$343,075 as detailed in our Audit Proposal Letter.</p> <p>Other fees charged in the period are \$147,050, for the 10-year 2024/34 Long term plan audit and \$6,500, for the limited assurance engagement related to the City Council's Debenture Trust Deed.</p>  |
| Other relationships                          | <p>We are not aware of any situations where a spouse or close relative of a staff member involved in the audit occupies a position with the City Council or its subsidiaries that is significant to the audit.</p> <p>We are not aware of any situations where a staff member of Audit New Zealand has accepted a position of employment with the City Council or its subsidiaries during or since the end of the financial year.</p> <p>The Appointed Auditor, Audit Manager and Audit Supervisor have each declared a relationship assessed as a minor threat to independence. As a result, appropriate mitigations have been put in place to ensure that each person does not undertake any work relating to their relationship. We confirm that these mitigations were maintained during the audit.</p> |

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## Audit NZ Action Plan – February 2025

| Pg. | Finding   | First Raised | Management Action  | Responsible   | Target Date |
|-----|---|--------------|--|---|-------------|
| 16  | Percentage of resource consent applications processed within statutory timeframes | 2024         | Implement a system to record the processing times for resource consent applications. The system should include a review control to ensure that the resource consent processing times are accurately recorded.  | Manager Planning Services                           | June 2025   |
| 17  | Review of changes to the creditor masterfiles                                     | 2024         | Develop a report that shows all changes made to the creditor Masterfile. Perform a regular independent review of changes made to the Creditor Masterfile to confirm that they are valid and accurate.  | Manager Finance                                     | June 2025   |
| 17  | Review of terminated employee's final pay   | 2024         | Perform an independent review over all final pay calculations before payment is made to ensure that are accurate. Improve the Redundancy Template to automatically calculate the redundancy pay with the only inputs into the template being the employees start and finish dates. | Manager People Operations                           | June 2025   |
| 18  | Disposals of property, plant and equipment  | 2024         | Create a disposal policy and processes that includes mandatory notification to Finance for all disposed assets   | Manager Asset Management Planning & Manager Finance | June 2026   |
| 18  | Payroll reconciliations   | 2024         | Train the Payroll team to perform regular reconciliations between the payroll system and general ledger. Ensure the payroll reconciliations are independently reviewed.  | Manager People Operations & Manager Finance         | June 2025   |



## COMMITTEE WORK SCHEDULE

TO: Risk & Assurance Committee

MEETING DATE: 12 March 2025

TITLE: Committee Work Schedule

### RECOMMENDATION TO RISK & ASSURANCE COMMITTEE

1. That the Risk & Assurance Committee receive its Work Schedule dated March 2025.

| COMMITTEE WORK SCHEDULE – MARCH 2025                       |   |                                      |  |  |
|--|---|--------------------------------------|--|--|
| <del>12 March 2025</del><br>11 June 2025<br>1 October 2025 | Health and Safety Quarterly Update<br>Q2 Oct to Dec 24<br>Q3 January to March 2025<br>Q4 April to June 2025 | General Manager People & Capability  |  |  |
| <del>12 March 2025</del><br>11 June 2025<br>1 October 2025 | Wellbeing Quarterly Update<br>Q2 Oct to Dec 24<br>Q3 January to March 2025<br>Q4 April to June 2025         | General Manager People & Capability  |  |  |
| <del>12 March 2025</del><br>11 June 2025<br>1 October 2025 | Strategic Risk Management Reporting   | General Manager Corporate Services   |  | Terms of Reference                                 |
| <del>12 March 2025</del>                                   | <del>Review of Health &amp; Safety</del>  | <del>General Manager Corporate</del> |  | <del>6 March 2024</del><br><del>Clause 11-24</del> |

|                          |   |   |   |   |
|--------------------------|---|---|---|---|
|                          | Framework   | Services                                      |   | <del>11 September 2024</del><br><del>Clause 24-24</del>       |
| <del>12 March 2025</del> | <del>Annual review of Council's Risk Management Appetite and Tolerance Levels</del> | <del>General Manager Corporate Services</del> |   | <del>6 March 2024</del><br><del>Clause 4-24</del>             |
| 11 June 2025             | Business Assurance six-monthly accountability report                                | General Manager Corporate Services            |   | Finance & Audit Committee<br>16 December 2020<br>Clause 68.2  |
| 11 June 2025             | Review of Contract Management Framework   | General Manager Corporate Services            | The organizational realignment changed where the contract management function reports. The focus has been on embedding this change prior to undertaking a review of the framework | <a href="#">26 April 2023</a><br><a href="#">Clause 2-23</a>  |
| As required              | Fraud and Whistleblowing Policy Quarterly Update                                    | General Manager Corporate Services            |   | <a href="#">26 April 2023</a><br><a href="#">Clause 12-23</a> |
| 1 October 2025           | Review Annual Report  | General Manager Corporate Services            |   | Terms of Reference  |
| 2025                     | Review of Legal Compliance Framework  | General Manager Corporate Services            |   | <a href="#">26 April 2023</a><br><a href="#">Clause 2-23</a>  |

|      |   |                                       |                                    |                              |
|------|---|---------------------------------------|------------------------------------|------------------------------|
| 2025 | LTP Debrief   | General Manager<br>Corporate Services |                                    | 6 March 2024<br>Clause 11-24 |
| 2025 | Review of Cyber Security                                | General Manager<br>Corporate Services |                                    | 6 March 2024<br>Clause 11-24 |
| TBC  | Local Water Done Well - Assets and Liability Assessment | General Manager<br>Corporate Services | Pending regional CCO investigation |                              |

### **Proactive Release of Confidential Decisions**

All [released confidential decisions](#) can be found on Council's website.