



If calling, please ask for Democratic Services

Finance, Risk and Assurance Committee

Tuesday 14 August 2023, 9.30am

Taumata Kōrero, Council Chamber, Greater Wellington Regional Council,
100 Cuba Street, Te Aro, Wellington

Quorum: Three Members

Members

Martin Matthews (Chair)

Cr Bassett (Deputy Chair)

Cr Connelly

Cr Kirk-Burnnand

Cr Ropata

Cr Saw

Cr Woolf

Recommendations in reports are not to be construed as Council policy until adopted by Council

Finance, Risk and Assurance Committee

Tuesday 14 February 2022, 9.30am

Taumata Kōrero, Council Chamber, Greater Wellington Regional Council,
100 Cuba Street, Te Aro, Wellington

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Finance, Risk and Assurance Committee
14 February 2023
Report 23.22



For Information

HARBOUR MANAGEMENT – RISK AND COMPLIANCE UPDATE – FEBRUARY 2023

Te take mō te pūrongo

Purpose

1. To update the Finance, Risk and Assurance Committee (the Committee) on any significant compliance issues or emerging or changing risks affecting Greater Wellington Regional Council's Harbours function.

Te tātaritanga

Analysis

Shelly Bay wharves

2. Officers had discussions with Iwi and the developer about the options for the existing and possible future wharves. The indication from the developer is that they wish to remove the existing structures and this work should begin shortly. We will be considering and monitoring their method to mitigate risk during this work.
3. Until this work is completed more timbers are likely to break free and we have placed signage at the Evans Bay launching ramp to reflect this.

Channel Risk Assessment

4. In 2020, CentrePort and Greater Wellington commissioned South Maritime Solutions to review navigation safety in the Wellington Harbour entrance channel and approaches. The review considered the infrastructure, current practise, best practices and possible future changes. The final report was received in October 2020.
5. In December 2022 there was a post-covid resumption of the Harbour users forum for large and commercial harbour users. The author of the Channel review report spoke about risk management including the need to address risks that have not yet sparked incidents.
6. At that meeting we invited input to working groups from stakeholders to progress some specific areas of the review.

Sunken/Derelict vessels

7. The vessel 'Sealion' sunk at its at Glasgow wharf. A boom was put in place to contain debris and a small amount of oil. The owner was unable to take any action to recover the vessel.

8. Our wreck removal insurer provider accepted the claim. With their assistance we selected a salvor. They recovered the vessel to the Hutt River mouth and removed and disposed of the vessel.
9. We have an agreement with Centreport regarding sharing the excess and insurer is also considering cost recovery options.

Mana bridge launching area

10. We have not been actively patrolling this area this summer. The signage and marker poles are still in place and mark out the launching area.

Navigation issues

11. StraitNZ Bluebridge, operators of the Bluebridge Ferries, are introducing a replacement ship on the Cook Strait service. It arrived in Wellington on 29 January 2023 and will go into service mid-February, this is a newer sister ship to their existing vessel Strait Feronina.
12. The Te Ara Tupua cycleway (Petone to Ngauranga) is due to begin construction shortly which will see a tug and barge operations bringing rocks into the harbour as well as increased smaller barge traffic along the motorway foreshore. We are in conversation with the Alliance and the various operators to understand the operations and minimise risk.
13. The ferry berth for the new Kiwirail ferries has been consented and land works have already begun. We are expecting coastal work to get underway shortly and this will have more construction activity in an area of the harbour adjacent to regular ship movements. We will monitor this work, and regulate if needed, to mitigate risk.

Kaitaki power loss 28 January

14. At 4:48pm on 28 January 2023, Harbour Radio informed the Harbourmaster that the ferry *Kaitaki* had lost all power and was drifting west of Sinclair head being pushed by a strong Southerly wind rapidly towards the shore with 864 persons aboard.
15. This is a scenario that has been mentioned in the past as a risk in relation to the ability to provide assistance.
16. The two Centreport tugs were ready to go at the berth for another ship and were dispatched by Centreport to stand by. While on their way to Steeple rock (inside the harbour) *Kaitaki* declared a MAYDAY and the tugs were instructed to proceed to the ship. This was outside of their certified operational area. These tugs are designed for harbour work and not for open water towing that would have been required. After making best speed in the conditions the tugs arrived at the ship about 90 minutes after *Kaitaki* had stopped drifting.
17. After drifting just over a nautical mile (about 2km) in half an hour the ships anchors held once they reached relatively shallow water (around 30 metres deep).
18. Rescue Co-ordination Centre NZ (RCCNZ) and the Police were managing the incident and there were many people directly involved and on standby in response to this. These included Police SAR, Wellington Free Ambulance, WREMEO, public health as well as Maritime NZ, Centreport and ourselves. The Police had activated their mass rescue plan.

19. Power was restored, engines tested and once the anchors were raised the ferry proceeded to Wellington at reduced power, partially to enable them to travel with the tugs nearby. There was a discussion given, that there had been a blackout, as to whether the ship should proceed into the harbour in the conditions at the time or go to an alternative anchorage or Picton. Both RCCNZ and the port team (Harbour Master, Deputy, Centreport Marine manager and a senior Pilot) had a discussion with the Master about his confidence in the engines before allowing the vessel into Wellington.
20. *Kaitaki* made it safely back into the harbour at a reduced speed to allow the tugs to keep up. A Pilot boarded once inside the harbour and used the two tugs to assist with berthing to unload the passengers and freight.
21. This incident was serious and large involving many agencies and a couple of hundred people all up. The outcome could have been much worse had the *Kaitaki's* anchors not held, and it was a credit to those on board and those in support and a considerable amount of good fortune that it was not.
22. Centreport provided considerable support on the water and ashore.
23. Multiple investigations will be undertaken following this.

King wharf Navigation Pile

24. Early morning on Friday 25 March 2022, while attempting to berth in a strong gusty southerly wind, the *Straitsman* contacted the Kings Wharf Pile Light, and severely damaged the Pile.
25. The replacement was installed with a replacement light and radar reflector completed by late November 2022. The costs were met by StraitNZ (operators of the *Straitsman*).

Port and Harbour Marine Safety Code

26. Greater Wellington and Centreport are partners in the Port and Harbour Marine Safety Code, a voluntary code of best practise for managing ports and harbours. Ports subject to the Code have regular (3-4 year) peer review.
27. Our review was in October 2022 and in January 2023 we received the findings from the review panel. We were found to be Code compliant however there were some areas for improvement, and we are working towards addressing those.

Ngā hua ahumoni Financial implications

28. The majority of the cost of the *Sealion* has been met by our insurer. Generally disposal of derelict or uninsured vessels will present unplanned expenditure from the operating budget.
29. Recommendations arising from the channel risk assessment may have a variety of financial implications for both CentrePort and Greater Wellington. Options for mitigating any financial impacts will be investigated.

Ngā kaiwaitohu

Signatories

Writer	Grant Nalder – Manager, Harbours, Harbourmaster
Approvers	Al Cross – General Manager, Environment Management Sue McLean – General Manager, Corporate Services

He whakarāpopoto i ngā huritaonga Summary of considerations
<i>Fit with Council's roles or with Committee's terms of reference</i> This report allows the Committee to “review... Greater Wellington’s identification and management of risks faced by Council and the organisation... [including]... whether Greater Wellington is taking effective action to mitigate significant risks.”
<i>Contribution to Annual Plan / Long Term Plan / Other key strategies and policies</i> This report does not contribute directly to Council’s or Greater Wellington’s key strategies, plans, or policies.
<i>Internal consultation</i> Environmental Regulation was consulted relating to wharves.
<i>Risks and impacts - legal / health and safety etc.</i> Specific risks and related mitigations are discussed in the Analysis section of this report.

Finance Risk and Assurance Committee
14 February 2023
Report 23.29



For Information

QUARTERLY FINANCE UPDATE – QUARTER TWO 2022/23

Te take mō te pūrongo

Purpose

1. To provide the Finance, Risk and Assurance Committee (the Committee) with Greater Wellington Regional Council's (Greater Wellington) financial reports for the quarter ended 31 December 2022.

Te tāhū kōrero

Background

2. This report provides a summary of the financial performance of Greater Wellington's activities for the six months to 31 December 2022. Further detail is provided in [Attachment 1](#).
3. The result to December 2022 is a \$11.7 million surplus, Greater Wellington had budgeted for a \$0.7 million surplus. The favourable variance to budget of \$11 million is primarily due to fair value movement on interest rate swaps (Fair Value Movements). If the benefit of the fair value movement is removed, then there was a \$0.2 million deficit mainly driven by lower farebox revenue.

Te tātaritanga

Analysis

4. The key results are outlined below:
 - a Total Revenue was \$7.0 million lower than budget. Materially driven by two offsetting items:
 - i Reduced fare revenue post COVID-19 of \$14.5 million due to lower patronage levels from reduced services and an increase in working from home practices, and \$18.0 million due to half price fares.
 - ii This has been offset by higher grants and subsidies in public transport of \$22.4 million from Waka Kotahi to help bridge the COVID-19 revenue gap and half price fares support.
 - b Total Expenditure was \$6.1 million lower than budget. Driven by:

- i Lower expenditure across multiple business groups (Metlink, Strategy, Catchment and Environment) mainly from delays with operational projects being offset by higher financing costs of \$4.8 million.
- ii A further saving of \$4.0 million has been made in Metlink with the reduction in contractual payments to bus operators for failing to meet key performance indicators (KPIs).
- c These impacts have resulted in a small operational deficit before extraordinary items of \$0.2 million, which is \$0.9 million unfavourable to the budget.
- d An extraordinary item, Fair Value Movements on swap contracts has contributed \$11.9 million and turned the deficit into an \$11.7 million surplus.
- e Capital Expenditure for the six months to 31 December 2022 was \$28.6 million below budget, with \$63.4 million spent to date.
- f Achieving the Capital Projects (CAPEX) budget will be challenging in the 2022/23 fiscal year, as it has been in prior years.
- g Wellington Water is currently driving the CAPEX spend, having achieved \$33 million compared with their year to date (YTD) budget of \$38 million. If Wellington Water is excluded from the total capital budget, then the other business groups are down 45% on their CAPEX budgets, having spent \$30 million against a YTD budget of \$54 million.
- h Greater Wellington’s response to address this continual underspend has been to engage PwC as part of the business assurance programme and to undertake a zero-based budgeting exercise for the 2023/24 Annual Plan. This budget exercise will focus on projects that are deliverable, affordable, will improve staff wellbeing and will have a high impact on the region.

2023/24 Annual Planning

- 5. At the Council workshop on the 15 December, Council discussed going out to public engagement with a proposed 17.8% rates increase.

**Ngā āpitihanga
Attachment**

Number	Title
1	Financial Report – 31 December 2022

**Ngā kaiwaitohu
Signatories**

Writers	Darryl Joyce – Kaiwhakahaere Matua Manager, Accounting Services Alison Trustrum-Rainey – Āpiha Mātāmua Pūtea Chief Financial Officer
Approver	Sue McLean – Kaiwhakahaere Matua, Ratonga Rangapū General Manager Corporate Services

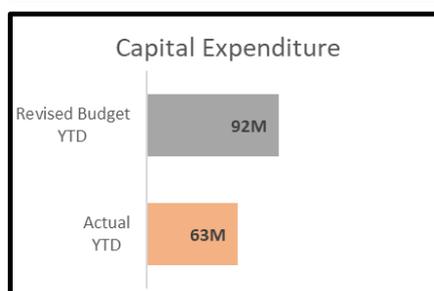
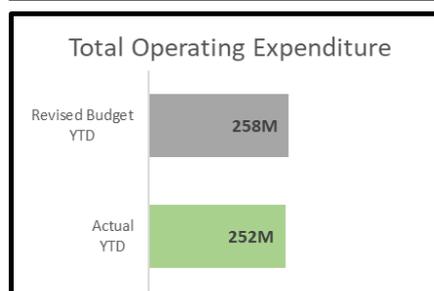
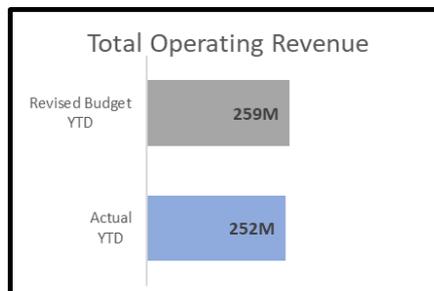
He whakarāpopoto i ngā huritaonga Summary of considerations
<i>Fit with Council's roles or with Committee's terms of reference</i> The Committee's specific responsibilities include to "review the robustness of the organisation's financial performance."
<i>Contribution to Annual Plan / Long Term Plan / Other key strategies and policies</i> The report reviews performance against the financial statements in Council's 2022/23 Annual Plan.
<i>Internal consultation</i> All business groups contribute to Greater Wellington's financial performance.
<i>Risks and impacts - legal / health and safety etc.</i> There are no known risks arising from this report.

Financial Report – 31 December 2022

Council Financial Summary – 31 December 2022

Summarised Profit and Loss
as at December 2023

	Year to date			Variance
	Actual YTD	Revised Budget		
	\$000s	\$000s	\$000s	
Operating Revenue				
Rates and Levies	111,290	112,790	(1,501)	-1%
Grants and Subsidies	101,788	77,793	23,995	31%
Other Revenue	38,792	68,277	(29,485)	-43%
Total Operating Revenue	251,870	258,861	(6,990)	-3%
Operating Expenditure				
Personnel	36,294	37,775	(1,480)	-4%
Grants and Subsidies	121,545	124,469	(2,924)	-2%
Consultants, Contractors and Suppliers	61,237	69,456	(8,219)	-12%
Finance Costs	16,263	11,377	4,886	43%
Depreciation	16,686	15,055	1,631	11%
Total Operating Expenditure	252,025	258,131	(6,106)	-2%
Operating Surplus/(Deficit) before other items	(155)	729	(884)	-121%
Fair Value Movements	11,860	-	11,860	0%
Operating Surplus/(Deficit)	11,705	729	10,976	1506%
Capital Expenditure	63,493	92,112	(28,619)	-31%



Financial Report – 31 December 2022

Summary of Key Issues & Year End Financial Update

Key Issues

- The result to December is a \$11.7m surplus, GWRC had budgeted for a \$0.7m surplus. The favourable variance to budget of \$11m is primarily due to fair value movement on interest rate swaps (Fair Value Movements). If the benefit of the fair value movement is removed, then there was a (\$0.2m) deficit mainly driven by lower farebox revenue.
- Farebox revenue continues to be a challenge in the first half of 22/23, currently down by \$14.5m from lower patronage levels from reduced services and hybrid working practices and \$18.0m due to half price fares.
- The reduced farebox revenue has been offset by higher grants and subsidies of \$22.4m from Waka Kotahi to help bridge the Covid19 revenue gap and half price fares support.
- Higher interest rates have added an additional \$4.9m to Finance Costs line in Operating Expenditure. This is partially offset by additional investment revenue of \$2.7m.
- Achieving the Capital Projects (CAPEX) budget will be challenging in 22/23 as it has been in prior years.
- Wellington Water is currently driving the CAPEX spend, having achieved \$33m compared with their YTD budget of \$38m. If Wellington Water is excluded from the total capital budget, then the other business groups are down 45% on their CAPEX budget. Spending \$30m against a YTD budget of \$54m.
- Greater Wellington's response to address this continual underspend has been to engage PWC as part of the business assurance programme and to undertake a zero-based budgeting exercise for the 23/24 annual plan with a focus on deliverability, affordability, staff wellbeing and high impact on the Region.

Attachment 1 to Report 23.29

Financial Report – 31 December 2022

Operating Revenue

\$251.9m
YTD Actual\$258.9m
YTD Budget(\$7.0m)
YTD Variance

Revenue Key Variances

(\$10.1m) **PT – Fees and Charges (\$32.5m)** unfavourable in fare revenue due to reduced fare revenue post covid (\$14.5m) due to lower patronage levels from reduced services and an increase in working from home practices and (\$18.0m) due to half price fares.

PT – Grants and Subsidises(G&S) \$22.4m favourable from additional support from Waka Kotahi. Most of this additional support provided to cover the shortfall in revenue from half price fares.

\$3.2m **Catchment – Fees and Charges : \$1.6m** favourable Akura Nursery revenue is above budget.
Grants and Subsidises(G&S) \$1.6m favourable Ruamahanga & Climate resilience grant funding ahead of schedule.

Operating Expenditure

\$252.0m
YTD Actual\$258.1m
YTD Budget\$6.1m
YTD Variance

Expense Key Variances

\$4.1m **Strategy** – favourable mainly due to delays in LGWM.

\$4.0m **Metlink** – Grants and Subsidy expenditure is reduced due to bus operators service level KPIs not being achieved. Payments to operators were subsequently reduced by \$4m.

\$1.2m **Catchment** – favourable due to lower expenditure on operational projects in Land Management, Flood Protection, Integrated Catchment management, Biosecurity, and Biodiversity.

\$2.1m **Environment** – favourable mainly due to delays with the Ruamahanga Aerial survey project, now underway in January 23.

(\$1.0m) **Corporate Services – ICT**, mainly driven by IT delivery projects budgeted as CAPEX but now classified as OPEX. This is due to a move to using more Software as a Service (SaaS) tools.

(\$4.9m) **Finance Costs** - Additional interest expense on new loans.

Financial Report – 31 December 2022

Capital Expenditure

\$63.5 YTD Actual	\$92.1m YTD Budget	(\$28.6m) YTD Variance
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Capital Expenditure Key Variances	
\$9.3m	Catchment & Flood Protection – Slower than anticipated work on RiverLink (\$2.8m) design and construction. RiverLink property purchases (\$1m) below budget (market driven). Kapiti FMP implementation (\$2.9m), and Wairarapa FMP’s (\$1.7m).
\$1.4m	Environment – Science network capex replacement tracking below budget. FY underspend of \$1.3m identified and rebudgeted in 23/24 annual plan.
\$13.6m	PT – National ticketing solution has been re-scheduled, \$9.6m. Snapper on Rails is the transitional solution and is OPEX in nature. A particularly wet winter period across the initial six months causing delays in civil works projects.
\$4.9m	Water – Kaitoke flume bridge delay due to poor weather conditions \$3.4m Te Marua capacity upgrade tracking behind the plan due to procurement delays and contractor availability \$3.8m. Offset by overspend on other key projects and various small network projects.
\$1.5m	People & Customer – Vehicle purchases planned for December but happening later in the year.

Attachment 1 to Report 23.29

Financial Report – 31 December 2022

Detailed Business Groups Reports as at 31 December YTD

Catchment

December 2022

	Year to Date				Full Year Budget
	Actual	Budget	Variance	% Variance	
Operational Revenue					
Rates	19,300,379	19,233,692	66,687	0%	38,513,458
Grants & Subs	5,909,691	4,500,071	1,409,620	31%	8,957,165
Fees Charges & Other	9,521,914	7,758,422	1,763,492	23%	14,796,332
Total Operating Revenue	34,731,984	31,492,185	3,239,799	10%	62,266,954
Operational Expenditure					
Personnel	7,281,753	7,769,478	(487,725)	-6%	15,475,672
Materials, Supplies & Services	2,879,884	3,059,386	(179,501)	-6%	6,192,051
Contractor & Consultants	6,729,822	9,030,629	(2,300,808)	-25%	17,293,668
Grants & Subsidies Expenditure	142,504	53,869	88,636	165%	107,738
Other	2,924,059	1,909,636	1,014,423	53%	3,837,587
Interest	2,355,922	1,739,103	616,819	35%	3,848,755
Total Operating Expenditure	22,313,944	23,562,100	(1,248,156)	-5%	46,755,470
Overheads	5,367,856	5,711,498	(343,642)	-6%	11,046,836
Operational Surplus/(Deficit)	7,050,185	2,218,587	4,831,598	218%	4,464,647
Net Capital Expenditure	16,427,556	25,777,484	(9,349,928)	-36%	51,371,339

Top 5 Projects by Direct Expenditure for Catchment
December 2022

Project Name	Year to Date			Full Year Budget	Project Type
	Actual	Budget	Variance %		
RiverLink Property Purchase	8,563,740	9,558,125	-10.40%	19,116,250	Capital - New
Kanoa Climate Resilience Programme	4,413,596	4,395,705	0.41%	8,791,413	Capital - New
RiverLink Design & Implementation	2,255,007	2,735,358	-17.56%	5,470,713	Capital - New
RiverLink Implementation	253,236	2,500,000	-89.87%	5,000,000	Capital - New
Pinehaven FMP Implementation	165,538	2,499,000	-93.38%	4,998,000	Operational

Environment

December 2022

	Year to Date				Full Year Budget
	Actual	Budget	Variance	% Variance	
Operational Revenue					
Rates	16,231,970	16,231,970	-	0%	32,463,941
Grants & Subs	28,800	-	28,800	0%	-
Fees Charges & Other	3,424,039	3,607,017	(182,977)	-5%	7,214,034
Total Operating Revenue	19,684,810	19,838,987	(154,177)	-1%	39,677,975
Operational Expenditure					
Personnel	7,609,263	8,161,937	(552,673)	-7%	16,288,654
Materials, Supplies & Services	1,090,058	1,611,584	(521,526)	-32%	3,261,997
Contractor & Consultants	3,715,140	4,906,179	(1,191,039)	-24%	9,861,270
Other	331,534	207,291	124,243	60%	414,582
Interest	283,073	246,240	36,833	15%	543,576
Total Operating Expenditure	13,029,068	15,133,229	(2,104,162)	-14%	30,370,079
Overheads	5,487,522	5,992,283	(504,760)	-8%	11,353,673
Operational Surplus/(Deficit)	1,168,220	(1,286,525)	2,454,745	-191%	(2,045,777)
Net Capital Expenditure	1,771,682	3,140,891	(1,369,209)	-44%	6,281,784

Top 5 Projects by Direct Expenditure for Environment
December 2022

Project Name	Year to Date			Full Year Budget	Project Type
	Actual	Budget	Variance %		
EP NRP Plan Change	553,752	1,199,943	-53.85%	2,399,883	Operational
ES Network Capex	355,323	1,089,762	-67.39%	2,179,523	Capital - New
EP RPS Review	684,791	992,830	-31.03%	1,985,658	Operational
ES Groundwater Hydrology	643,750	929,685	-30.76%	1,859,365	Operational
PK Eastern Region Operations	634,064	641,607	-1.18%	1,294,007	Operational

Favourable: Caution: Unfavourable:

Operating Revenue is **favourable \$3.2m** due to:

- Land Management \$1.6m favourable. Akura Nursery revenue is above budget.
- Flood Protection \$1.7m favourable. Ruamahanga & Climate resilience grant funding ahead of schedule. RiverLink property income is above budget, partially offset by additional expenditure
- Unbudgeted additional Riparian and 18T programme revenue, offset by expenditure.



Operating Expenditure is **favourable \$1.2m** due to:

- Pinehaven FMP project \$2.3m behind budget (loan funded). Partially offset by overspends in Ruamahanga MFE programme (ahead of schedule) and RiverLink property expenditure.
- Biodiversity \$0.5m underspent: Wetland, Wairarapa Moana and Biodiversity framework projects
- Land Management \$0.5m overspent – unbudgeted riparian programme expansion offset by additional MFE and Landowner funding
- Biosecurity \$0.9m underspent – PFW operations



Capital Expenditure is **underspent \$9.3m** due to:

- RiverLink property purchases \$1m below budget (market driven).
- Slower than anticipated work on RiverLink (\$2.8m), Kapiti FMP implementation (\$2.9m), and Wairarapa FMP's (\$1.7m)



Favourable: Caution: Unfavourable:

Operating Revenue **unfavourable \$0.2m**

- Variance below budget due to reduced costs and reduced offsetting revenue for large consents (RON's)



Operating Expenditure is **favourable \$2.1m** due to:

- Personnel savings are below budget because of vacancies in Policy. The Group personnel variance will likely reduce as new senior roles for FFF are employed during 2nd half of the year.
- Ruamahanga aerial electromagnetic survey scheduled from late January.
- Timing of NRP consultant expenditure resulting in being below budget.
- Recovery of Sealion wreck by Harbours is in "Contractor & Consultants" and is unbudgeted. (\$318k) to be partly offset by insurance.



Capital Expenditure is **under \$1.4m** due to:

- Science network capex replacement tracking below budget. FY underspend of \$1.3m identified and rebudgeted in 23/24 annual plan.
- Parks track and swing bridge upgrades commencing in summer.



Attachment 1 to Report 23.29

Financial Report – 31 December 2022

Metlink

December 2022

	Year to Date				Full Year Budget
	Actual	Budget	Variance	% Variance	
Operational Revenue					
Rates	45,275,826	45,337,172	-61,346	0%	90,673,685
Grants & Subs	94,408,248	71,990,624	22,417,624	31%	148,641,823
Fees Charges & Other	20,371,425	52,870,837	-32,499,412	-61%	105,741,674
Total Operating Revenue	160,055,498	170,198,633	-10,143,135	-6%	345,057,182
Operational Expenditure					
Personnel	5,566,978	5,037,139	529,840	11%	10,035,832
Materials, Supplies & Services	3,958,772	5,276,088	-1,317,316	-25%	10,870,144
Contractor & Consultants	8,338,582	8,379,737	-41,155	0%	17,158,631
Grants & Subsidies Expenditure	117,809,807	121,442,835	-3,633,028	-3%	246,036,043
Other	218,087	13,820	204,266	1478%	24,928
Interest	4,657,132	4,448,664	208,469	5%	9,068,639
Total Operating Expenditure	140,549,358	144,598,282	-4,048,924	-3%	293,194,216
Overheads	8,054,033	8,125,858	-71,825	-1%	16,137,567
Operational Surplus/(Deficit)	11,452,107	17,474,492	-6,022,386	-34%	35,725,399
Net Capital Expenditure	10,110,251	21,090,730	-10,980,479	-52%	46,204,531
Investment in Greater Wellington Rail	7,879,197	10,419,768	-2,540,570	-24%	21,606,541

Top 5 Projects by Direct Expenditure for Metlink December 2022

Project Name	Year to Date			Full Year Budget	Project Type
	Actual	Budget	Variance %		
Rail - Contract Transdev	26,253,885	27,064,316	-2.99%	54,128,632	Operational
AI - Network Maintenance Opex	18,084,863	16,521,773	9.46%	33,343,546	Operational
Unit 2	9,652,023	8,643,947	11.66%	17,287,895	Operational
GWRC Transition	8,208,494	8,625,095	-4.83%	14,159,072	Operational
AI - Rolling Stock Maintenance OPEX	6,503,258	6,205,480	4.80%	12,410,960	Operational

Water Supply

December 2022

	Year to Date				Full Year Budget
	Actual	Budget	Variance	% Variance	
Operational Revenue					
Rates	21,034,386	21,043,262	(8,876)	0%	42,086,525
Fees Charges & Other	903,549	280,082	623,468	223%	573,731
Total Operating Revenue	21,937,936	21,323,344	614,592	3%	42,660,256
Operational Expenditure					
Materials, Supplies & Services	3,749,599	4,013,809	(264,210)	-7%	8,307,272
Contractor & Consultants	9,697,986	9,703,098	(5,112)	0%	19,332,758
Grants & Subsidies Expenditure	-	-	-	0%	-
Other	-	770	(770)	-100%	1,540
Interest	2,404,376	2,583,347	(178,970)	-7%	5,748,171
Total Operating Expenditure	15,851,961	16,301,024	(449,063)	-3%	33,389,742
Overheads	1,263,182	1,254,837	8,345	1%	2,526,363
Operational Surplus/(Deficit)	4,822,793	3,767,483	1,055,310	28%	6,744,151
Net Capital Expenditure	33,435,963	38,325,283	(4,889,320)	-13%	76,594,331

Top 5 Projects by Direct Expenditure for Water Supply December 2022

Project Name	Year to Date			Full Year Budget	Project Type
	Actual	Budget	Variance %		
Relocate Kaitoke Main on SS Bridge	11,668,000	11,951,000	-2%	25,357,465	Capital - New
One Budget Opex including SLAs	10,432,000	9,653,000	8%	19,306,000	Operational
TM WTP Capacity Optimisation	3,062,000	6,861,000	-55%	17,340,000	Capital - New
Kaitoke Flume Bridge	7,276,000	11,216,000	-35%	17,165,000	Capital - New
Regional Fluoride Dosing System	2,670,000	1,935,000	38%	1,935,000	Capital - New

Favourable: ● Caution: ● Unfavourable: ●

Operating Revenue unfavourable \$10.1m due to:

- Fees and Charges are below budget due to reduced fare revenue post covid \$14.5m due to lower patronage levels from reduced services and an increase in working from home practices and \$18m due to half price fares.
- The movement partially off-set by additional support from Waka Kotahi.



Operating Expenditure is favourable \$4.0m due to:

- Operational expenditure is below budget YTD. This is mainly driven by Grants and Subsidies expenditure being under budget due to larger KPI deductions on bus operator contracts.



Capital Expenditure and investment is under \$13.6m due to:

- National ticketing solution has been re-scheduled, \$9.6m. Snapper on Rails is the transitional solution and is OPEX in nature.
- A particularly wet winter period across the initial six months causing delays in civil works projects.



Favourable: ● Caution: ● Unfavourable: ●

Operating Revenue is favourable by \$0.61m due to:

- Other revenue above budget due to higher than anticipated investment interest



Operating Expenditure is favourable by \$0.45m due to:

- Financial cost savings are below budget due to lower starting debt on prior year capital underspend.
- Lower power usage over the first half of FY 22/23 due to wetter weather reducing demand on water consumption.



Capital Expenditure is underspent \$4.9m due to:

- Kaitoke flume bridge delay due to poor weather conditions (\$3.4m)
- Te Marua capacity upgrade tracking behind the plan due to procurement delays and contractor availability (\$3.8m)
- Offset by overspend on other key projects and various small network projects (\$1.9m)



Attachment 1 to Report 23.29

Financial Report – 31 December 2022

Strategy

December 2022

	Year to Date				Full Year Budget
	Actual	Budget	Variance	% Variance	
Operational Revenue					
Rates	6,648,685	6,556,137	92,548	1%	13,112,274
Grants & Subs	1,235,115	1,302,654	(67,539)	-5%	2,642,905
Fees Charges & Other	2,343,609	2,463,062	(119,453)	-5%	3,188,043
Total Operating Revenue	10,227,409	10,321,853	(94,444)	-1%	18,943,222
Operational Expenditure					
Personnel	2,862,306	3,329,932	(467,626)	-14%	6,628,194
Materials, Supplies & Services	850,509	1,697,036	(846,528)	-50%	4,505,864
Contractor & Consultants	3,529,502	5,845,225	(2,315,723)	-40%	21,390,408
Grants & Subsidies Expenditure	2,092,831	2,207,250	(114,419)	-5%	4,414,501
Other	716,800	740,903	(24,103)	-3%	1,481,807
Interest	98,338	399,632	(301,294)	-75%	951,819
Total Operating Expenditure	10,150,285	14,219,979	(4,069,695)	-29%	39,372,592
Overheads	(67,473)	21,504	(88,977)	-414%	(102,947)
Operational Surplus/(Deficit)	144,597	(3,919,630)	4,064,228	-104%	(20,326,423)
Net Capital Expenditure	350,829	417,000	(66,171)	-16%	679,750

Top 5 Projects by Direct Expenditure for Strategy December 2022

Project Name	Year to Date				Full Year Budget	Project Type
	Actual	Budget	Variance	%		
Let's Get Wellington Moving	2,267,309	4,441,536	(2,174,227)	-48.95%	17,872,000	Operational
Low Carbon Acceleration Fund	438,739	591,553	(152,814)	-25.83%	2,134,600	Operational
Transport Model OPEX	-	296,136	(296,136)	-100.00%	1,046,136	Operational
Transport Model	350,829	400,000	(49,171)	-12.29%	662,750	Capital - New
Regional Land Transport Plan - RLTP	1,880	242,744	(240,864)	-99.23%	598,825	Operational

People & Customer

December 2022

	Year to Date				Full Year Budget
	Actual	Budget	Variance	% Variance	
Operational Revenue					
Rates	(62)	-	(62)	0%	-
Fees Charges & Other	120,988	94,427	26,561	28%	188,853
Total Operating Revenue	120,927	94,427	26,500	28%	188,853
Operational Expenditure					
Personnel	4,878,440	4,975,986	(97,546)	-2%	9,882,284
Materials, Supplies & Services	888,414	1,010,421	(122,007)	-12%	1,978,040
Contractor & Consultants	783,219	173,770	609,449	351%	347,550
Other	586,325	499,192	87,133	17%	998,384
Interest	1,470	2,290	(819)	-36%	4,293
Total Operating Expenditure	7,137,868	6,661,658	476,210	7%	13,210,551
Overheads	(6,525,691)	(7,668,381)	1,142,690	-15%	(13,812,508)
Operational Surplus/(Deficit)	(491,250)	1,101,149	(1,592,400)	-145%	790,810
Net Capital Expenditure	114,083	1,640,936	(1,526,853)	-93%	1,490,999

Top 5 Projects by Direct Expenditure for People & Customer December 2022

Project Name	Year to Date				Full Year Budget	Project Type
	Actual	Budget	Variance	%		
Induction	1,203	331,500	(329,297)	-99.64%	663,000	Operational
GW Brand Strategy	98,316	152,580	(54,264)	-35.56%	305,160	Operational
Parks Marketing & Comms Programme	18,635	97,484	(78,849)	-80.88%	194,968	Operational
Insight (Research & Analytics)	-	45,275	(45,275)	-100.00%	90,549	Operational
Internal Engagement	6,700	33,693	(26,993)	-80.12%	67,386	Operational

Favourable: Caution: Unfavourable:

Operating Revenue **unfavourable \$0.1m** due to:
 - Very slightly below budget due to lower revenue in the Wellington Regional Leadership Committee.

Operating Expenditure is **favourable \$4.1m** due to:
 - Let's Get Wellington Moving is below budget and is the majority of this underspend.

Capital Expenditure, The **Transport Model** is Strategy's only capital project, and this is slightly below budget.

Favourable: Caution: Unfavourable:

Operating Revenue is slightly **favourable** due to:
 - Marketing and communications budget for the year transferred from Parks to Comms.

Operating Expenditure is **unfavourable \$0.5m**:
 - Higher non project related contractors more than offsetting lower materials and personnel costs.

Capital Expenditure:
 - The **\$1.5m** YTD variance arises from vehicle purchases planned for December but happening later in the year.
 - The overheads are also lower than budgeted as those planned vehicle purchases haven't been recharged out to the business.

Financial Report – 31 December 2022

Corporate Services

December 2022

	Year to Date				Full Year Budget
	Actual	Budget	Variance	% Variance	
Operational Revenue					
Rates	1,350,954	1,301,050	49,904	4%	2,602,101
Grants & Subs	581	-	581	0%	-
Fees Charges & Other	784,900	712,197	72,703	10%	1,424,394
Total Operating Revenue	2,136,435	2,013,247	123,188	6%	4,026,494
Operational Expenditure					
Personnel	4,973,400	5,094,935	(121,535)	-2%	10,147,170
Materials, Supplies & Services	6,634,869	6,341,158	293,711	5%	12,682,314
Contractor & Consultants	3,596,842	2,822,567	774,275	27%	5,796,458
Other	21,972	14,823	7,149	48%	29,646
Interest	476,487	574,061	(97,575)	-17%	1,170,490
Total Operating Expenditure	15,703,570	14,847,544	856,026	6%	29,826,078
Overheads	(13,765,767)	(13,661,980)	(103,787)	1%	(27,531,534)
Operational Surplus/(Deficit)	198,633	827,683	(629,051)	-76%	1,731,950
Net Capital Expenditure	1,282,743	1,896,209	(613,466)	-32%	4,356,130

Top 5 Projects by Direct Expenditure for Corporate Services
December 2022

Project Name	Year to Date			Full Year Budget	Project Type
	Actual	Budget	Variance %		
IT Delivery	754,221	1,602,083	-53.92%	3,537,500	Capital - New
EUS CAPEX Hardware	443,831	31,878	1292.28%	31,878	Capital - New
Business Applications Maint & Support	586,949	579,759	1.24%	1,159,517	Operational
Network Services WAN	483,729	417,904	15.75%	835,809	Operational
Masterton New Office	-	262,248	-100.00%	786,752	Capital - New

Te Hunga Whiriwhiri

December 2022

	Year to Date				Full Year Budget
	Actual	Budget	Variance	% Variance	
Operational Revenue					
Rates	2,404,192	2,386,342	17,850	1%	4,772,684
Total Operating Revenue	2,404,192	2,386,342	17,850	1%	4,772,684
Operational Expenditure					
Personnel	805,184	1,109,962	(304,778)	-27%	2,211,452
Materials, Supplies & Services	51,095	6,706	44,389	662%	13,413
Contractor & Consultants	2,103,866	1,520,498	583,367	38%	1,816,997
Other	4,847	5,388	(541)	-10%	10,776
Total Operating Expenditure	2,964,991	2,642,555	322,436	12%	4,052,637
Overheads	424,156	420,918	3,238	1%	848,312
Operational Surplus/(Deficit)	(984,955)	(677,131)	(307,824)	45%	(128,265)

Top 5 Projects by Direct Expenditure for Te Hunga Whiriwhiri
December 2022

Project Name	Year to Date			Full Year Budget	Project Type
	Actual	Budget	Variance %		
Iwi Capacity Stream A	1,200,000	1,224,000	-1.96%	1,224,000	Operational
GW Capacity Training	86,806	127,500	-31.92%	255,000	Operational
Iwi Capacity Stream B	509,590	66,592	665.24%	133,184	Operational
Iwi Projects	271,820	52,697	415.82%	105,394	Operational
Māori Economic Development	32,308	51,000	-36.65%	102,000	Operational

Favourable: Caution: Unfavourable:

Operating Revenue **favourable \$0.1m** due to:

- Rates penalties are above budget and Better Off transitional funding from central government.



Operating Expenditure is **\$0.9m unfavourable** with:

- Materials, Supplies & Services as well Contractors and Consultants are higher than budgeted mainly driven IT delivery projects budgeted as CAPEX but now classified as OPEX. This is due to the change in accounting policy. These projects are debt funded due to intergenerational/long term benefit.
- \$0.1m of the Contractor & Consultants line relate to the Holidays Act Remediation and will be offset by a provision at year end.



Capital Expenditure is **\$0.6m underspent**

- With the increase in use of SaaS, historical ICT CAPEX Software and related projects are classified as OPEX not CAPEX. Hence the underspend in IT delivery projects in Capex and a corresponding overspend in OPEX Materials and Supplies as mentioned above.
- Hardware overspend of \$0.4m due to server purchase



Operating Revenue is on budget as the group is 100% rates funded.

Operating Expenditure is **unfavourable \$0.3m** due to:

- Contractor and consultants are above budget due to Kaupapa funding being paid out in December earlier than budgeted.



Capital Expenditure:

Note - There is no budgeted capital expenditure.

Finance, Risk and Assurance Committee
14 February 2023
Report 23.28



For Information

HEALTH, SAFETY AND WELLBEING UPDATE FEBRUARY 2023

Te take mō te pūrongo

Purpose

1. To advise the Finance, Risk and Assurance Committee (the Committee) of Greater Wellington Regional Council's (Greater Wellington) Health, Safety and Wellbeing (HSW) performance and activity.

Te tāhū kōrero

Background

2. The HSW performance scorecard is outlined in [Attachment 1](#).

HSW Fatal and Severe Risk review project

3. Fatal and Severe risks (FSR) for review are:
 - a Abusive and aggressive behaviour (complete)
 - b Lone and remote working (nearing completion)
 - c Third party contractor HSW management (in discovery)
 - d Physical works (includes working at height, confined space, moving and other powered machinery and equipment)
 - e Hazardous substances
 - f Transportation
 - g Working on or near water
4. A paper was presented to the Executive Leadership Team (ELT) in December 2022 ([Attachment 2](#)) outlining the current state assessment of the risk of exposure to third party initiated abusive and aggressive behaviour and identified opportunities to improve confidence in management of the risk.
5. This presentation to ELT followed an in-depth review using the recently approved enterprise risk approach, to determine the risk rating and the level of confidence ELT can have that the risk is managed effectively. Based on this, ELT accepted the risk as moderate and the level of confidence and concern in management of the risk as yellow.
6. This suggests a reasonable and broadly acceptable level of risk, but we need do more to strengthen controls and increase confidence. It also reflects a 'balanced' risk appetite

for HSW risk, which is more in keeping with the type activities of we undertake. Please note this differs from the currently stated 'averse' risk appetite for HSW.

7. Work will commence in February 2023 to implement the improvement plan endorsed by ELT as a result of this review.
8. Work to assess the Lone and Remote Working risk level, confidence and opportunities is now complete and will be presented to ELT for decision in March 2023.

Third party contractor review project, including Metlink

9. A project to review and improve third contractor HSW management is underway in conjunction with the FSR third party contractor risk assessment.
10. This is timely given the top three high consequence events in the past 12 months involved a contractor's vehicle rolling over. Two of these events involved light utility vehicles (LUV) and one of these events involved a tractor.
11. The most recent event was the tractor roll over in January 2023. This resulted in the contractor's worker being pinned under the tractor and airlifted to hospital with moderate injuries.
12. WorkSafe was notified and have subsequently advised they will not be investigating further. Greater Wellington is working closely with the contractor to understand what led to the incident, identify opportunities for improvement and share learnings.
13. The review project also includes Metlink operators, with an independent audit of bus operators HSW practice and performance currently underway.

Wellbeing

14. Wrap around wellbeing support continues for teams affected by the new Environment Group change programme.
15. The greatest uptake in usage has been with our internal mental wellbeing first responders, followed by our Rongoa Māori providers, rather than traditional employee assistance program (EAP) services.
16. 75% of the mental health first response (MHFR) conversations are instigated by the responder, and the rest by the staff member. Main themes include anxiety and depression, work stress, physical health, personal relationships, and family issues. We continue to monitor the wellbeing of this group as the new structure is stood up.

HSW policy and framework update

17. The overarching HSW policy and HSW framework, which is the operating model for HSW at Greater Wellington has been reviewed, updated, and approved by ELT to go out for consultation in February 2022.
18. Work to review and update key supporting HSW guidelines and processes is also underway, with an emphasis on how we integrate and operationalise the new enterprise risk approach as a core way of working to manage our HSW risk. We see this as an opportunity to embed and assure consistent HSW practice across Greater Wellington, especially as the new Environment Group structure is stood up.

Ngā āpitihanga

Attachments

Number	Title
1	HSW Performance Scorecard to end December 2022
2	ELT Decision Paper: 3 rd Party Initiated Abusive / Aggressive behaviour risk

Ngā kaiwaitohu

Signatories

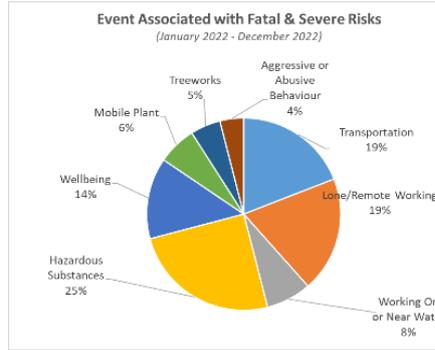
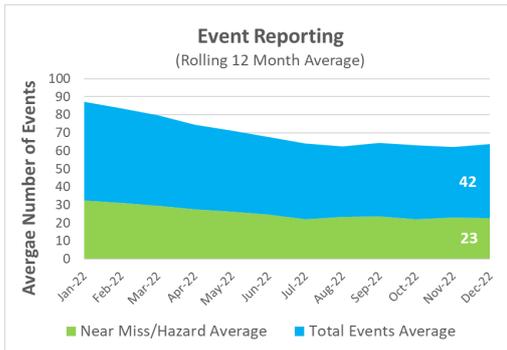
Writer	Julie Barber – Kaiwhakahaere Matua Manager, Health, Safety and Wellbeing
Approver	Donna Hickey – Kaiwhakahaere Matua, Whakamāhorahora General Manager, People and Customer

<p>He whakarāpopoto i ngā huritaonga Summary of considerations</p>
<p><i>Fit with Council's roles or with Committee's terms of reference</i></p> <p>This report assures the Committee that Greater Wellington's legal obligations under the Health and Safety at Work Act 2015 are maintained and met.</p>
<p><i>Contribution to Annual Plan / Long Term Plan / Other key strategies and policies</i></p> <p>The HSW Policy and Wellbeing Strategy are included in Greater Wellington's Annual Plan 2022/23.</p>
<p><i>Internal consultation</i></p> <p>No internal consultation was required.</p>
<p><i>Risks and impacts - legal / health and safety etc.</i></p> <p>The HSW risks and treatment are outlined in paragraphs 3 to 16 inclusive.</p>

Attachment 1 to Report 23.28

Health, Safety and Wellbeing Performance Scorecard Sept – Dec 2022

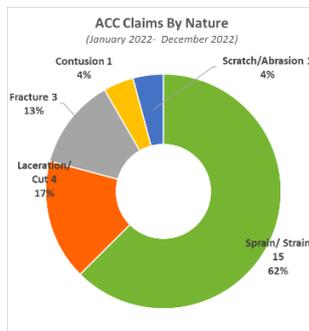
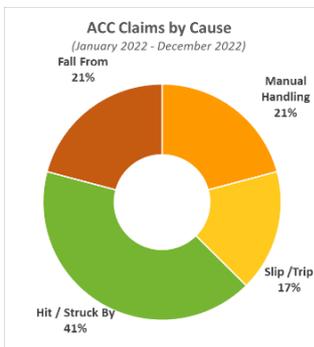
Event reporting



New / emerging trends

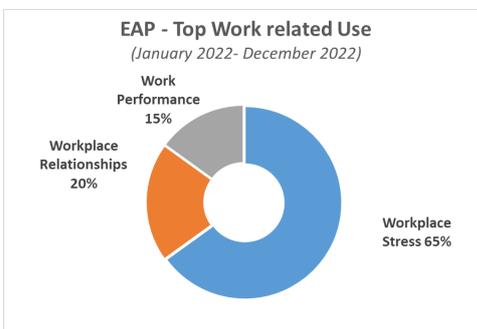
- High consequence incidents involving contractor vehicles
- Continued high usage of internal mental health first responders

ACC work injury claims



Work injury claims last 12 months	
Total claims	24
Lost time claims	10
Total days lost	438

Wellbeing



Wellbeing Insights Oct – Dec 2022

- 42** mental health first responder supported conversations
- 33** Staff received rehabilitation support (work related injury, non-work injury and medical)
- 21** wellbeing messages and promotions delivered
- 3** suspicious lesions picked up by onsite melanoma checks in Cuba, Upper Hutt and Masterton referred for medical attention.

EAP – Employee Assistance Programme



ELT Decision Paper: 3rd Party Initiated Abusive / Aggressive behaviour

Fatal and severe risk review – 3rd party initiated aggressive / abusive behaviour

Meeting Date: 14 November 2022
From: Julie Barber, Manager, Health Safety and Wellbeing
Approved by: Donna Hickey, GM People and Customer
FOR DECISION

1. Purpose

This report

- a. provides the current state view of Greater Wellington’s (GW) 3rd party abusive and aggressive behaviour risk and rationale for this
- b. identifies opportunities which if ELT commits to will give greater confidence in management of the risk

2. Issues for ELT Attention

Background

The Health Safety and Wellbeing team is undertaking an in-depth review of Greater Wellington’s (GW) HSW fatal and severe risks¹ (FSR).

We have identified eight primary FSR’s, specifically:

1. Transportation
2. Hazardous substances
3. Lone and remote work
4. Physical works (confined space, working at height, moving plant and equipment, traffic management, tree works)
5. Working in or over water
6. Wellbeing / Hauora
7. Control and influence over contractors/third parties
8. 3rd party initiated aggressive and abusive behaviour (the subject of this paper)

3rd party initiated aggressive / abusive behaviour is one the FSR’s our frontline and customer facing workers² are exposed to daily.

We prioritised this risk for review in response to recent high consequence events involving 3rd party initiated aggressive / abusive interactions with GW workers.

This type of behaviour is escalating in frequency, level, and type of aggression in Covid recovery times generally and is a known risk and common cause for concern and focus across service and regulatory sectors. This includes other Regional Councils and Territorial Authorities whose experience is the same as GW.

1. FSR – risk that could kill or cause serious physical and / or psychological harm
2. Worker includes GW employees and contractors, and volunteers who work for us on a regular basis

ELT Decision Paper: 3rd Party Initiated Abusive / Aggressive behaviour

What we know about the risk in GW workplaces

In GW's case aggressive / abusive behaviour towards our workers is typically driven by one or a combination of:

- Public frustration or dissatisfaction with a GW service or activity e.g., Metlink services
- Misunderstanding of GW functions and mandates e.g., enforcement activities
- GW brand as a target – protest action, deliberate sabotage e.g., in response to 1080 drops
- GW staff disrupting illegal activity on GW land e.g., illegal hunting
- Person(s) under the influence of alcohol and/ or other drugs, underlying mental wellbeing issues, or antisocial behaviour

The risk is dynamic, it can escalate quickly and without warning. Over the past three years we have seen an escalation in physical assaults, (including a sustained physical attack on a park ranger in December 2021 leaving him seriously injured and psychologically traumatised), verbal threats including death threats and threats with weapons both face to face and over the phone, hostile behaviour at public meetings, road rage incidents, security breaches by disgruntled persons and one case of deliberate tampering with a GW vehicle in response to a 1080 drop.

We also see emerging trends in online abuse and threats of harm via email and our social media channels, and an escalation in diversity and racially and motivated abuse.

GW workers at greater risk tend to be our park and harbour rangers, environmental protection officers, predator free and biosecurity officers, flood protection and contact centre / reception staff. However, any GW worker could be exposed particularly when driving a GW branded vehicle or wearing GW branded clothing.

We know in most cases 3rd party aggressive behaviour (unless serious) goes unreported because it is normalised as an accepted 'part of the job', particularly repeated verbal abuse.

The impacts for our workers include physical harm (or in the worst case, fatality), and harm to mental wellbeing and resilience, particularly in cases of prolonged and repeated exposure to verbal abuse.

The wider impacts to GW also include the well-known and documented flow on effects of burnout, decreased employee engagement and productivity, increased absenteeism, turnover, and reputational damage.

GW has a legal obligation to understand the risk and make sure we do what is reasonable and possible to protect our workers and others in our workplaces from harm.

Meeting our legal obligations is a GW strategic priority.

ELT Decision Paper: 3rd Party Initiated Abusive / Aggressive behaviour

Risk

Using the new enterprise risk approach, the risk of 3rd party aggressive / abusive behaviour is assessed as **moderate** and confidence and concern in management of the risk overall as **yellow** – i.e., can live with this but would like to do more (Appendix 1).

This suggests a reasonable level of risk which is broadly acceptable, but we need do more to strengthen controls and increase confidence in its management. This also reflects a ‘balanced’ risk appetite for HSW, which more in keeping for the type activities of we undertake to achieve our purpose, than the stated ‘averse’ appetite in the current Enterprise Risk Policy

To determine the risk, and confidence ratings we undertook:

- A review of abusive / aggressive incident behaviour reports in KESAW and event learning reviews over the past three years
- In-depth bow tie risk assessments with representative groups of workers exposed to the risk (Appendix 2)
- A review of the preventive and protective measures currently available, how consistently these are applied and how effective they are (Appendix 3)
- A risk sentiment approach to report the risk rating and confidence, and assurance (Appendix 4)
- A gap analysis to identify any major gaps we need to address

What we found

Through this we found our workers generally have a strong awareness and understanding of the risk associated with their various work activities. While work planning plays a key part in pre-empting potential situations and controls required, there is a heavy reliance on managing dynamic situations as they occur along with a level of acceptance of the risk as ‘part of their job’.

We can't eliminate the risk because of the work we do and our need to interface with the public, and it is unlikely we can reduce it below moderate because of the uncertainty, unpredictability and volatility faced when dealing with 3rd parties. This includes how quickly a situation can escalate, the lower level of control and influence we have over where and when this behaviour happens and the impact if it does.

We have a range of protective and preventive controls in place which tend to focus on situational awareness and de-escalation training, physical security measures, emergency response and support for workers impacted by exposure to the aggressive abusive behaviour. However, these are not fully implemented or consistently applied across business units

We are also missing a consolidated organisational approach in respect of documented policies, standards and guidance and an ongoing assurance programme to provide confidence the risk is managed effectively within tolerance agreed by ELT.

ELT Decision Paper: 3rd Party Initiated Abusive / Aggressive behaviour

Opportunities for improvement

Based on the evidence, we need to look at the opportunities and reasonable actions available to address the gaps and improve confidence in management of the risk.

Knowing we can't eliminate the risk; the proposed improvement plan (Appendix 5) uses a combination of control strategies to make sure

- The right organisational policies and procedures are in place
- Risk is designed out where practical (e.g., job design, physical security), but where this can't be achieved,
- Worker's capability to detect, respond to and de-escalate aggressive / abusive interactions (where it's safe to do so) is enhanced through fit for purpose training, awareness, and regular refreshers
- The right emergency response procedures and communication tools are in place to get help quickly if needed
- The right support services are in place to reduce or manage the impact of abusive and aggressive behaviour when it does happen
- Regular reporting, monitoring and assurance activity is in place

Benefits of implementing the improvement plan include:

- Better transparency and understanding across GW around the safeguards already in place to manage aggressive and abusive behaviour
- Strengthened and consistent controls to mitigate harm
- Demonstrating GW has taken reasonable and possible steps to manage the risk, and that GW has listened to and acted on feedback and improvement suggestions from workers
- Improved confidence and assurance the risk is managed effectively at moderate.

Elements in the improvement plan also address our Lone and Remote Working risk also under review.

3. Recommendation

1. ELT accepts a moderate level of risk which will continue to exist given the activity GW undertakes (appetite), noting the reasons for this
2. ELT discusses and agrees a stance on the appropriate level the risk will be managed to (tolerance)
3. ELT agrees to the proposed improvement plan to give greater confidence management of the risk is effective and consistent

Attachments

Appendix 1: Risk classification and sentiment survey

Appendix 2: Bow tie risk assessment

Appendix 3: Effectiveness of preventive and responsive controls in place

Appendix 4: Risk sentiment slide

Appendix 5: Action and improvement plan

ELT Decision Paper: 3rd Party Initiated Abusive / Aggressive behaviour

DECISION SUMMARY

<p>Decision to be made <i>Short summary of the 'ask' of ELT</i></p>	<ol style="list-style-type: none"> 1. Agree and accept the moderate rating (appetite) for this risk 2. Agree the level of confidence they want to see in its management (tolerance) 3. Commit (resources, time and effort) and oversee implementation of the proposed action and improvement plan
<p>Why is this important? <i>What problem does this solve or benefit does it provide?</i></p>	<ul style="list-style-type: none"> • Exposure to 3rd party initiated aggressive / abusive behaviour is one of our fatal and severe risks which could seriously injure or harm GW workers and damage GW assets • We have a legal obligation to understand and manage the risk (both physical and psychological) as far as we reasonably can • Meeting our legal obligations is a GW strategic priority
<p>What do we know? <i>What options were considered? What trade-offs are inherent in this decision?</i></p>	<ul style="list-style-type: none"> • The risk is escalating generally • We can't eliminate the risk, and unlikely we will reduce it below medium <p>Options:</p> <ul style="list-style-type: none"> • Option1 ELT can accept the risk and the status quo or • Option 2 ELT can accept the risk and commit to GW doing more to give greater confidence management of the risk is effective and consistent.
<p>What don't we know? <i>What is uncertain at this point? What risks and opportunities relate to this decision?</i></p>	<ul style="list-style-type: none"> • The how quicky interactions with customers and members of the public can escalate • The nature and type of threats to GW workers and assets • How GW staff will respond or be affected by the interaction
<p>How will we manage this? <i>What else will we do to manage these uncertainties or risks?</i></p>	<ul style="list-style-type: none"> • The proposed action and improvement plan combines control strategies to address gaps and give the greater level of confidence ELT should expect to see
<p>Has the impact of this decision been tested? <i>Have we considered the implications of this from various perspectives?</i></p>	<ul style="list-style-type: none"> • Workers, management and HSW representatives from all business units took part in focus groups as part of the risk review and assessment.
<p>Can we pay for it? <i>Is this within our existing budget? If not, how will it be funded?</i></p>	<ul style="list-style-type: none"> • There is budget for training, but other aspects of the action and opportunity plan will need to be budgeted, e.g., proposed security enhancements
<p>Who needs to know? <i>Once the decision is made, who will this impact, who needs to know and how will this be shared?</i></p>	<ul style="list-style-type: none"> • Finance risk and Assurance Committee (FRAC) GW managers and workers, HSW Representatives

ELT Decision Paper: 3rd Party Initiated Abusive / Aggressive behaviour

Appendix 1: Risk classification and sentiment summary

Rating	What this means in terms of risk	...or in terms of uncertainty	... and in terms of opportunity
Red	Extreme risk Very significant potential impact on your organisation’s operations, people, rightsholders and wider stakeholder trust and confidence Current management practices (controls/mitigations) insufficient to reduce potential exposure to an acceptable level	Extreme volatility Very uncertain or changeable environment, that presents major downside (threats) or upside (opportunities) Insufficient or ineffective mechanisms to monitor or respond appropriately to the threats or opportunities that may present themselves	Extreme opportunity Very significant areas of opportunity or potential for positive change Current plans, initiative or projects do not fully capture these opportunities and significant gaps exist between what we want to achieve and what we are currently doing to achieve this
	<i>Cannot live with this, intervention required as a matter of priority</i>		
Amber	High risk Relatively high level of exposure or impact to your <u>organisation</u> Some controls or mitigations in place however these may not be sufficient to reduce exposure to an acceptable level	High volatility Quite a changeable environment with respect to areas of major priority or commitment to your organisation A lower level of ability to respond quickly than is desirable	High opportunity A relatively high level of opportunity or potential to do things differently Some initiatives in place but may not be sufficient to deliver on our commitments or achieve LTP/business plan objectives
	<i>Uncomfortable to live with this, intend to do something different</i>		
Yellow	Moderate risk A reasonable level of risk faced by your <u>organisation</u> but with a level that <u>you are able to</u> respond to Some controls in place, but could do more or uncertain as to the effectiveness of these controls in practice May cause some pain or disruption, potentially could mitigate further, but broadly in line with risk appetite	Moderate volatility Some level of uncertainty or variability faced Reasonable mechanisms to identify and respond to threats or opportunities, should they present themselves	Moderate opportunity A reasonable level of opportunity to do things better, more consistently and effectively Some controls in place, but scope to strengthen, enhance and improve these Reasonable opportunity to increase the level of assurance that what we expect to occur is in place and working effectively
	<i>Can live with this but would like to do more</i>		
Green	Low risk Relatively low level of exposure, but not necessarily no risk Confidence that effective management practices and controls in place	Low volatility Highly stable or predictable, little impact on your mandate, commitments or priorities Effective mechanisms identify and respond to change	Low opportunity Major areas of opportunity have been captured Little areas of major improvement or potential for positive change Effective initiatives in place to deliver on commitments
	<i>Comfortable to live with this</i>		

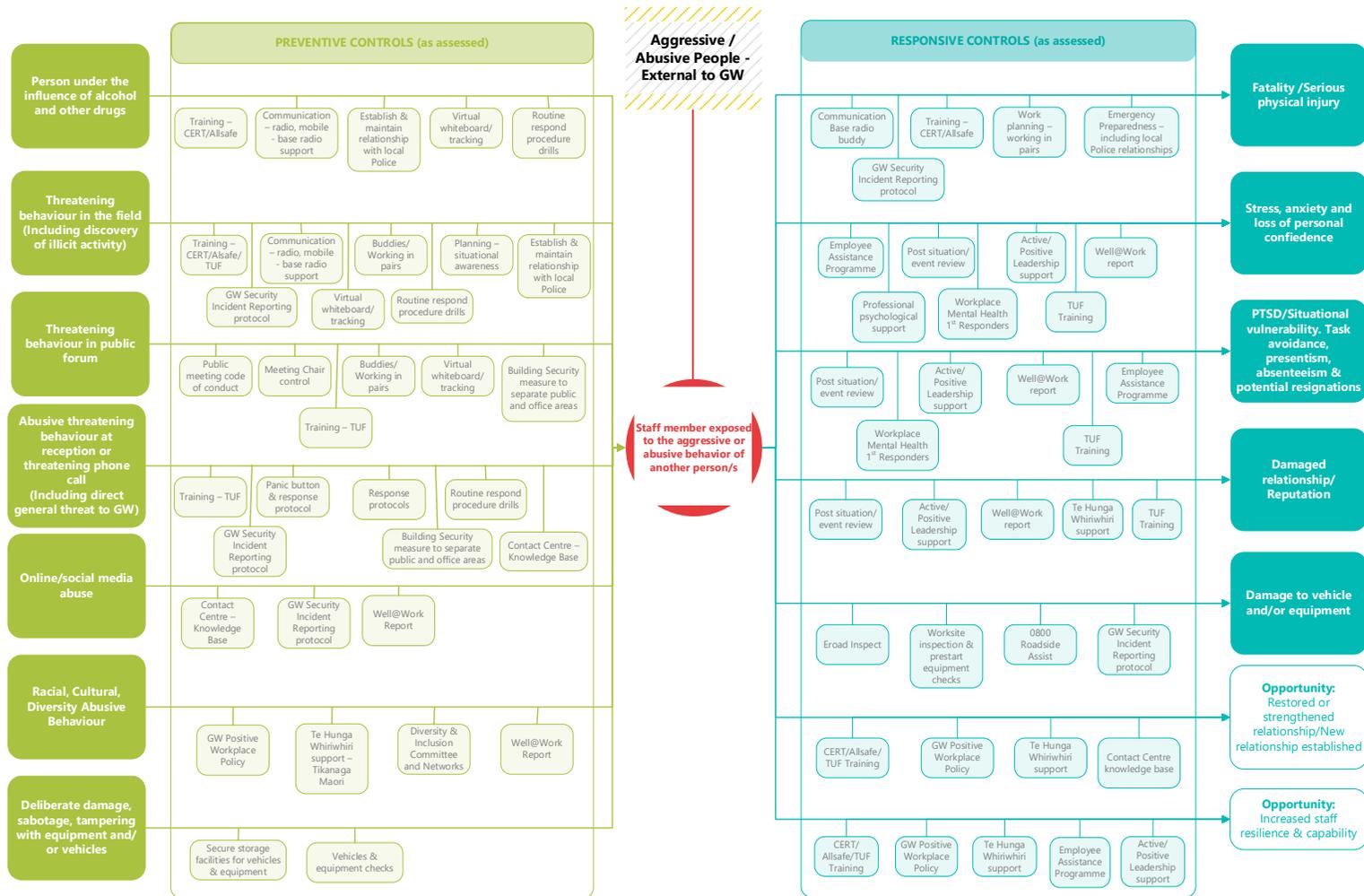
1. FSR – risk that could kill or cause serious physical and / or psychological harm
2. Worker includes GW employees and contractors, and volunteers who work for us on a regular basis

ELT Decision Paper: 3rd Party Initiated Abusive / Aggressive behaviour

Appendix 2: Bow tie risk assessment

FSR 1 – 3rd Party Aggressive / Abusive Behaviour

30 June 2022



1. FSR – risk that could kill or cause serious physical and / or psychological harm
2. Worker includes GW employees and contractors, and volunteers who work for us on a regular basis

ELT Decision Paper: 3rd Party Initiated Abusive / Aggressive behaviour

Appendix 3: Effectiveness of current controls - 3rd Party initiated aggressive and/or abusive behaviour

Risk Management Strategy	Status – how well, widely implemented in areas where risk is present		Effective – where it is implemented is it having the expected effect in reducing the risk		
	Fully implemented		Fully Effective		
	Partially Implemented		Partially Effective		
Control Description - How we manage the risk			Status	Effective	Preventive or Responsive
Policy, process & information	Work planning, including HSW planning, identifying potential for 3 rd party aggressive and/or abusive behaviour: <ul style="list-style-type: none"> Adequate resourcing Dynamic risk identification & management Supporting HSW framework related documents and information 		Partially	Partially	Preventive
	Related emergency procedures and drills, e.g.: <ul style="list-style-type: none"> Overdue/missing worker Radio orange button Reception duress button activation Contact Centre “Knowledge Base” 		Partially	Fully	Responsive
	Communication <ul style="list-style-type: none"> GW Radio network Worker intention and field operation monitoring Mobile phones Personal locator beacons (PLB’s) Eroad 		Partially	Partially	Preventive
Physical environment – safety by design	Office and depot security, including: <ul style="list-style-type: none"> Reception security design and features Office area security/access management Depot office operational hours security Depot after hours security 		Partially	Effective	Preventive
Training & Competence	Training for staff relating identifying and managing 3 rd party aggressive and/or abusive behaviour:		Partially	Fully	Preventive

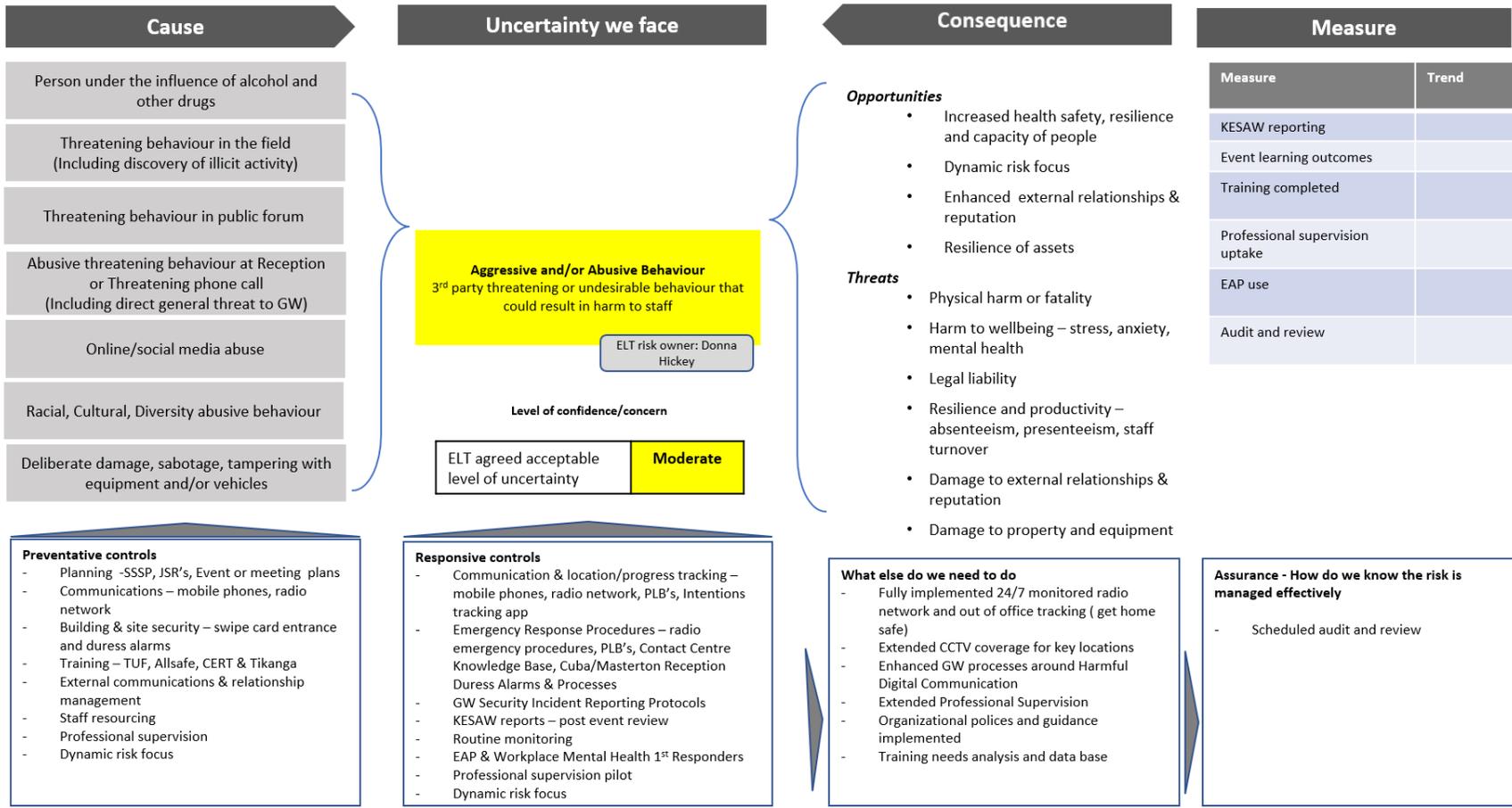
ELT Decision Paper: 3rd Party Initiated Abusive / Aggressive behaviour

	<ul style="list-style-type: none"> • Induction processes • Thriving Under Fire (TUF) • Allsafe – Situational Safety Training • CERT -Situation Safety & Tactical Communications (Regulatory/ Compliance Activity) • Tikanga education • GW Radio Network operation 			
Wellbeing/ Hauora	<ul style="list-style-type: none"> • GW staff EAP and Manawa Ora service • GW Mental Health 1st Responders • External professional psychological assistance 	Fully	Fully	Responsive

ELT Decision Paper: 3rd Party Initiated Abusive / Aggressive behaviour

Appendix 4: Risk sentiment

FSR – Exposure to 3rd party initiated Aggressive / Abusive Behaviour



ELT Decision Paper: 3rd Party Initiated Abusive / Aggressive behaviour

Appendix 5: Improvement plan

Risk management strategy	Gap	Opportunity	Action	Lead
Policy process and information	Lack of documented policies	Clear organisational position direction, and resources in place	Implement HSW frameworks standard and guidance – ‘dealing with exposure to 3 rd party initiated aggressive / abusive behaviour and develop resources	HSW
		Clearly stated GW position for staff and public/others, detailing: <ul style="list-style-type: none"> • GW’s risk appetite and tolerance threshold • Risk management priorities – considering organisational service design, delivery, and security 	Implement harmful digital communication policy	Customer engagement
		Bring together existing good risk management practice and information from across GW	Implement unreasonable complaint policy	Business & Customer support
Physical environment – safety by design	Inconsistent physical security features across GW offices and depots.	<p>The risk is designed out consistently across GW sites</p> <p>Risk profiles established for each GW site and confirmed what additional measures are reasonably practical for each location</p> <p>The use of current technologies to increase security at GW sites and better inform dynamic risk assessments, e.g., CCTV that can be accessed to view live images remotely from mobile devices</p>	<p>Complete a physical security review of all GW offices, depots and onsite staff residences and submit a security action and improvement plan</p> <p>Submit a proposed physical security action and improvement plan to ELT</p> <p>*Please note: Action to address recent security breaches at Upper Hutt depot is underway</p>	Business & Customer support
Training and competence	Consistent delivery of fit for purpose training for	Establish a clear understanding on what is fit for purpose training	Training needs analysis	HSW / HR

ELT Decision Paper: 3rd Party Initiated Abusive / Aggressive behaviour

	<p>all staff exposed to the risk</p>	<p>GW staff equipped with skills, knowledge, and tools to help manage the risk and keep themselves safe.</p> <ul style="list-style-type: none"> • Recognition • De-escalation • Personal safety • Compliance 	<p>Identify and document elements of fit for purpose training</p> <p>Identify the roles and gaps requiring these training elements</p> <p>Establish a plan to ensure training and refresher activity is delivered to identified staff</p>	
<p>Monitoring and assurance</p>	<p>Inconsistent risk controls monitoring and assurance activity.</p>	<p>Ongoing assurance for GW that controls are in place and performing as expected</p> <p>Opportunities for additional or improved controls identified</p> <p>Identify and analyse motivating factors to inform planning</p> <p>Good service design to reduce aggravating factors</p>	<p>Establish a risk specific assurance programme, including:</p> <ul style="list-style-type: none"> • Annual review of KESAW events • Programmed emergency procedures drills • Audits • Training plan progress • Reporting to ELT • Incident reviews • Risk planning • Post incident reviews – identify trends and mitigation strategies 	<p>HSW</p>

Finance, Risk and Assurance Committee
14 February 2023
Report 23.18



For Information

RISK MANAGEMENT UPDATE – FEBRUARY 2023

Te take mō te pūrongo

Purpose

1. To update the Finance, Risk and Assurance Committee (the Committee) on the developments of risk management within Greater Wellington Regional Council (Greater Wellington).

Te horopaki

Context

2. The new risk approach was introduced to the Committee in May 2022 and seeks to provide:
 - a Top-down identification of key areas of success and uncertainty which are aligned to Greater Wellington’s purpose and long term plan commitments
 - b A view of Greater Wellington wide areas of uncertainty through the Executive Leadership Team (ELT) risk dashboard.
 - c Areas of uncertainty defined on a page in terms of opportunities, threats, causes, response, and management processes.
 - d A reset to assign specific accountabilities for uncertainties that enables risk to be embedded into Greater Wellington's core ways of working.
3. Since the May 2022 Committee meeting, we have:
 - a Recruited and onboarded the Senior Manager, Corporate Risk and Assurance.
 - b Revised the ELT risk dashboard to better align to the long term plan.
 - c Developed a suite of one page uncertainty statements.

Te tātaritanga

Analysis

4. The new risk approach has now been piloted with a further six teams with one-page statements being developed to unpack each uncertainty.
5. A report was prepared and presented to ELT, in December 2022, providing them with the latest ELT risk dashboard and new uncertainty statements. ELT endorsed the new risk approach which will form part of their regular monthly reporting.

6. The report also outlined next steps which included updating both the risk management policy, to enable risk management to be effectively embedded into core ways of working, and the risk appetite statement, to explicitly define the level of uncertainty (risk) that is deemed to be acceptable for Greater Wellington to take on, to deliver on its mandate and strategic priorities.
7. **Attachment 1** provides the Committee with:
 - a The current Success and Risk Profile, heat-mapped to reflect the perspective of the ELT
 - b The results of workshops undertaken to unpack one page uncertainty statements.

Updated Risk Management Policy

8. An effective risk management policy enables risk management to be effectively embedded into core ways of working including planning, operations and monitoring processes while normalising regular conversations surrounding risk.
9. We are in the process of updating Greater Wellington's risk management policy as the existing policy is out of date and does not align to our new risk approach.
10. We will be seeking approval of the updated policy during ELT's February meeting.

Updated Risk Appetite Statement

11. A risk appetite statement is a mechanism to explicitly define the level of uncertainty (risk) that is deemed to be acceptable for Greater Wellington to take on, to deliver on its mandate and strategic priorities. Typically, specific appetites (levels of acceptable risk) are defined for specific categories or groups of similar risks.
12. In effect, a risk appetite statement is set by Council, to create boundaries in which the CEO and ELT can make decisions. A risk appetite that is too conservative may constrain choices and operations, while one that is too bold may lead to undesirable outcomes.
13. While no organisation actively seeks out risk (in terms of negative things happening), thinking of risk as uncertainty, frames this discussion in terms of 'how much variability of outcomes (both good and bad) are we prepared to accept in order to do things differently and meet our commitments'.
14. The level of acceptable variability/uncertainty is likely to differ for different areas, hence, the need for a clear risk appetite statement to guide executive decision making.
15. Greater Wellington's risk appetite statements were approved by the Committee and last reviewed in September 2020.
16. This means the risk appetite statement is out of date and needs to be updated to reflect the new risk approach and the new Council's position on risk.
17. We will be looking to set up a workshop with members of the Committee to begin the process of updating the Risk Appetite Statement.

**Ngā āpitihanga
Attachment**

Number	Title
1	Success and Uncertainty – Risk Update for the Finance, Risk and Assurance Committee

**Ngā kaiwaitohu
Signatories**

Writer	Jacob Boyes – Senior Manager, Corporate Risk and Assurance
Approver	Sue McLean – General Manager Corporate Services

<p>He whakarāpopoto i ngā huritaonga Summary of considerations</p>
<p><i>Fit with Council’s roles or with Committee’s terms of reference</i></p> <p>The Committee has a specific responsibility to “review the effectiveness of Greater Wellington’s identification and management of risks faced by Council and the organisation. This review includes whether Greater Wellington is taking effective action to mitigate significant risks”</p>
<p><i>Contribution to Annual Plan / Long Term Plan / Other key strategies and policies</i></p> <p>Greater Wellington makes decisions every day on order to deliver it’s to what it has committed to through the Long Term Plan. Risk management is essentially enabling good decisions to be made that reflects a good understanding of uncertainty within the environment and tradeoffs between competing choices.</p>
<p><i>Internal consultation</i></p> <p>In developing this refreshed approach to risk reporting, consultation and input was provided by</p> <ul style="list-style-type: none"> - The GM Corporate Services - The Executive Leadership Team
<p><i>Risks and impacts - legal / health and safety etc.</i></p> <p>Several areas of risk have emerged from this work. These are described in the body of this report.</p>

Attachment One - Risk update for the FRAC

Attachment Overview

The attachment includes:

- The current risk dashboard heat-mapped to reflect the perspective of the ELT.
- The results of workshops undertaken to unpack one page uncertainty statements.

ELT Dashboard

Last updated: 7 February 2023



What is new

We have confirmed risk owners for all uncertainties.

We are still to confirm the risk champion for the Environment group and risk leads for:

- Impact of reform
- Demographic change & clarity of community needs
- Impact on the environment
- Appropriateness of services & delivery models

We will look to have a workshop with risk leads and risk champions to outline what is required from them in their roles.

Management Comment

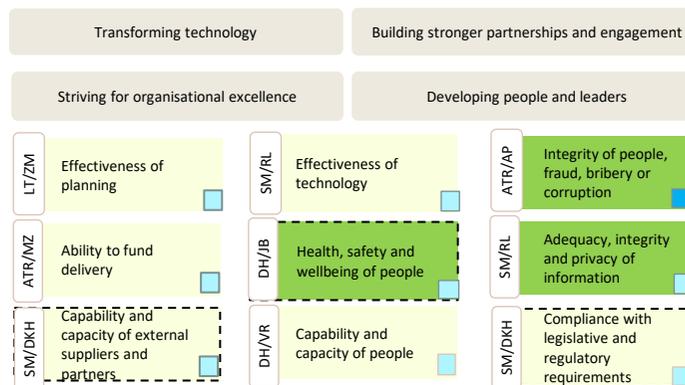
The sentiment survey was run in the first week of February resulting in the following observations.

- ELT has low alignment for the 'Reputation and public profile' and 'Integrity of people, fraud, bribery or corruption' uncertainties.

Based on follow up commentary:

1. The reputation and public profile uncertainty has been workshoped and will be presented to ELT during the Feb 2023 monthly reporting session.
2. The Finance team are in process of arranging for PWC to complete a fraud risk assessment. The workshop to unpack this uncertainty will be aligned to this work, and its timeline, to ensure it takes account of any results or recommendations.

Foundation to Success



KEY

Sentiment Alignment

High **H M L M** Minimal

GM Key area

What success looks like

Confidence / concern rating

Ultimate objective

G Y A R

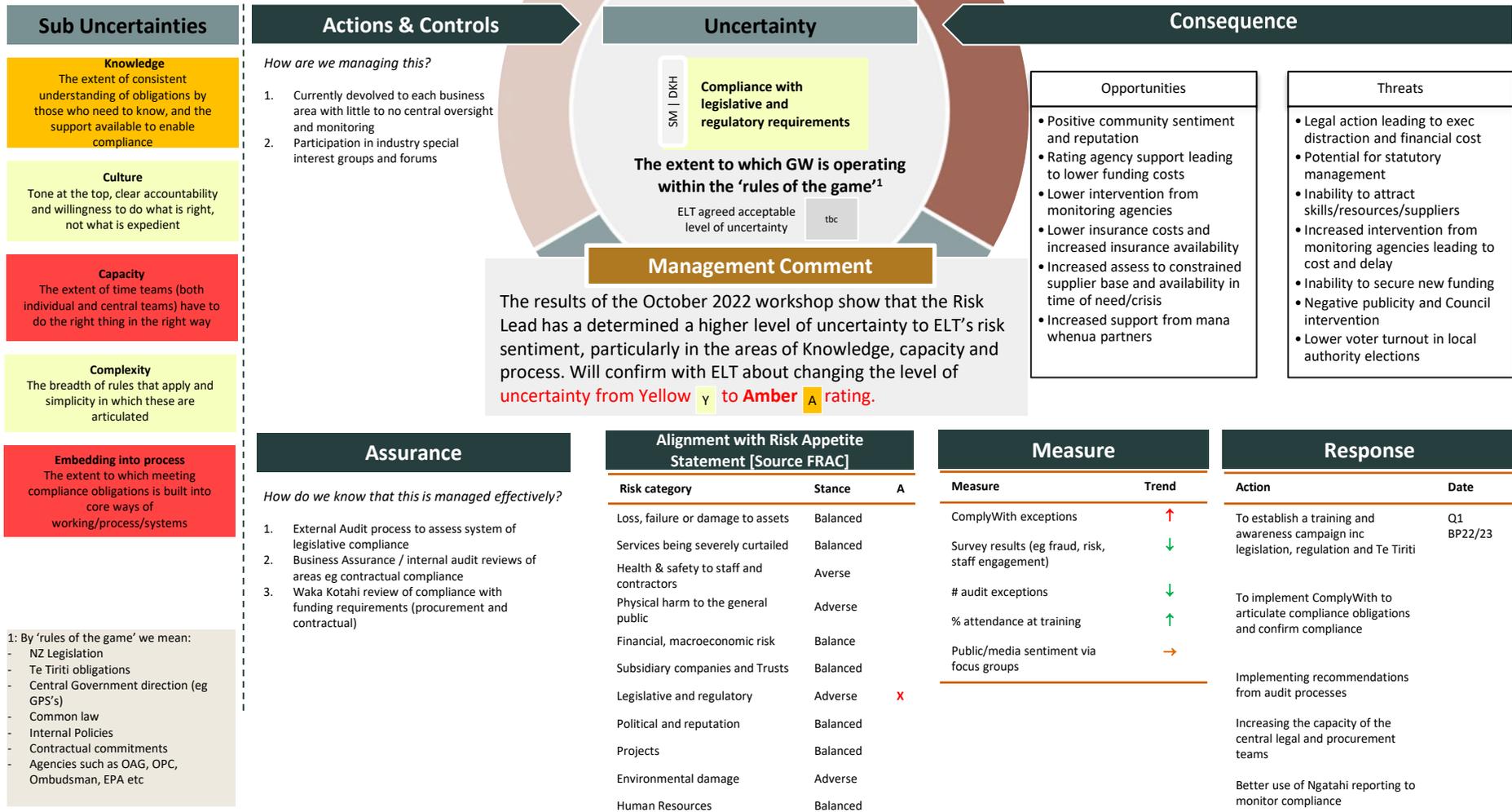
UNCERTAINTY

Compliance with legislative and regulatory requirements

Last updated: 14 November 2022

Workshop One Pager

Foundation to Success



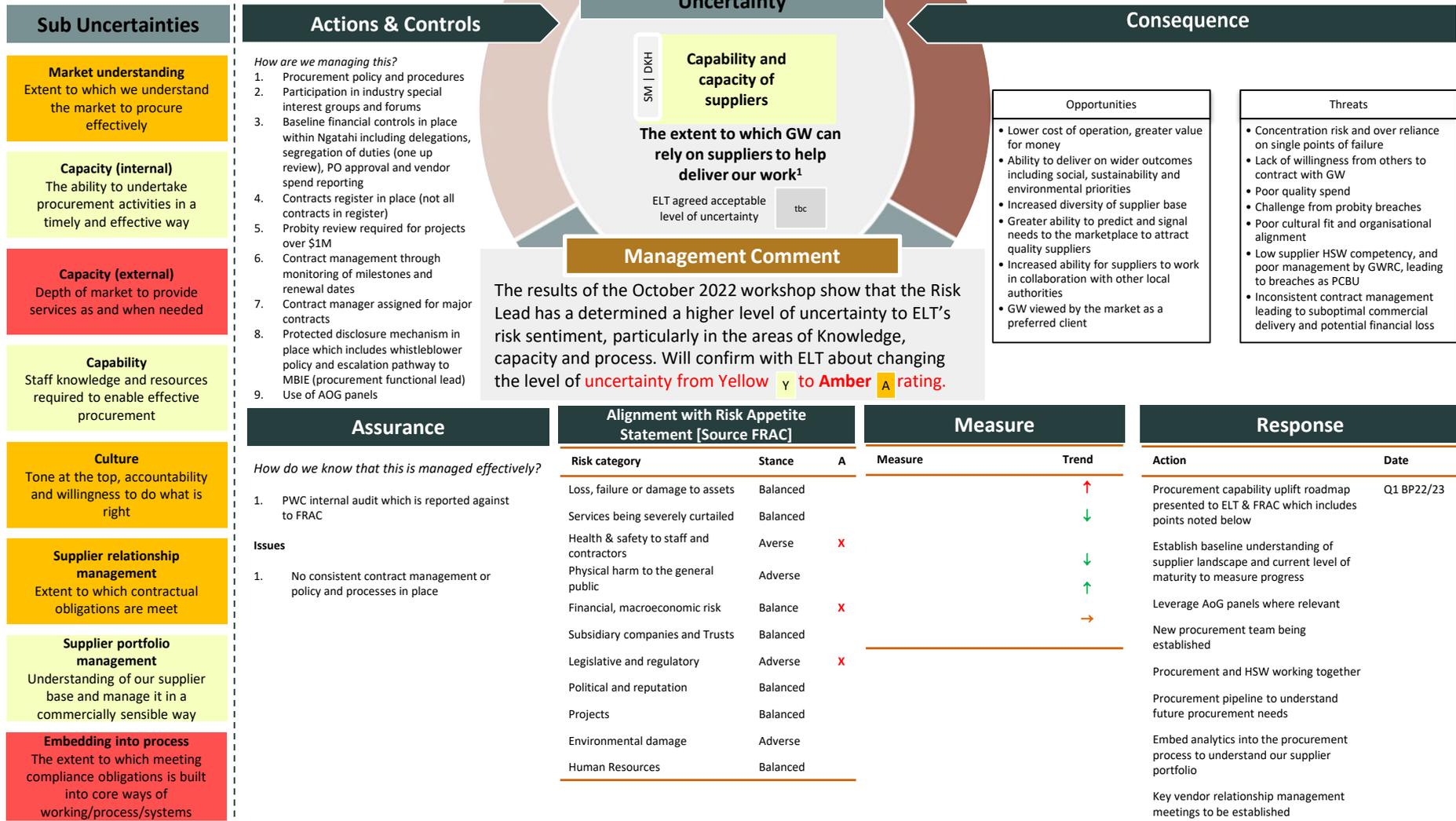
UNCERTAINTY

Compliance with legislative and regulatory requirements

Last updated: 25 November 2022

Workshop One Pager

Foundation to Success

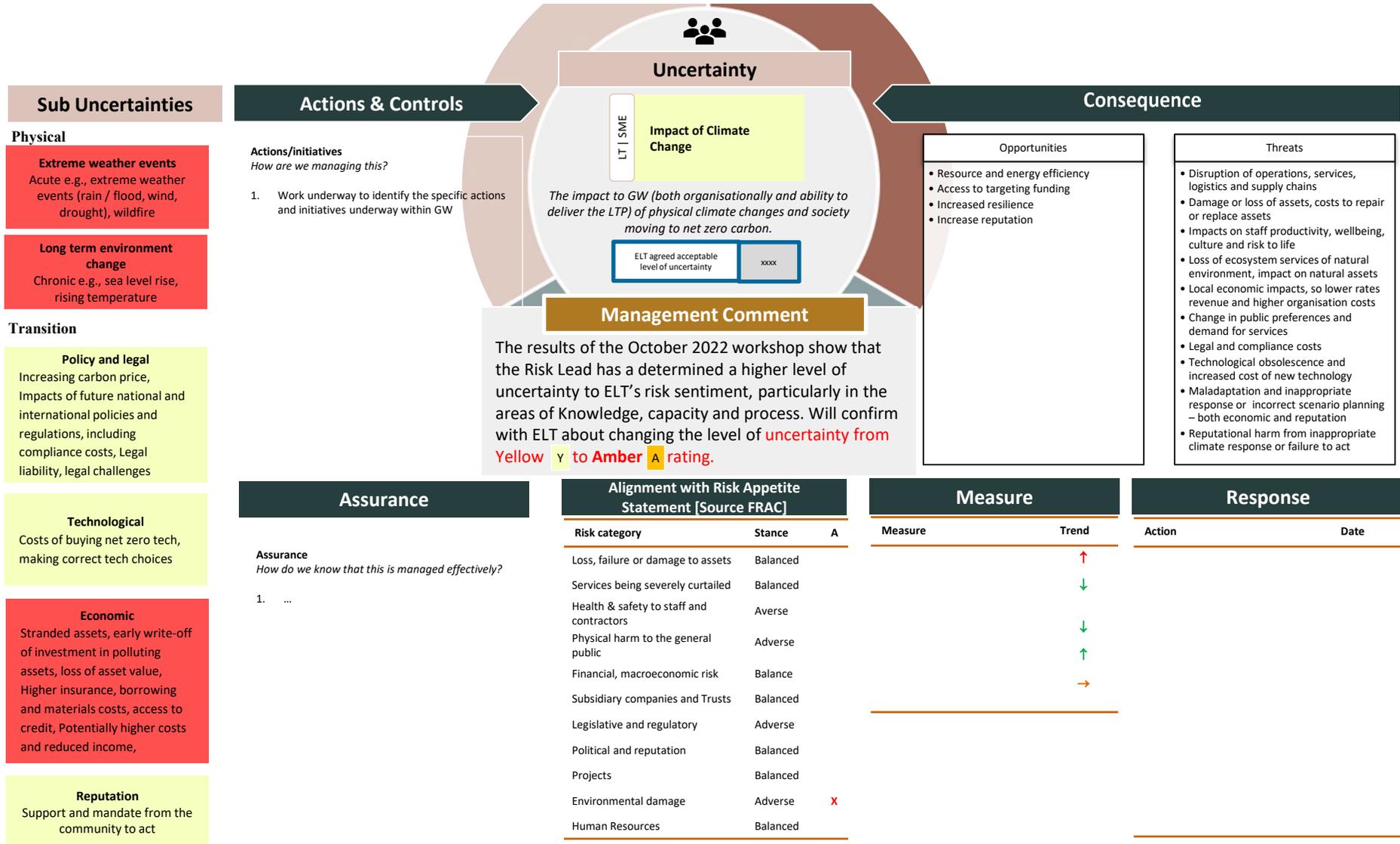


UNCERTAINTY Impact of climate change

Last updated: 10 November 2022

Workshop One Pager

Understanding & meeting community needs





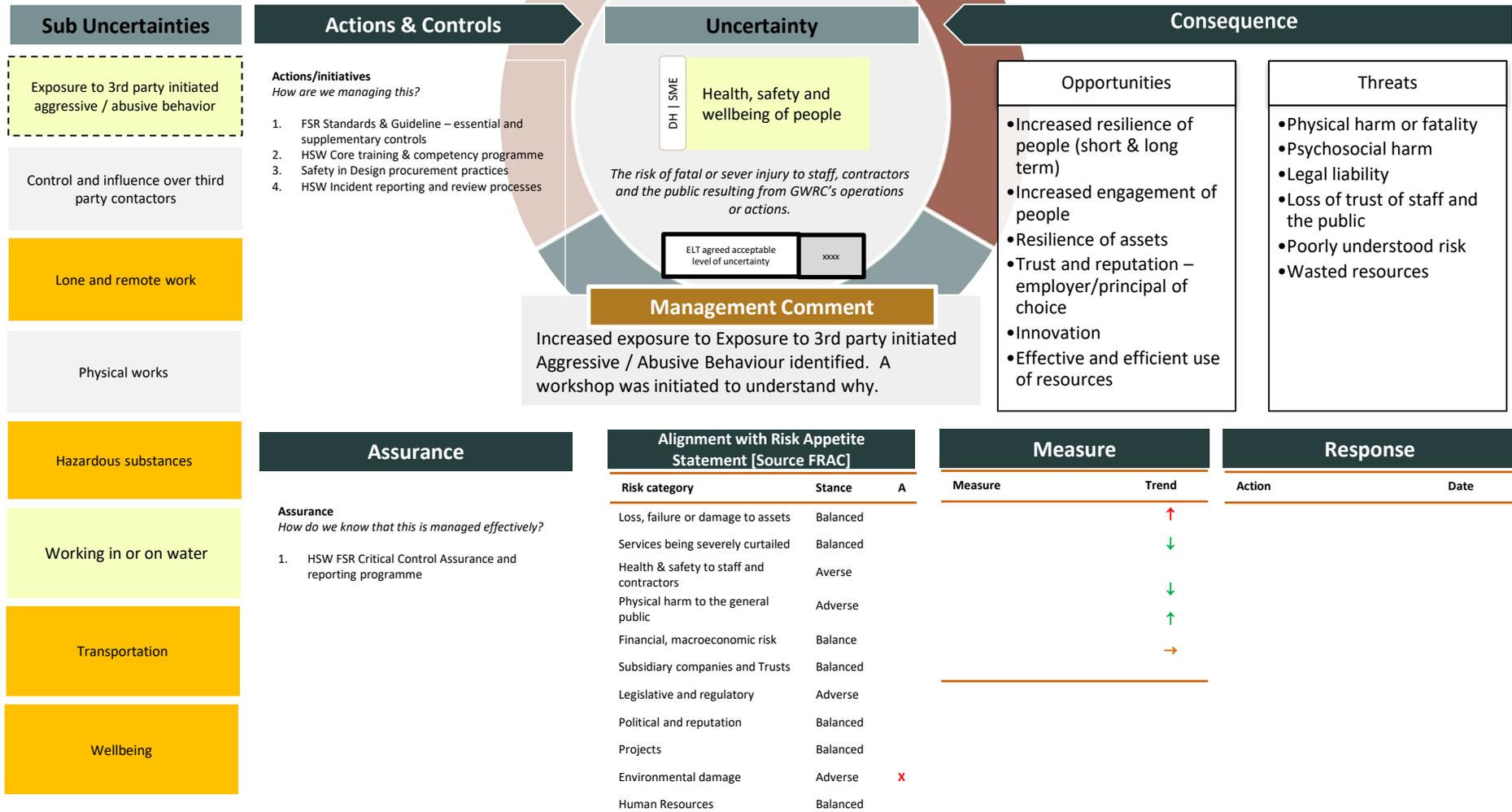
Workshop One Pager

UNCERTAINTY

Health, safety and wellbeing of people

Last updated: 22 November 2022

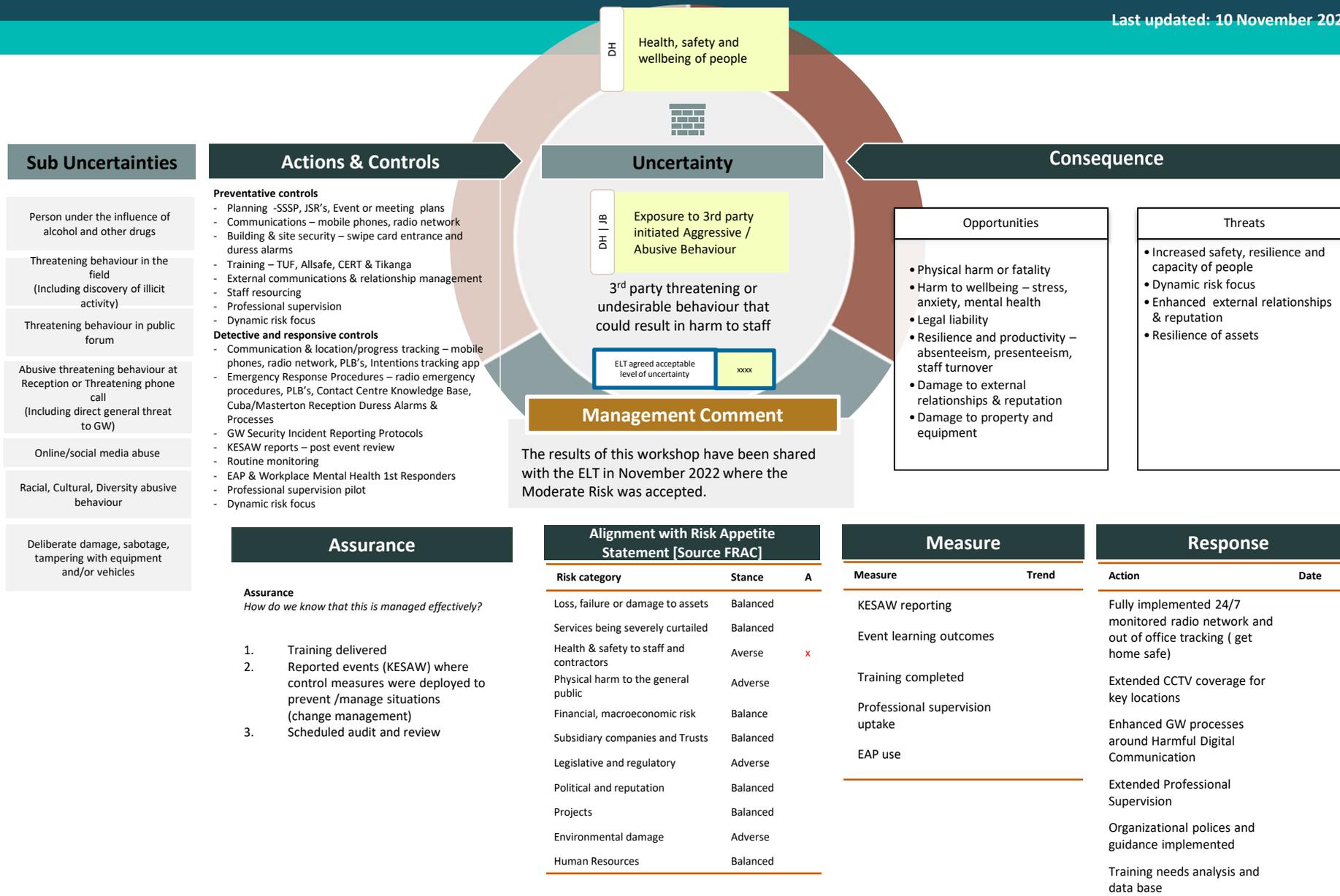
Foundation to Success



SUB UNCERTAINTY: Aggressive or Abusive Behaviour

Last updated: 10 November 2022

Workshop One Pager



Finance, Risk and Assurance Committee
14 February 2023
Report 23.17



For Information

ASSURANCE UPDATE – FEBRUARY 2023

Te take mō te pūrongo

Purpose

1. To update the Finance, Risk and Assurance Committee (the Committee) on the three year assurance plan.

Te horopaki

Context

Business Assurance Action Points

2. Relevant updates against the current assurance plan are appended in [Attachment 1](#).
3. Since the previous update to the Committee (Business Assurance Update - Report 22.172) the terms of reference documents for the change management, capital works and asset management reviews have been approved.
4. Corporate Services have now hired a Senior Manager, Corporate Risk & Assurance that will support the coordination and management of assurance activities across Greater Wellington.

Te tātaritanga

Analysis

Business Assurance Arrangements

5. The assurance plan, through to 2024, is set out as a 'plan on a page' in **Attachment 1**. We have provided a progress update on the plan.
6. **Attachment 1** also outlines any changes, delays, and items to note for each of the assurance reviews included in the plan.
7. The terms of reference documents for the change management, capital works and asset management reviews have been approved, with these reviews both commencing in February through to April 2023.
8. Three recommendations have closed. Further details open actions can be found in **Attachment 1**.

Review of the 2021-24 Assurance Plan

9. As set out in **Attachment 1**, there are four reviews planned of the 2023/24 financial year. The Regional Land Transport Plan (RLTP) funding review is no longer required. If a review of higher priority is identified, the review of the rating model could be delayed.
10. We would like to review the final year of the assurance plan to ensure planned reviews are best aligned to our areas of uncertainty and help enable delivery of the LTP.

Ngā tūāoma e whai ake nei

Next steps

11. For the Committee to agree on the assurance topics to be completed during financial year 2023/24.
12. We will continue to report back to the Committee on the progress of the assurance plan delivery as the reviews are completed and will continue to monitor the action points for completion.

Ngā āpitihanga

Attachment

Number	Title
1	Assurance Update February 2023

Ngā kaiwaitohu

Signatories

Writer	Jacob Boyes – Senior Manager, Corporate Risk and Assurance
Approver	Sue McLean – General Manager Corporate Services

<p>He whakarāpopoto i ngā huritaonga Summary of considerations</p>
<p><i>Fit with Council’s roles or with Committee’s terms of reference</i></p> <p>The Committee’s Terms of Reference provide for it to “approve an internal audit plan”.</p>
<p><i>Contribution to Annual Plan / Long Term Plan / Other key strategies and policies</i></p> <p>Internal audit / assurance reviews the effectiveness of Greater Wellington’s internal controls framework and processes such that Council can deliver effectively on its objectives, including safeguarding assets as set out in its Long-Term Plan and Annual Plans. Internal audit supports the risk management policy and risk management framework.</p>
<p><i>Internal consultation</i></p> <p>The proposed internal audit arrangements were developed by management in consultation with a number of Greater Wellington’s third tier managers, with ELT oversight and review, and taking into account Committee and Council input provided in a workshop on 27 July 2021.</p>
<p><i>Risks and impacts - legal / health and safety etc.</i></p> <p>Internal audit acts to reduce risk by ensuring controls are operating as Greater Wellington has developed through its policies and procedures.</p>

Attachment 1

Assurance Update

Finance, Risk and Assurance Committee

14 February 2023

Progress on the 2021-24 Assurance Plan

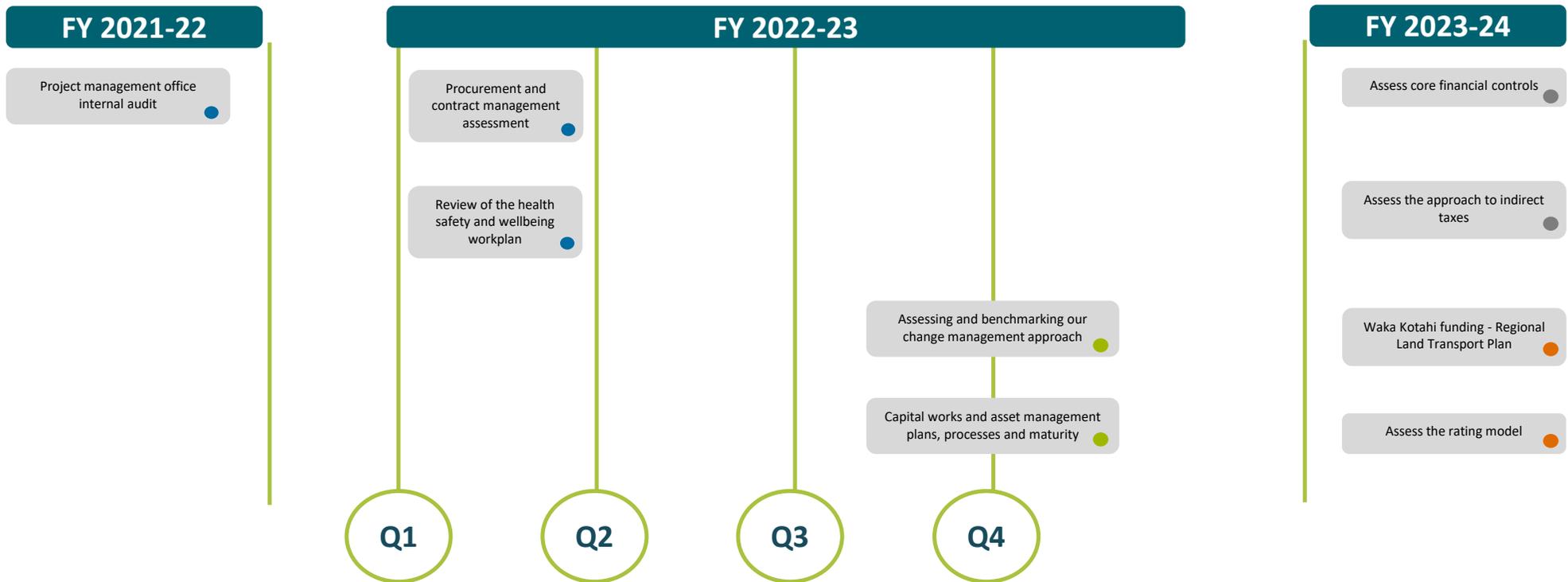
Progress on the 2021- 2024 Assurance Plan

In summary: Since the last update, the terms of reference documents for the change management, capital works and asset management reviews have been approved with updates on their progress being provided in the Q4 FRAC meeting.

We are also looking to review the assurance plan as the regional land transport plan and rating model reviews are no longer seen as a priority by their sponsors.

PwC status:

- Completed
- In progress/ on track
- Delays or changes expected
- Not yet started



Status of in progress reviews

The table below provides an update on in progress assurance reviews.

Review	Objective	Scoping	Terms of Reference	Fieldwork	Draft	Management Comments	Final Deliverable	Comments
Change Management Sponsor: Donna Hickey	Assess and understand the Council’s current change management practices and provide ongoing improvement recommendations to ensure that new business initiatives are implemented successfully.							Terms of reference for this review have been completed with fieldwork being started in February.
Capital works and Asset management plan, processes and maturity Sponsor: Alison Trustrum-Rainey	Assess the processes and practices for effective asset management across GW, while determining the root cause of recurring capital expenditure underspend, identifying opportunities for improvement and remediation.							Terms of reference for this review have been completed with fieldwork being started in February.

Attachment 1 to Report 23.17

Review of the 2021-24 assurance plan

Review of the 2021-24 assurance plan

Of the four reviews planned, for the 2023/24 financial year (see table below), one review is no longer required, and another review could be delayed, if a review of higher priority is identified.

We would like to review the final year of the assurance plan to ensure planned reviews are best aligned to our areas of uncertainty and help enable delivery of the LTP.

Assurance	Description	Priority
Regional Land Transport Plan (RLTP) funding	Review the Waka Kotahi funding application process, undertaken by GW, in relation to RLTP and business case development, focusing on determining if the Council is using the best quality information and is maximising its opportunities.	Not Required The relationship between Waka Kotahi and GW has greatly improved through working with them to better understand funding requirements.
Rating model	Assess the processes and controls responsible for supporting the integrity, accuracy and robustness of the rating model to calculate rates in accordance with the Rating Act, and identify any unmitigated risks or areas to help improve the management of the model and its integrity.	Could be delayed Currently reliant on external services with work underway to recruit for the vacant position and to develop the new rating model. Undertaking the review in 2023/24 would enable recommendations to be to be integrated into the new model. Delaying the review until the 2024-27 assurance programme would provide assurance that the new rating model is effective.
Indirect taxes	Assess the approach and enterprise resource planning functionality used to enable GW to fulfil its indirect tax obligations.	Required We currently do not have a tax management policy which is being developed over the next 12 months. Review covers an area of high reputation risk with GW having incorrectly paid our tax in the past (Kiwisaver withholding tax). The review would provide assurance to ELT, and FRAC, that taxes are being correctly managed.
Core financial controls	Assess the design, operation and alignment of core financial controls to policy requirements across GW's financial processes and ERP, and identify any areas of inefficiency or pain points faced by teams.	Required Review would help support the implementation of the new Ngatahi system with findings also being shared with Audit New Zealand.

Update on outstanding recommendations

Follow up of Open Actions

The below table provides an update on current open and completed Business Assurance actions

Business Assurance review	Closed Actions #	Open Actions #	Management commentary
Project management office internal audit	1	1 (1 in progress)	We are currently reviewing delegated financial authorities to ensure they align to peer organisations of GW. Note: Not reported in the last FRAC update. Included as progress has been made against recommendations and to ensure the update aligns to the assurance plan.
Health, Safety & Wellbeing	7	12 (10 in progress)	Work is currently underway on reviewing the critical risk register, which are being aligned to the new risk approach, and the controls register.
Procurement and Contract Management	1 (1 new closed)	6 (4 in progress)	Recruitment is progressing. A supplier list has been included within Ngātahi. GW is already part of numerous AOG panels, we have meet with MBIE and are also looking to be part of AOG electricity and construction sector consultancy panels. Note: previously reported as 16 recommendations in the last FRAC update. The 16 recommendations were actually initiatives that were linked to recommendations (findings). We are now tracking the 7 recommendations as they better align to PWC's report and how other recommendations are being tracked.