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## **NOTICE OF MEETING**

**Notice is hereby given of the Meeting of the  
Risk and Assurance Committee to be held in the  
Council Chamber, First Floor, Civic Administration  
Building, 101 Esk Street, Invercargill on  
Tuesday 21 March 2023 at 8.30 am**

Mr B Robertson (Chair)  
Mayor W S Clark  
Cr R I D Bond  
Cr T Campbell  
Cr G M Dermody  
Mr R Jackson  
Cr D J Ludlow  
Cr I R Pottinger  
Cr L F Soper

MICHAEL DAY  
ACTING CHIEF EXECUTIVE

# Risk and Assurance Committee - Public

21 March 2023 08:30 AM

Agenda Topic	Page
1. Apologies	
2. Declaration of Interest	
a. Members are reminded of the need to stand aside from decision-making when a conflict arises between their role as an elected representative and any private or other external interest they might have.	
b. Elected members are reminded to update their register of interests as soon as practicable, including amending the register at this meeting if necessary.	
3. Public Forum	
4. <a href="#">Minutes of the Risk and Assurance Committee Held on 20 December 2022 (A4196923)</a>	5
5. <a href="#">Minutes of the Extraordinary Meeting of the Risk and Assurance Committee Held on 07 March 2023 (A4423395)</a>	11
6. <a href="#">Internal Audit and Continuous Improvement Update (A4429092)</a>	14
7. <a href="#">Health, Safety and Wellbeing Update (A4434263)</a>	19
8. <a href="#">Health and Safety Progress (A4434375)</a>	25
8.1 <a href="#">Appendix 1 – Health and Safety Obligations for Members (A4136427)</a>	33
8.2 <a href="#">Appendix 2 – SafePlus Report (A4079091)</a>	37
9. <a href="#">Risk Management Update March 2023 (A4434901)</a>	65
10. Public Excluded Session	

**Public Excluded Session**

Moved \_\_\_\_\_, seconded \_\_\_\_\_ that the public be excluded from the following parts of the proceedings of this meeting, namely:

- a. *Minutes of the Public Excluded Session of the Risk and Assurance Committee Held on 20 December 2022*
- b. *Council Litigation Update*
- c. *Ombudsman Investigations*
- d. *Procurement Risk and Policy Compliance Report*
- e. *Invercargill Central Limited Project Update*

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:

<b>General subject of each matter to be considered</b>	<b>Reason for passing this resolution in relation to each matter</b>	<b>Ground(s) under Section 48(1) for the passing of this resolution</b>
a. <i>Minutes of the Public Excluded Session of the Risk and Assurance Committee Held on 20 December 2022</i>	<b>Section 7(2)(i)</b> Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	<b>Section 48(1)(a)</b> That the public conduct of this item would be likely to result in the disclosure of information for which good reason for withholding would exist under Section 7
b. <i>Council Litigation Update</i>	<b>Section 6(a)</b> Maintenance of law including the right to a fair trial  <b>Section 7(2)(g)</b> 7(2)(g) Maintain Legal Professional Privilege	<b>Section 48(1)(a)</b> That the public conduct of this item would be likely to result in the disclosure of information for which good reason for withholding would exist under Sections 6 and 7
c. <i>Ombudsman Investigations</i>	<b>Section 7(2)(g)</b> Maintain Legal Professional Privilege	<b>Section 48(1)(a)</b> That the public conduct of this item would be likely to result in the disclosure of information for which good reason for withholding would exist under Section 7
d. <i>Procurement Risk and Policy Compliance Report</i>	<b>Section 72(b)(ii)</b> Would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information	<b>Section 48(1)(a)</b> That the public conduct of this item would be likely to result in the disclosure of information for which good reason for withholding would exist under Section 7
e. <i>Invercargill Central</i>	<b>Section 7(2)(i)</b>	<b>Section 48(1)(a)</b>

<i>Limited Update</i>	<i>Project</i>	Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	That the public conduct of this item would be likely to result in the disclosure of information for which good reason for withholding would exist under Section 7
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**MINUTES OF RISK AND ASSURANCE COMMITTEE, HELD IN THE COUNCIL CHAMBERS,  
FIRST FLOOR, CIVIC ADMINISTRATION BUILDING, 101 ESK STREET, INVERCARGILL ON  
TUESDAY 20 DECEMBER 2022 AT 8.30 AM**

**Present:** Mr B Robertson (Chair)  
Mayor W S Clark  
Cr R I D Bond  
Cr T Campbell  
Mr R Jackson  
Cr D J Ludlow  
Cr I R Pottinger  
Cr L F Soper

**In Attendance:** Ms E Cook – Māngai – Waihopai  
Mrs C Hadley – Chief Executive  
Mr M Day – Group Manager – Finance and Assurance  
Ms T Hurst – Group Manager – Customer and Environment  
Ms E Moogan – Group Manager – Infrastructure Services (via zoom)  
Mr S Gibling – Group Manager – Leisure and Recreation  
Mrs P Christie – Chief Financial Officer  
Mr M Morris – Manager – Governance and Legal  
Mr P Patton – Manager – Quality, People and Capability  
Ms L Knight – Manager – Strategic Communications  
Ms K Braithwaite – Digital and Communications Advisor  
Ms M Cassiere – Executive Governance Officer

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## **1. Apologies**

Cr Dermody. Cr Soper for early departure from the meeting.

Moved Mr Robertson, seconded Cr Ludlow and **RESOLVED** that the apologies be accepted.

## **2. Declaration of Interest**

Mr Ross Jackson declared that a staff member of his organisation was subcontracted to Invercargill City Council (ICC) for the Annual Report and noted that there would be no conflict.

## **3. Public Forum**

Nil.

#### 4. Minor Late Item

##### 4.1 Staff Response to Audit NZ Regarding Audit Sign off Delay

Moved Cr Ludlow, seconded Cr Campbell and **RESOLVED** that the Minor Late Item 'Staff Response to Audit NZ Regarding Audit Sign off Delay' be received.

**The reason that the item was not in the agenda**

**The reason why the discussion of the item could not be delayed**

The document was not ready at the time of the publication of the agenda.

Matters could be progressed in a timely manner.

#### 5. Risk and Assurance – Terms of Reference

A4193146

Mr Michael Morris spoke to the report.

It was noted that Health and Safety, and membership of the Risk and Assurance Committee (RAC) be included in the Terms of Reference (ToR).

It was noted that establishing risk management from top down may help in managing the risk of overlap between RAC and other committees. A risk workshop would be held with Council next year and it would be around establishing risk tolerance levels. The Committee's work programme would seek to establish Council's organisational risk appetite and would provide indication around the type of reports that came to RAC.

The Chair referenced a couple of items in the ToR and noted that some of the points in 2(e) were quite prescriptive and may not always happen. He noted that item 3(b), which was about financial risk, would have to be reconsidered, as they would be reviewed at the Community Wellbeing Committee meeting as well. He also requested that Committee survey be included under item 6 of the ToR.

Moved Mr Robertson, seconded Cr Ludlow and **RESOLVED** that the Risk and Assurance Committee:

1. Receive the report titled "Risk and Assurance – Terms of Reference".

**Recommend to Council:**

2. The following changes to the Terms of Reference be incorporated into the Governance Statement.

## **6. Risk and Assurance Committee Annual Work Programme**

A4217720

Mr Michael Day spoke to the report. He noted the RAC work plan had been streamlined and reports that had been split into individual reports were consolidated. Previously reports on Health and Safety, Cyber and financial risks, had been split into three separate reports. These reports had now been combined into a single risk management report. The finance risk report had been streamlined, in relation to all things finance, and risks associated with them, would be included into one report.

Moved Cr Pottinger, seconded Mayor Clark and **RESOLVED** that the Risk and Assurance Committee:

1. Receive the report "Risk and Assurance Committee Annual Work Programme".
2. Approve the Risk and Assurance Annual Work Programme for 2023.

## **7. Health, Safety and Wellbeing Update**

A4218158

Mr Peter Patton spoke to the report. He noted there was difficulty in recruitment for the two vacant Health and Safety positions. He also noted that over the last six months there had been a notable increase in incidences and near misses such as aggression towards staff.

Moved Cr Ludlow, seconded Cr Pottinger and **RESOLVED** that the Risk and Assurance Committee:

1. Receives the report 'Health, Safety, and Wellbeing Update'.
2. Note the summary of work undertaken to date.

## **8. Update on Annual Report**

A4219528

Mr Michael Day and Mrs Patricia Christie spoke to the report. Mr Day noted the audit opinion would not be available before Christmas. He said officers were proactively working with the external auditors to finalise the audit opinion, agreed to be, by end February 2023.

Mr Day said the introduction of technology had changed the approach of auditors with Council finance staff. Auditors did not communicate with the staff directly when they were physically on site. He said a communication breakdown between himself and the Audit Director was a major issue. He had not had a conversation with the Audit Director during the audit process. A number of governance meetings had taken place. During the meeting of 24 November 2022, he asked whether there was anything, which would give cause for the 20 December 2022 date for the audit opinion to not be met. He was told noting. He further said that all the matters that were raised in the audit comments by the external auditor should have been known by then.

Mrs Christie said the audit process was approximately six weeks of fieldwork after year-end, and was typically done in June. The auditors would audit financials, audit every

word within the annual report document, and spend a significant amount of time on audit of performance against the level of service. Private sector audits were different from private sector audits and the focus was on ensuring credibility within the public sector. The external auditors used a different type of lens to view audits and as such, required lot more information and work.

Mrs Christie said that Council did not have a choice in their choice of external auditors; the Auditor General appointed the auditor. She said Council also did not have a choice in the cost, which was determined by the Office of the Auditor General.

Mrs Christie stated that the resource plan for the audit process was not fully shared with Council staff by the auditors. Operationally, the auditors would provide the resource for the next week on a Thursday afternoon, along with the focus area that they would look at, including whether an auditor would roll off the audit next week. It became clear at the operational meeting in which the auditors said they could not sign off, that they had not started some sections at all, and that it was still the case today. She said that it also made it difficult for upward management of the audit.

Mrs Christie noted the significant resourcing issue from her side was that the auditors did not put the right sections in the right order. Since a full revaluation of the assets was performed this year, they required third party input into the audit which had not been done up front. Communication with third parties had not been good and they had not been informed of dates for audits. She noted that, as at 31 December 2022, the only outstanding audit would be the ICC group and the ICHL group.

Mr Ross Jackson was invited to provide his comments. He noted a process had been put in place after the 2021 sign off and he, along with Mr Robertson, had met with the Audit Director to spell out expectations and hear any grievances. He noted they had stepped out of their governance roles and had monthly meetings with Council's finance team and the senior audit team. The points covered included ensuring there were adequate resources on both sides, identification of pinch points, technical issues and Group issues were noted, and timeliness had also been noted.

Mr Jackson said at the 24 November 2022 meeting, no major issues were identified. He said the only proviso at that stage had been that if either team suffered sickness due to Covid, then there would be an issue. This point had been raised at the subsequent meeting when auditors provided their reasons for the delay and they had expanded on that point, for which Mr Jackson had pointed out that the only reason auditors had said they would be unable to deliver was due to their team being affected by Covid. Audits should be well-planned and extra hours allowed in the plan since no audits ran smoothly, especially for an organisation the size of Council or for any other Local Authority. He said he felt blindsided by the decision to delay audit opinion and disappointed in the way it had been communicated, and that the planning by Audit NZ had been inadequate.

The Chair noted the Audit Director had phoned him to explain the letter from them to ICC. At that stage, it was clear the audit opinion would not be received on 20 December 2022, and a meeting with Audit New Zealand as an accountability exercise would be required. He said that for the first time, Council's finance team had a defined plan with key issues to achieve the actual date in February 2023.

Note: Cr Soper left the meeting at 9.08 am.



Moved Mr Robertson, seconded Mr Jackson and **RESOLVED** that the Risk and Assurance Committee:

1. Receive the report 'Update on Annual Report'.
2. Note the letter from Audit New Zealand and management response.
3. Records the Committee's disappointment that the planned completion of our external reporting commitments cannot be met by the statutory reporting deadline of 31 December 2022.
4. Notes that management is expediting completion of the annual report and receipt of the audit opinion by the end of February 2023.
5. That Council notes that the Committee will meet with the Audit Director to discuss the issues outlined in his letter and will report back to Council by March 2023.
6. That the Committee ask the Mayor, Independent Chair and member to respond to Audit New Zealand / OAG with the Committee's concerns regarding the letter and management's response, and future audit provisions.

## 9. Public Excluded Session

Moved Mr Robertson, seconded Cr Ludlow and **RESOLVED** that the public be excluded from the following parts of the proceedings of this meeting, namely:

- a. *Health and Safety - Continuous Improvement Programme*
- b. *Protected Disclosure Investigation*

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 the passing of this resolution
c. Health and Safety – Continuous Improvement Update	<b>Section 7(2)(i)</b> Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	<b>Section 48(1)(a)</b> That the public conduct of this item would be likely to result in the disclosure of information for which good reason for withholding would exist under Section 7
d. Protected Disclosure Investigation	<b>Section 7(2)(a)</b> Protect the privacy of natural persons, including that of deceased natural persons  <b>Section 7(2)(c)</b>	<b>Section 48(1)(a)</b> That the public conduct of this item would be likely to result in the disclosure of information for which good reason for withholding would exist under Section 7

Protect information  
which is subject to an  
obligation of confidence  
or which any person has  
been or could be  
compelled to provide  
under the authority of  
any enactment

There being no further business, the meeting finished at 11.27 am.

**MINUTES OF EXTRAORDINARY RISK AND ASSURANCE COMMITTEE, HELD IN THE  
COUNCIL CHAMBERS, FIRST FLOOR, CIVIC ADMINISTRATION BUILDING, 101 ESK STREET,  
INVERCARGILL ON TUESDAY 7 MARCH 2023 AT 8.30 AM**

**Present:** Mr B Robertson (Chair)  
Mayor W S Clark  
Cr R I D Bond  
Cr T Campbell  
Cr G M Dermody  
Mr R Jackson  
Cr D J Ludlow  
Cr I R Pottinger  
Cr L F Soper

**In Attendance:** Rev E Cook – Māngai – Waihopai  
Mr M Day – Acting Chief Executive  
Ms E Moogan – Group Manager – Infrastructure Services  
Mrs P Christie – Acting Group Manager – Finance and Assurance  
Ms J Hutton – Interim GM – Customer, Communications and People  
Mr J Shaw – Interim GM – Consents and Compliance  
Mr A Cameron – Chief Risk Officer  
Mr M Morris – Manager – Governance and Legal  
Ms L Knight – Manager – Strategic Communications  
Mr G Caron – Digital and Communications Advisor  
Mr S Walker – Executive Director – Audit New Zealand  
Mr D Ollsson – Audit Director – Audit New Zealand  
Ms M Cassiere – Executive Governance Officer

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**1. Apology**

Cr Soper for early departure.

Moved Cr Campbell, seconded Cr Ludlow and **RESOLVED** that the apology be accepted.

**2. Declaration of Interest**

Nil.

**3. Annual Report 2021/22 Adoption**

A4385722

Mrs Patricia Christie spoke to the report and provided the background for the delay in adoption of the 2021/22 Annual Report, along with an overview of the financial results in the Annual Report. She noted that the audit opinion will contain a qualification with regard to the 2021 comparative numbers from the valuation of property, plant and equipment.

Mr Dereck Ollsson was invited to speak to the Letter of Opinion from Audit New Zealand (AuditNZ). He noted the points raised by Mrs Christie in her summary and spoke about the qualification around the comparative numbers from the valuation of property, plant and equipment.

In relation to the 2022 audit Mr Ollsson said that Council's revaluation process of its infrastructure assets resulted in an uplift of \$250 million which was quite substantial. He noted that Council's investment property showed \$26 million on the balance sheet. He noted that management controls were something that were classified as a huge risk however, after thorough checks, AuditNZ was satisfied that Council's internal controls were robust.

Mr Ollsson further spoke about Invercargill City Properties Limited loan which had been restated and said that it had been determined that the loan needed to be reclassified from being carried at amortised cost to being carried at fair value through profit and loss, based on the terms and conditions of the loan.

In response to a query about the reason for Audit New Zealand's qualified opinion of the previous year, Mr Ollsson said that accounting standards require that Council, on an annual basis, determine whether there would be material movement in the carrying value of its assets and the fair value of its assets. Therefore, the value carried in the books compared to the value received on an open market if Council were to sell the assets. When looking at the fair value assessment performed by Council, Audit New Zealand considered that there were indicators that there could be a material movement. If there was going to be a material movement, the standards required Council to undertake a full valuation. Council chose not to undertake a full revaluation and as a result of the limitation of scope placed on Audit New Zealand, determination of an actual value was not possible. Audit New Zealand had qualified an issue and accepted the opinion based on the value for that financial year. For the current year, the opening balance has uncertainties around it and the movement this year was uncertain. Hence, the qualification from last year would still be carried over to this year.

In response to a query about how replacement value of an asset could be placed when the asset would not be replaced for several years, it was noted that this was done through optimised depreciated replacement cost valuation method. This valuation would be performed every three years to determine the revised value of the asset discounted by the usage value of the asset at the point of time of the valuation.

Moved Mr Jackson, seconded Cr Soper that the Risk and Assurance Committee recommends to Council that it:

1. Note that the Risk and Assurance Committee has:
  - a. Reviewed the draft Annual Report, draft Summary Annual Report and recommends them both for adoption.
  - b. Reviewed Audit New Zealand's opinion.
  - c. Reviewed the letter of representation and back to back letter of representation from management and recommends the letter of representation to Audit New Zealand for signing.
2. Notes that the draft of Audit New Zealand's opinion in Attachment 3 (A4421321) has a limited scope in relation to the 2021 comparative numbers for the valuation of Council's infrastructure and operational assets. The limitation of scope is based

on the conclusion that based on the increases in economic indicators available to Council from March to June 2021 that there were indicators that suggested a revaluation of the infrastructure and operational assets was required at 30 June 2021.

3. Adopts the 2021/22 Annual Report for the Invercargill City Council Group Attachment 1 (A4421172).
4. Authorises the Mayor and Chief Executive to sign the Audit New Zealand Letter of Representation for the 2022 Annual Report in the form attached in Attachment 2 (A4419063).
5. Authorises the Mayor and Chief Executive to sign the Statement of Compliance on page 30 of the 2022 Annual Report.
6. Authorises the Acting Group Manager Finance and Assurance to make minor changes to the 2021/22 Annual Report prior to publication (if necessary).
7. Adopts the draft 2021/22 Summary Annual Report document Attachment 4 (A4421147) subject to receiving the audit opinion from Audit New Zealand.
  - a. Authorises the Chair of the Risk and Assurance Committee, Chief Executive and Acting Group Manager Finance and Assurance to release the document for signing on receipt of the audit report from Audit New Zealand.
  - b. Authorises the Mayor, Chief Executive and Acting Group Manager Finance and Assurance to sign the Compliance Statement.
  - c. Authorises the Mayor and Chief Executive to sign the Audit New Zealand Letter of Representation for the Summary Annual Report when received from Audit New Zealand.
  - d. Authorises the Acting Group Manager Finance and Assurance to make changes necessary to the Summary Annual Report document for publication.

The motion, now put, was **RESOLVED**.

Note: The Chair thanked Mrs Christie and her team for their hard work on the Annual Report.

There being no further business, the meeting finished at 9.13 am.

## INTERNAL AUDIT AND CONTINUOUS IMPROVEMENT UPDATE

**To:** Risk and Assurance Committee

**Meeting Date:** Tuesday 21 March 2023

**From:** Peter Patton, Manager – Quality Assurance

**Approved:** Patricia Christie – Acting GM Finance and Assurance

**Approved Date:** Thursday 16 March 2023

**Open Agenda:** Yes

**Public Excluded Agenda:** No

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### Purpose and Summary

The purpose of this report is to provide an update on the internal audits conducted as part of Council's approved Internal Audit Programme, to provide an update on the recommended actions from audits/reviews and the current state of the continuous improvement programme.

### Recommendations

That the Risk and Assurance Committee:

1. Receive the report "Internal Audit and Continuous Improvement Update", noting the progress made since the last report.
2. Approve the postponement of the Major Infrastructure Project Management and Complaints Handling and Request for Service Reviews to FY2023/24.
3. Note the Deloitte ICC Payroll Review Executive Summary.

### Background

Deloitte are engaged as Council's internal audit partner and undertake a portion of the internal audit programme. Reports from the audits/reviews conducted as well as an update on the continuous improvement programme are to be reported regularly to the Risk and Assurance Committee.

## Issues

### Internal Audit Programme

The internal audit function continues to be jointly delivered by Council staff and Deloitte. The short-term focus is on the Building Control Authority and Food Regulation audits additionally regular audits of payroll access and Masterfile data have commenced.

The audit programme that was previously agreed by the Committee for FY2022/23 is outlined below:

Topics	FY21/22	FY22/23	FY23/24
Accounts Payable Review	✓		
Cash Handling Review	✓		
Payroll Controls Review	✓		
Sensitive Expenditure Review	✓		
Rates Review		✓	
Major Infrastructure Project Management Review		✓	
Complaints Handling and Request for Services Review		✓	
Operational Spend Monitoring and Management Review			✓
Technology Review			✓
Treasury Management Review			✓
Procurement Review			✓

The field work on the rates review has been completed and Deloitte are currently preparing its report for review by officers. This will be reported to the Committee once recommendations and actions have been agreed.

Approval is requested to postpone the following reviews until FY2023/24:

- Major Infrastructure Project Management Review.

In 2022 Council instructed Leva Advisory to carry out an independent assessment of its Project Management Maturity and subsequent gap analysis. This included a deep dive into selected projects from the Project Management Office (PMO). This review is currently being finalised. Due to the staff input required from the PMO as part of each review and in the interest of not doubling up in this space it is suggested a further review of the PMO be undertaken in late 2024.

- Complaints Handling and Request for Service Review.

This postponement is requested as the draft Customer Feedback Policy and Process is due to be presented to the Executive Leadership Team in June 2023. Once approved this policy will be introduced across Council and a review during the second quarter 2024 would be appropriate.

### Internal Audit – Payroll Review

Deloitte have completed a review of Council's payroll controls and concluded that while there are a number of examples of good practice, the current payroll processes and controls can be enhanced.

### 1.3 Overall Conclusion

The following examples of good practice were identified:

- There is a rotating role schedule within the payroll team. One staff member will be responsible for preparing the pay run and one other will check the pay reports. The schedule is reviewed and pay areas (e.g. museum, venues, libraries, parks) that each staff is responsible for are rotated on a monthly basis. This is to ensure staff are trained adequately and to decrease the opportunities for the payroll team to manipulate payroll data as no one is solely responsible for processing a particular pay run;
- We identified no issues in our testing of fifteen samples across the addition of new employees, termination of existing employees and changes made to the payroll Masterfile. We also tested a further fifteen payroll calculation samples for the period 1 July 2020 to 30 June 2021, which are all supported by appropriate documentation with no exception identified; and
- An audit report containing changes made to the payroll Masterfile show fields before and after changes are generated from MYOB PayGlobal and exported by the payroll team for each pay run. This report is annotated by the payroll team summarising the changes, which are then used by both payroll and People and Capability (P&C) team during their reviews to identify any anomalies.

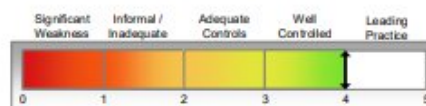
Notwithstanding the above, the current payroll processes and controls can be further enhanced as outlined below in Section 1.5 Summary of Findings.

Based on our review, we found the overall design and operating effectiveness and controls that support the rating process to be **Well Controlled** (as per the rating scale below). Each finding included in our report contributes to our overall assessment of the design and effectiveness of controls at the time of our review.

#### Overall Effectiveness of Payroll

##### Well controlled

The control environment exists and we have detected minimal gaps and/or areas for improvement. The environment compares favourably to other models. The business may be exposed to control failure and potential financial and operational impacts.



#### Continuous Improvement Programme

There are no issues to report in this update. Table 1 below provides a summary of the continuous improvement requests currently under action. The continuous improvement risk rating scale is at table 3.



**Table 1 – Continuous Improvement Requests**

Continuous Improvement Request	Recommendations		
	Made	Closed	Open
Building Services (including IANZ)	18	8	10 (moderate)
Building Administration	7	1	7 (4 moderate, 3 low)
Building Compliance	1	0	1 (moderate)
Environmental Health Services (including IANZ)	8	1	7 (moderate)
Parks and Recreation	1	0	1 (low)
Property Records	1	0	1 (low)
Quality Assurance	6	3	3 (2 moderate, 1 low)

Table 2 provides an update on the recommended actions from the Deloitte reviews.

**Table 2 – Deloitte Reviews – Recommended Actions**

Review	Recommendations		
	Made	Closed	Open
Cash Handling and Petty Cash	20	19	1 (1 moderate)
Accounts Payable	19	19	0
Sensitive Expenditure	4	1	3 (3 moderate)
Payroll Processes/Controls	7	3	4 (2 moderate, 2 low)
Total	50	41	8 (↑ 1)

### ICC Continuous Improvement Risk Rating Scale

The findings from each internal audit / review will include a risk rating based on the perceived risk Council may be exposed to.

**Table 3 – ICC Continuous Improvement Risk Scale**

Rating	Description
Very High	Issue represents a severe control weakness.
	This could cause or is causing severe disruption to process/service, or severe adverse effect on the ability to achieve objectives.
High	Issue represents a significant control weakness.
	This could cause or is causing significant disruption to process/service, or significant adverse effect on the ability to achieve objectives.
Moderate	Issue represents a moderate control weakness.
	This could cause or is causing some disruption to process/service.
	There may be a level of short-term tolerance due to compensating controls or remedial plans underway.
Low	Issue represents a minor control weakness.
	This could cause or is causing inefficiencies in process, or is a lack of formality in documentation or process.

Process Improvement	Observation represents an identified opportunity to improve process/service efficiency.
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### Next Steps

The recommendations and actions from audits / reviews will continue to be monitored and reported using the Promapp Improvements module.

## HEALTH, SAFETY AND WELLBEING UPDATE

<b>To:</b>	Risk and Assurance Committee
<b>Meeting Date:</b>	Tuesday 14 March 2023
<b>From:</b>	Peter Patton, Manager – Quality, People and Capability
<b>Approved:</b>	Steve Gibling - Group Manager - Leisure and Recreation
<b>Approved Date:</b>	Wednesday 8 March 2023
<b>Open Agenda:</b>	Yes
<b>Public Excluded Agenda:</b>	No

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### Purpose and Summary

The report details the main areas of Health, Safety and Wellbeing focus within ICC since December 2022 to enable the Committee to satisfy its obligations to Council.

It also provides an update on the work undertaken to date, including incident and near miss data from the period December 2022 – February 2023.

### Recommendations

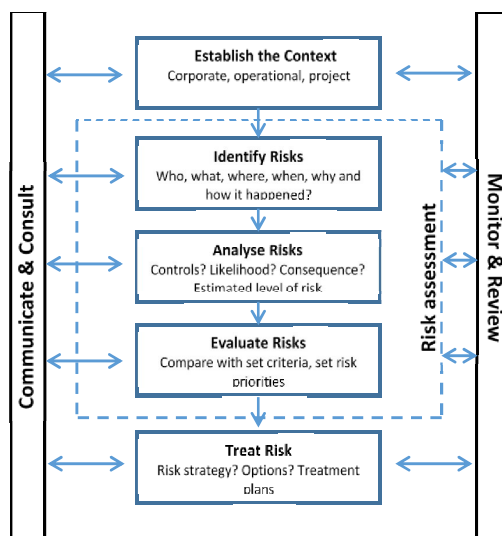
That the Risk and Assurance Committee:

1. Receives the report "Health, Safety and Wellbeing Update".
2. Note the current residual risk rating based on the occurrence of events as outside of Council's stated risk tolerance.
3. Note that a report is to be provided to the next meeting of this Committee outlining steps to be taken to bring the health and safety risk to within Council's tolerance.
4. Note the summary of work undertaken to date.
5. Note that a report will be provided to the Risk and Assurance Committee in May 2023 confirming the alignment of the risk matrix and assessment between health and safety and the risk framework to ensure consistency in approach.

### Background

Council has specifically delegated to the Risk and Assurance Committee responsibility for health and safety. More generally the Committee has responsibility for organisational risk management.

This report has been prepared for the Risk and Assurance Committee to ensure that it is kept informed of the high level activities being dealt with by the health, safety and wellbeing team (HS&W team) and to monitor the effectiveness of the treatment and risks.



## Issues

The HS&W team along with Steve Gibling, Group Manager – Leisure and Recreation and Joanna van Turnhout, Consultant from Tailored Health and Safety Limited have been reviewing and updating a number of key ICC health and safety at work documents for approval by the executive leadership team.

These steps have ensured that Council is working towards compliance with the recommendations arising from recent reports.

## Recruitment

The new Health, Safety and Wellbeing Manager commenced work on 20 February 2023 and their on-boarding is in progress.

Interviews have been completed for the Health, Safety and Wellbeing Coordinator role. The preferred candidate has verbally accepted the position and a formal offer is in progress.

## Due Diligence Visits

Executive Leadership Team members continue to conduct due diligence visits across Council sites and projects. The purpose of these visits is to understand the way that work is being managed, and to better understand how health and safety risk is being managed and where resources may need to be focused. The following work areas have been visited:

- Environmental Health team
- Property Records team and basement file room
- Queens Park offices and yard
- Animal Care Facility
- Infrastructure Operations

- Project Management Office
- Splash Palace
- Invercargill Public Library

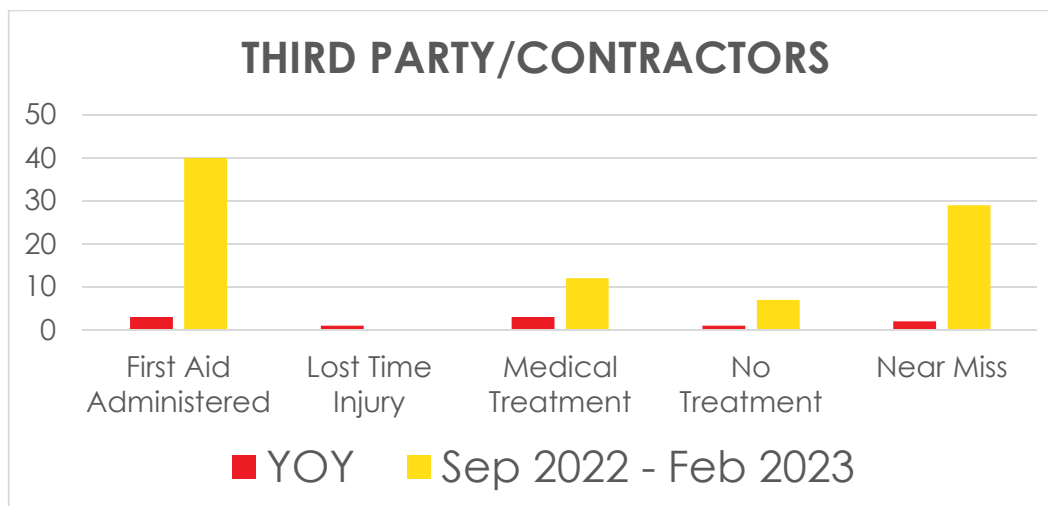
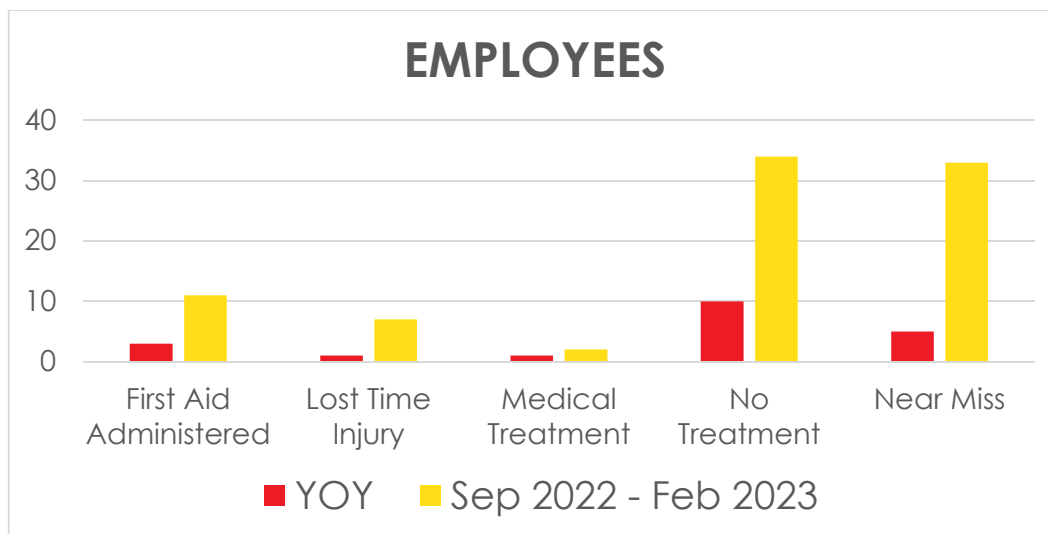
### Covid-19

The COVID Response Team continue to monitor the impact of Covid on our staff and provide support to managers to ensure our critical services continue to be delivered. There has been a noted increase in the number of reported positive cases and this is being managed internally by management with teams activating their Business Continuity Plans as and when required.

A close out report on what worked and what did not is expected. As part of this report ICC will consider and report on its business continuity preparedness.

### Incident Reporting (Lag Indicators)

Reported since September 2023:



### **Residual Risk Rating/Control Effectiveness Assessment**

A key part of the monitoring and reviewing function is an assessment of control effectiveness. When controls are put in place they are assessed for effectiveness in the absence of evidence and on the assumption that the controls are complied with. Controls may impact either or both of likelihood and consequence.

Such review must be undertaken against Council's stated risk tolerance. In the case of health and safety this is stated to be averse, or a low risk appetite.

Although lag indicator reporting is a real measure of the effectiveness of the risk controls of ICC. It provides hard evidence of both likelihood, number of incidents and consequence, injury if any.

Council has a Health, Safety and Wellness Toolkit which sets out the manner of assessing likelihood and consequence to enable an assessment of risk. In the absence of further evidence the Committee must assess the residual health and safety risk as if the controls identified by the business are in place and operating as effectively as intended. It may be that this is not the case and work will be undertaken to determine the actions required.


The risk matrix from the Toolkit is set out below. It is noted that the matrix varies from that in the risk framework. A report will be provided to the next Risk and Assurance Committee meeting to confirm changes to ensure that the documents are in alignment.

Using the table based on the available data leads to a conclusion that the residual risk of ICC for health and safety injuries at both an internal and contractor level is high. That is a result of a combination of likelihood being assessed as likely, arguably almost certain for injuries that are moderate, medical treatment or lost time. This is outside of Council's stated risk tolerance.

RISK					
Likelihood	Consequence				
	Insignificant	Minor	Moderate	Major	Critical
Almost Certain	Medium	Medium	High	Extreme	Extreme
Likely	Low	Medium	High	High	Extreme
Possible	Low	Medium	High	High	High
Unlikely	Low	Low	Medium	Medium	High
Rare	Low	Low	Low	Low	Medium

Consequence	Description of Consequence	Likelihood	Description of Likelihood
1.Insignificant	No treatment required	1.Rare	Will only occur in exceptional circumstances
2.Minor	Minor injury requiring First Aid treatment (e.g. minor cuts, bruises, bumps)	2.Unlikely	Not likely to occur within the foreseeable future, or within the project lifecycle.
3.Moderate	Injury requiring medical treatment or lost time	3.Possible	May occur within the foreseeable future or within the project life cycle.
4.Major	Serious injury (injuries) requiring specialist medical treatment or hospitalization	4.Likely	Likely to occur within the foreseeable future, or within the project life cycle.
5.Critical	Loss of life, permanent disability or multiple serious injuries	5.Almost Certain	Almost certain to occur within the foreseeable future or within the project lifecycle.

Assessed Risk Level	Description of Risk Level	Actions
<input type="checkbox"/> Low	If an incident were to occur, there would be little likelihood that an injury would result.	Undertake the activity with the existing controls in place.
<input type="checkbox"/> Medium	If an incident were to occur, there would be some chance that an injury requiring First Aid would result.	Additional controls may be needed.
<input type="checkbox"/> High	If an incident were to occur, it would be likely that an injury requiring medical treatment would result.	Controls will need to be in place before the activity is undertaken.
<input type="checkbox"/> Extreme	If an incident were to occur, it would be likely that a permanent, debilitation injury or death would result.	Consider alternatives to do the activity. Significant control measures will need to be implemented to ensure safety.

HIERARCHY OF CONTROLS	
<p>Most Effective (High Level)</p>  <p>Least Effective (Low Level)</p>	<b>Elimination:</b> remove the hazard completely from the workplace or activity
	<b>Substitution:</b> replace a hazard with a less dangerous one (e.g. a less hazardous chemical)
	<b>Redesign:</b> making a machine or work process safer (e.g. raise a bench to reduce bending)
	<b>Isolation:</b> separate people from the hazard (e.g. safety barrier)
	<b>Administration:</b> putting rules, signage or training in place to make a workplace safer (e.g. induction, training, highlighting trip hazards)
	<b>Personal Protective Equipment (PPE):</b> Protective clothing and equipment (e.g. gloves, hats)

## Health and Safety Developments since September 2022 (Lead Indicators)

### Health Monitoring

The following areas have completed workstation assessments for staff since September 2022:

- Civic Administration Building – 20
- Parks and Recreation – 12

### Health and Safety Training

The following Health and Safety training has been completed since September 2022:

TRAINING	NUMBER OF STAFF
Spill Kit	23
Confined Spaces	1
First Aid Level 1	54
First Aid Level 2	3
Mental Health First Aid	3
Hand Operated Fire Fighting Equipment/Warden Training	28

### Next Steps

The health and safety team continue to work with stakeholders to ensure that all identified actions are completed, regular audits are undertaken and the ongoing improvements are continued.



## HEALTH AND SAFETY PROGRESS

**To:** Risk and Assurance Committee

**Meeting Date:** Tuesday 21 March 2023

**From:** Andrew Cameron – Chief Risk Officer

**Approved:** Michael Day – Acting Chief Executive

**Approved Date:** Tuesday 14 March 2023

**Open Agenda:** Yes

**Public Excluded Agenda:** No

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### Purpose and Summary

To update the Risk and Assurance Committee (the Committee) on Health and Safety Progress and to provide details of the next steps to be taken.

For the Committee to appreciate that the issues identified in the health and safety reviews speak to risk maturity more generally across Invercargill City Council (ICC).

The report sets out the background to the changes that will occur to the systems and process supporting health and safety, including reporting to this Committee.

A key step in progressing work health and safety maturity at ICC is clarity around roles and responsibilities. Having established roles and responsibilities Council can address how performance against those responsibilities will be monitored and reported. Included in those roles and responsibilities and assessment of risk is the culture that exists within Council.

A change in culture, supported by Council, will assist the chief executive and executive leadership team to address leadership and engagement as reviewed in the SafePlus Report. A fundamental requirement of the cultural change will be a willingness to have hard conversations and accept where each party has a role in improving performance.

This Committee has a fundamental role in addressing risk maturity.

## Recommendations

That the Risk and Assurance Committee:

1. Receive the report "Health and Safety Progress".
2. Note/adopt the Just Culture approach to health and safety and risk management generally.
3. Note that Invercargill City Council will review its health and safety documentation to reflect the roles, responsibilities and Just Culture approach set out in the report.
4. Note that the Health and Safety Policy and other documentation will be provided to the next Risk and Assurance meeting for noting as risk mitigation and statutory compliance monitoring.
5. Note the role of the Risk and Assurance Committee in:
  - a. Monitoring risks including against risk appetite; and
  - b. Improving risk maturity.
6. Note that the Committee will receive a review of recent health and safety incidents using a Just Culture lens to enable further work and focus on areas that may require attention.

## Background

Invercargill City Council (ICC) has undertaken improvements in a number of areas over the last few years. More recently ICC has conducted internal reviews into health and safety.

The reports have provided some guidance as to what could be described as transactional steps to improve health and safety. There are two key areas where the reports do not reflect the internal cultural shift required to ensure health and safety:

1. they do not acknowledge the existing documentation and the potential issues with implementation and/or monitoring of roles and responsibilities within those documents; and
2. they tend to overstate the absence of information rather than focus on the information ICC has and what it should be doing with that information.

The first issue will be addressed in this report. Progress on the second will be commenced in the Health and Safety Update report at this meeting.

Council has specifically delegated to the Risk and Assurance Committee responsibility for health and safety, more generally the Committee has responsibility for organisational risk management.

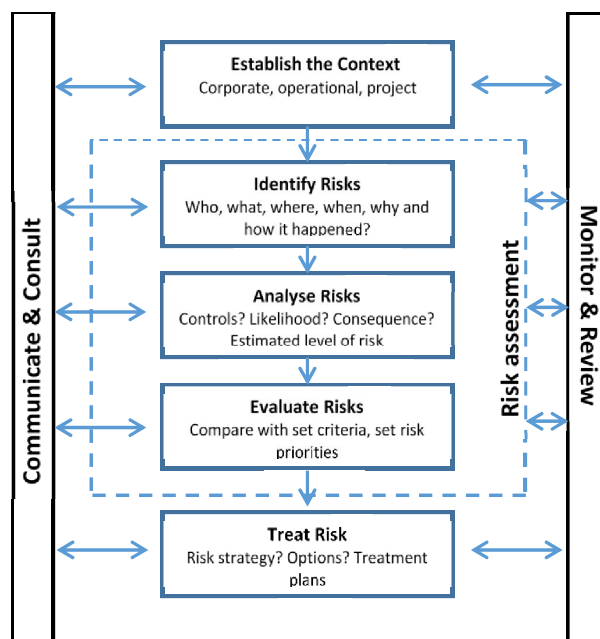
The Committee is required to report its minutes, and by implication the steps undertaken by the Committee to perform the responsibilities delegated to it.

Receipt, analysis and questioning of health and safety information is how the Committee fulfils its role under the Local Government Act and Health and Safety at Work Act.

The Committee is to report to Council on pursuit towards the goals and objectives set by Council. Council in its Delegations Policy requires the Committee to assess the report against any health and safety policy, ICC's risk controls generally and the risk appetite set by Council.

ICC has a risk framework and risk appetite. In particular ICC's risk appetite for health, safety and wellbeing has been determined as averse. This means that ICC is unwilling to take on anything other than small risks. This is consistent with the obligations of ICC under the Health and Safety at Work Act to ensure as far as is reasonably practicable the health and safety of workers.

The Risk Framework adopted by Council sets out the manner in which risk is managed at ICC. The key message from the diagram below is that it is not set and forget and that all aspects of risk need to be monitored and reviewed to ensure that risk management is working as anticipated.



## Issues and Options

### Analysis

ICC has put in place a platform to make improvements to its operations, procedures and risk management, including health and safety.

In order to undertake those improvements it needs to understand the current state. A key piece in understanding the current state is the culture of ICC. This includes setting the desired culture for ICC. This culture requires a tone from the top that supports and re-enforces the required behaviours through actions and decisions.

In a quality setting, including health and safety, a culture that has been shown to successfully support improvements is known as Just Culture. The essence of a Just Culture is that it allocates roles and responsibilities for actions within the system. These roles and responsibilities align well with the obligations under the Act for ICC, officers and workers.

In a Just Culture ICC has a duty and responsibility to employees (and ultimately to the public) and all employees are held responsible for the quality of their choices. Just Culture requires a change in focus from errors and outcomes to system design and management of the behavioural choices of all employees.

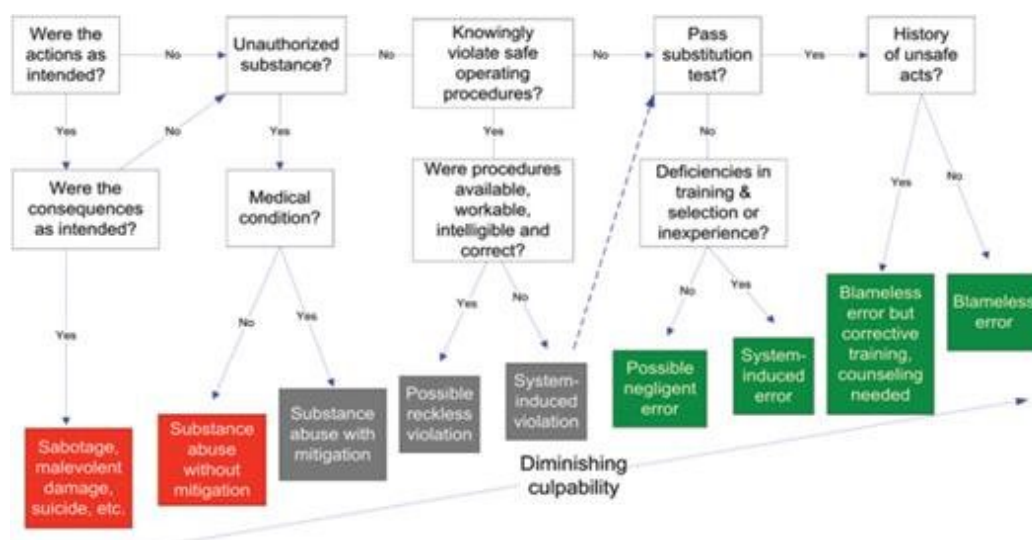
ACT REQUIRES	ACT/JUST CULTURE SOLUTION
Minimise Risk	ICC/workers – system
Substitute	ICC/Officers – system
Isolate	ICC/Officers – system
Engineering controls	ICC/Officers – system
Administrative controls	ICC/workers – system and compliance
Protective equipment	ICC/Workers – system and compliance

ICC and officers have the ability to control the work environment and how work is undertaken. This includes monitoring of contractor behaviour.

Once the choice and method of work is determined workers also have duties that align with a Just Culture approach when deciding how to complete their work.

ACT	JUST CULTURE DUTY
Reasonable care for own safety	Avoid unjustifiable risk
Not adversely affect H&S of others	Avoid unjustifiable risk
Comply with direction	Duty to follow procedural role
Co-operate with reasonable policies that have been notified	Duty to follow procedural role

Just Culture has a decision tree that reflects these roles and responsibilities where an incident or issues, including near misses occurs. An example is below.



It should be noted that blameless error is with regard to the employee. The system in this context is to blame and corrective action is likely to be required.

A work programme to reflect the change in organisation structure and other matters will be prepared for the next Committee meeting.

## **Significance**

Decisions that have a positive, or negative impact on our workforce have implications across all the activities of ICC.

Although significant this decision and any subsequent actions does not require consultation in accordance with ICC's Significance and Engagement Policy.

## **Options**

ICC has duties under the Act. The steps outlined, or something similar are necessary to ensure that ICC satisfies those duties.

Council could adopt a different cultural framework for its operations. This is not recommended due to the alignment between the recommended culture and the duties under the Act.

## **Community Views**

The community support health and safety at work.

## **Implications and Risks**

### **Strategic Consistency**

Staff are essential to achieving ICC's strategic outcomes. Any actions improving or detrimental to staff wellbeing will have implications for the recruitment and retention of staff.

### **Financial Implications**

Starting this process has no financial implication. It is likely however, as the understanding of the current state becomes clearer that there will be financial implications. These implications may include, but will not be limited to, training, changes to role descriptions to reflect increased responsibility and accountability and other matters.

These impacts, if any, will be further clarified in upcoming reports.

### **Legal Implications**

The Health and Safety at Work Act (the Act) and Local Government Act place obligations on a number of parties at ICC. Council received a report and advice on this at its inaugural meeting (Appendix A). Some of this is repeated below and extended to other people within ICC.

### **Councillors**

Local Government Act part 33 Schedule 7

- Ensure that the local authority is a good employer

Part 36 a good employer means an employer who operates a personnel policy containing provisions generally accepted as necessary for the fair and proper treatment of all employees in all aspects of their employment, including provisions requiring:-

- (a) Good and safe working conditions; and.....

Monitor CE to achieve outcomes.

### **Officers – Health and Safety at Work Act**

The Act provides at section 18 officer,—

- (b) includes any other person occupying a position in relation to the business or undertaking that allows the person to exercise significant influence over the management of the business or undertaking (for example, a chief executive)

The Act provides at section 44 Duty of Officers

If a PCBU has a duty or an obligation under this Act, an officer of the PCBU must exercise due diligence to ensure that the PCBU complies with that duty or obligation.

- (2) For the purposes of subsection (1), an officer of a PCBU must exercise the care, diligence, and skill that a reasonable officer would exercise in the same circumstances, taking into account (without limitation)—
  - (a) the nature of the business or undertaking; and
  - (b) the position of the officer and the nature of the responsibilities undertaken by the officer.
- (3) Despite subsection (1), a member of the governing body of a territorial authority or regional council elected in accordance with the Local Electoral Act 2001 does not have a duty to exercise due diligence to ensure that any council-controlled organisation (as defined in section 6 of the Local Government Act 2002) complies with its duties or obligations under this Act unless that member is also an officer of that council-controlled organisation.
- (4) In this section, due diligence includes taking reasonable steps—
  - (a) to acquire, and keep up to date, knowledge of work health and safety matters; and
  - (b) to gain an understanding of the nature of the operations of the business or undertaking of the PCBU and generally of the hazards and risks associated with those operations; and
  - (c) to ensure that the PCBU has available for use, and uses, appropriate resources and processes to eliminate or minimise risks to health and safety from work carried out as part of the conduct of the business or undertaking; and
  - (d) to ensure that the PCBU has appropriate processes for receiving and considering information regarding incidents, hazards, and risks and for responding in a timely way to that information; and
  - (e) to ensure that the PCBU has, and implements, processes for complying with any duty or obligation of the PCBU under this Act; and
  - (f) to verify the provision and use of the resources and processes referred to in paragraphs (c) to (e).

### **Chief Executive (Officer under Legislation)**

Employs staff on behalf of Invercargill City Council. Is responsible to Council for ensuring it is a good employer.

This primary duty of care is a broad overarching duty which includes, but is not limited to, having effective practices in place for:

- providing and maintaining a work environment that is without risks to health and safety.
- providing and maintaining safe plant and structures.
- providing and maintaining safe systems of work.
- ensuring the safe use, handling and storage of plant, structures and substances.
- providing adequate facilities for the welfare of workers when doing work, including ensuring access to those facilities.

- providing any information, training, instruction or supervision that is necessary to protect everyone from risks to their health and safety arising from the work of your school or early learning service.
- monitoring the health of workers and the conditions at the workplace for the purpose of preventing injury or illness of workers when doing work for your business.
- providing healthy and safe worker accommodation.

The work environment includes:

- the physical work environment, including lighting, ventilation, dust, heat and noise
- the psychological work environment, including overcrowding, deadlines, work arrangements (e.g. the effects of shift-work and overtime arrangements) and impairments that affect a person's behaviour, such as work-related stress and fatigue, and drugs and alcohol

### **ELT (Officers)**

The executive leadership team satisfy the definition of Officers under the Act.

### **Managers (some may be officers)**

There will be certain managers who will also satisfy the definition of Officers under the Act. ICC is in the process of making this determination and this will be included in their position description and roles and responsibilities.

### **All Staff**

While at work, a worker must:

- a. take reasonable care for his or her own health and safety; and
- b. take reasonable care that his or her acts or omissions do not adversely affect the health and safety of other persons; and
- c. comply, as far as the worker is reasonably able, with any reasonable instruction that is given by the PCBU to allow the PCBU to comply with this Act or regulations; and
- d. co-operate with any reasonable policy or procedure of the PCBU relating to health or safety at the workplace that has been notified to workers.

### **Climate Change**

There are no climate change impacts of this decision.

### **Risk**

There is a risk with any change. In addressing the health and safety risk ICC will increase other risks. This is especially so where the shift requires a change in culture, in this case a change that will involve increasing responsibility and accountability.

This risk is mitigated by the use of a Just Culture approach. Consistent with the Act, Council will be seen to support staff through these changes by requiring the system to form a key part of any investigation where issues arise. It also provides a mechanism for ICC to ensure that there is a consistent approach to issues where they arise.

## **Next Steps**

The Committee will receive updates on the changes as noted in the recommendations and reporting to enable it to undertake its role as required.

## **Attachments**

1. Appendix A – Health and Safety Obligations for Members (A4136427)
2. Appendix B – SafePlus Report (A4079091)





## HEALTH AND SAFETY OBLIGATIONS FOR ELECTED MEMBERS

### Summary

1. The Invercargill City Council ("the ICC") has a statutory duty under the Health and Safety at Work Act 2015 ("the HSWA") to identify, assess and put in place measures to address safety related risks within its operations and its places of work. This 'primary duty' rests with the ICC.
2. The HSWA, however, expressly provides that elected members do not have the duty to undertake due diligence so as to ensure the ICC discharges its obligations in the same way as, for example, the Chief Executive does. Nonetheless, elected members do have obligations under the HSWA whilst at the 'workplace'.
3. The ICC should be a 'good employer' under the Local Government Act 2002 ("the LGA"). This obligation includes a requirement to operate a personnel policy that includes a provision (or provisions) requiring good and safe working conditions.
4. The Chief Executive is principally tasked, as part of his or her general role, with seeking to ensure the ICC discharges its health and safety obligations, and in discharging the obligation to be a 'good employer' whilst managing employees of the ICC.
5. Through working with the Chief Executive, elected members can monitor and review the ICC's performance of its health and safety obligations.

### The Health and Safety at Work Act 2015

6. A territorial authority, such as the ICC, is a 'person' conducting a business or undertaking ("a PCBU") under the HSWA.
7. As a PCBU, ICC has a primary duty to ensure, so far as is reasonably practicable, the health and safety of workers.<sup>1</sup> This duty requires the ICC to eliminate risks to health and safety, so far as is reasonably practicable.<sup>2</sup> If it is not reasonably practicable to eliminate risks to health and safety, the ICC is required to minimise those risks so far as is reasonably practicable.<sup>3</sup>
8. The obligation as a PCBU rests with the ICC. However, where a PCBU (such as the ICC) has a duty or obligation under the Act, an officer of the PCBU must exercise due diligence to ensure that the PCBU complies with that obligation or duty.<sup>4</sup>
9. Despite the obligation placed on officers to exercise due diligence, section 44(3) of the HSWA provides:

... a member of the governing body of a territorial authority or regional council elected in accordance with the Local Electoral Act 2001 does not have a duty to exercise due diligence

<sup>1</sup> Health and Safety at Work Act 2015, s 36(1).

<sup>2</sup> Health and Safety at Work Act 2015, s 30(1)(a).

<sup>3</sup> Health and Safety at Work Act 2015, s 30(1)(b).

<sup>4</sup> Health and Safety at Work Act 2015, s 40(1).

to ensure that any council-controlled organisation (as defined in section 6 of the Local Government Act 2002) complies with its duties or obligations under this Act unless that member is also an officer of that council-controlled organisation.

10. Whilst sections 47, 48 and 49 of the HSWA create offences relating to breaches of duties under the HSAW, section 52 provides:

- (1) An office holder listed in subsection (2), when acting in that capacity, does not commit an offence under section 47, 48, or 49 for a failure to comply with the duty imposed by section 44 (duties of officers).
- (2) The office holders are—
  - (a) a member of the governing body of a territorial authority or regional council elected in accordance with the Local Electoral Act 2001;
  - (b) a member of a local board elected or appointed under the Local Electoral Act 2001;
  - (c) a member of a community board elected or appointed in accordance with the Local Electoral Act 2001;
  - (d) a member of a school board appointed or elected under the Education and Training Act 2020.

- (3) In this section,—

**board**, in relation to a school, has the same meaning as in section 10(1) of the Education and Training Act 2020

**community board** means a board established under section 49(1) of the Local Government Act 2002

**local authority**<sup>5</sup> and **local board** have the same meanings as in section 5(1) of the Local Government Act 2002.

11. As such, elected members do not have the same obligations as managerial officers of their territorial authority, and do not face the same risk of committing offences under the HWSA.

### **Duties of Other Persons at Workplace**

12. Whilst not an employee of a territorial authority, an elected official can nonetheless be considered a 'person at a workplace', whilst attending (for example) a meeting at the Council Chamber / Committee Room, for the purposes of section 46 of the HWSA. This requires such a person to:

- (a) take reasonable care for his or her own health and safety; and
- (b) take reasonable care that his or her acts or omissions do not adversely affect the health and safety of other persons; and
- (c) comply, as far as he or she is reasonably able, with any reasonable instruction that is given by the PCBU to allow the PCBU to comply with this Act or regulations.

13. Elected members could be in breach of section 46 of the HWSA if they fail to adhere to properly instituted (and substantively justified) workplace policies relating to health and safety.

<sup>5</sup> A local authority includes a territorial authority.

### **Operating in Accordance with a Personnel Policy with Provisions Requiring Safe Working Conditions**

14. As part of the governance principles, a territorial authority should be a good employer, as expressly set out in section 39(d) of the LGA. The obligation to comply with the 'good employer' principle requires the territorial authority to operate a personnel policy that complies with this concept.<sup>6</sup>
15. Clause 36(2) (of schedule 7, part 1) of the LGA provides:
 

For the purposes of this clause, a good employer means an employer who operates a personnel policy containing provisions generally accepted as necessary for the fair and proper treatment of employees in all aspects of their employment, including provisions requiring—

  - (a) good and safe working conditions...
16. In effect, the ICC has obligations (under the LGA) to provide safe working conditions for all its employees. Although distinct from its obligations under the HWSA, there is a substantial overlap between the duties created by the two Acts.
17. It should be noted that the 'good employer' obligation under the LGA is on the ICC itself (although it does extend to others responsible for the selection and management of employees). However, the LGA provides a pathway by which elected members can (and should) seek to ensure their territorial authority discharges its duties. This is through the Chief Executive.

### **Chief Executive's Responsibility to Territorial Authority**

18. Section 42(1) of the LGA requires that a territorial authority must, in accordance with clauses 33 and 34 of Schedule 7, appoint a Chief Executive.
19. In making an appointment under section 42, a territorial authority must have regard to the need to appoint a person who will, amongst other matters:<sup>7</sup>
  - (f) ensure that the local authority is a good employer.
20. Thus, elected members are required to consider the need to be a 'good employer', which (as set out above) in effect includes providing a safe working environment to staff, during the appointment process.
21. Outside of the appointment process, elected members, in fulfilling their role in setting policies, making regulatory decisions and reviewing council performance,<sup>8</sup> can (and should) continue working with the Chief Executive to ensure the territorial authority discharges its health and safety obligations (including the 'good employer' obligation).

<sup>6</sup> Local Government Act 2002, sch 7, cl 36(1).

<sup>7</sup> Local Government Act 2002, sch 7, cl 33(f).

<sup>8</sup> Although the Local Government Act 2002 sets out the roles and powers of mayor (see section 41A), there is no specific job description for councilors. However, as representatives and leaders of their communities, the role of elected members involves setting policies, making regulatory decisions and reviewing council performance: [https://www.localcouncils.govt.nz/lqip.nsf/wpg\\_url/About-Local-Government-Local-Government-In-New-Zealand-Councillors-and-Mayors](https://www.localcouncils.govt.nz/lqip.nsf/wpg_url/About-Local-Government-Local-Government-In-New-Zealand-Councillors-and-Mayors)

22. Section 42(2) of the LGA also relevantly provides that the Chief Executive is responsible to his or her territorial authority for:
- (a) implementing the decisions of the local authority; and
  - (b) providing advice to members of the local authority and to its community boards, if any; and
  - (c) ensuring that all responsibilities, duties, and powers delegated to him or her or to any person employed by the local authority, or imposed or conferred by an Act, regulation, or bylaw, are properly performed or exercised; and
  - (d) ensuring the effective and efficient management of the activities of the local authority; and
  - (da) facilitating and fostering representative and substantial elector participation in elections and polls held under the Local Electoral Act 2001; and
  - (e) maintaining systems to enable effective planning and accurate reporting of the financial and service performance of the local authority; and
  - (f) providing leadership for the staff of the local authority; and
  - (g) employing, on behalf of the local authority, the staff of the local authority (in accordance with any remuneration and employment policy); and
  - (h) negotiating the terms of employment of the staff of the local authority (in accordance with any remuneration and employment policy).
23. Ensuring the effective and efficient management of the activities of a territorial authority would extend to discharging its legal obligations. Thus the Chief Executive is responsible, to his or her territorial authority, for ensuring the duties of the local authority under the HWSA are discharged. Elected members can (and should) monitor this as part of their role in reviewing council performance.
24. Further, as touched upon above, the obligation to be a good employer extends to those responsible for the management (and selection) of employees of the territorial authority.<sup>9</sup> Therefore, the Chief Executive is principally responsible for discharging a territorial authority's 'good employer' obligation. Again, elected members can (and should) monitor this as part of their role as representatives and leaders of the community.

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<sup>9</sup> Local Government Act 2002, sch 7, cl 36(1).



Making a Difference Every Day



## **SafePlus Performance Assessment: Invercargill City Council**

Helen Sadgrove  
**(FINAL VERSION)**

**MAY 2021**

## Executive Summary

Invercargill City Council (ICC) aims to support and enable a city with heart; He Ngakau Aroha, and to leave the city in good order for the next generation. Therefore, to support delivery on these aims you wanted to understand the capacity and capability of your people to manage risk, build healthy well-functioning relationships, and to build, identify and utilise the resources needed for success.

You commissioned a current state assessment of your health and safety practice and performance to enable a baseline to be set, and a plan to be developed for future improvement.

## Objective

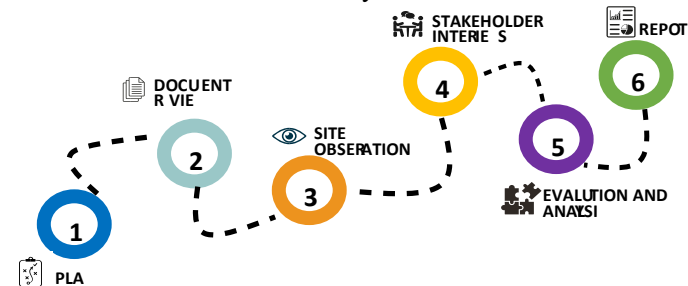
The key objective was to provide an independent assessment of your health and safety performance and practice across the areas of leadership, engagement and risk management.

## Scope

The scope of the assessment included:

1. Interviews with Executive Leaders (ELT), managers, representatives, and workers. *Councilors were out of scope of the assessment as per your request.*
2. Observations of work (and discussions with workers and managers on site) at the following locations:
  - a. Sewerage Treatment Plant & Bransholme water treatment plant
  - b. Environmental Services (Arborists and cemetery/crematorium)

### c. Animal Control Facility



3. The risks chosen by ICC for the assessment were:
  - a. Mental health
  - b. Violence and Aggression
4. In addition, ICC requested a specific deep dive into overlapping duties / shared supply chain rather than undertake a deep dive into 3 critical risks.

## Approach

A SafePlus assessment was undertaken to evaluate practice and performance against 10 standards within the areas of Leadership, Engagement and Risk Management. The prescribed SafePlus assessment methodology was used. This can be found on the Safeplus website.

The Health and Safety Manager facilitated the interviews and site visits – and on some occasions was present on the site visits (not all of them).

A Safeplus assessment requires the assessor and the organisation to partner to look openly and honestly at performance. Once the assessor and the organisation have defined scope, the organisation are responsible for planning the locations and interviews – arranging times to speak with key stakeholders, and providing relevant documentation to review.

Following presentation of the draft report, which occurred after the resignation of the Health and Safety Manager, ICC ELT raised that they had not agreed the focus areas or locations for the assessment and that there were documents that were not provided as part of the assessment.

The contact person we arranged this assessment with was the Health and Safety Manager. At no point were there any reasons for the us to believe that the scope of the assessment was contested, or that information was being withheld. The internal communication between the Health and Safety Manager and ELT over the assessment scope is not something that the assessor was privy to.

If the ELT were unaware this highlights an internal communication and management issue, and we suggest that for all future audits and

assessments, that a member of the ELT takes greater ownership of the process.

For any comments relating to concerns with scope, we suggest that the ELT write a management response that accompanies this report.

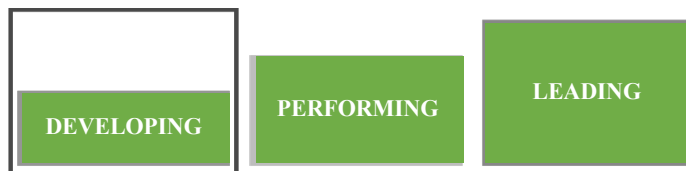
## Your Overall Performance Outcome

Our findings indicate that you at the *developing* level of performance. There is awareness of the need to improve and the relatively new ELT had created a general belief amongst those spoken to that leadership in health and safety was improving. Risk controls however are not fully developed and there is no defined approach to bridge this gap. Worker engagement is also in its infancy, being well developed in some business unit areas (e.g. arboreal) but less clear at the organisational level. A solid platform for worker health and safety is required to help you to grow. In doing so, you will support the development of innovative Council that can deliver for the community into the future.

## Summary of performance

There are three levels of SafePlus performance - Developing, Performing, and Leading. ICC has been assessed against each of the 10 performance requirements - and the overall performance outcome is based on these results. NB: **all indicators** must be at the same level for that level of performance to be achieved.

		DEVELOPING	PERFORMING	LEADING
LEADERSHIP	Effective health and safety leadership			
	Demonstrates visible commitment			
	Continually improves performance			
	Resources health and safety			
ENGAGEMENT	Communicates effectively			
	Empowers workers and representatives			
RISK	Identifies risks			
	Assesses risks			
	Controls risks			
	Ensures controls are effective			



**SafePlus describes this level as follows:** The organisation be aware of the need to improve practices and performance to support better health and safety outcomes. Risk may not yet be fully identified or addressed. Workers may be involved in some activities. Personal protective equipment (PPE) and administrative controls may be selected as the main form of risk control. Processes may be largely informal and there may be lower levels of strategic planning to better manage health and safety risks. A developing business may tend to respond reactively to address issues as they occur.



## Introduction

1. Invercargill City Council (ICC) aims to support and enable a city with heart; He Ngakau Aroha and to leave the city in good order for the next generation. Therefore, as part of your commitment delivering on these goals, you have undertaken a current state assessment of your health and safety practice and performance
2. The purpose of the assessment was to provide an independent perspective on the management of health and safety at ICC, to help you to celebrate your successes and to enable you to focus your attention where it is most needed in the near to medium future.

## Assessment scope

3. The assessment findings and recommendations are limited by the scope of the assessment ICC has defined. Therefore, insights gained through SafePlus methodology are in relation to:
  - a) The sites visited
  - b) The stakeholders interviewed
  - c) The risks selected for increased focus (violence and aggression, mental health)
  - d) A closer look at overlapping duties was also requested as part of the assessment by the contract manager, and therefore the 3<sup>rd</sup> required risk for focus was exchanged for a look at this aspect of practice. This was explicitly requested by the contract manager for this assessment.
4. Councilors were not interviewed as part of this assessment as per the ELT request (we were informed of this through the contract manager) and therefore it was not possible for us to comment on the efficacy of due diligence activity or governance.

## The standards we reviewed you against

5. The ACC/WorkSafe NZ/MBIE SafePlus health and safety performance improvement tool standards<sup>1</sup> have been used to review health and safety performance at ICC. The assessment framework is shown in the diagram:

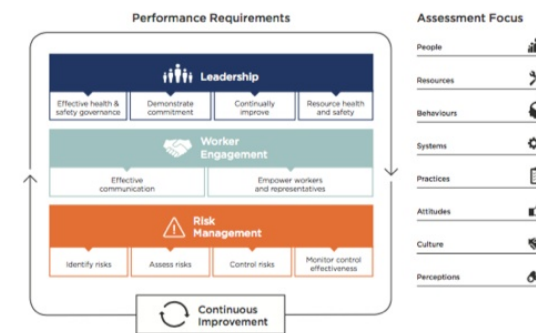


Figure 1 SafePlus assessment framework

6. SafePlus involves a vertical, horizontal and diagonal examination of performance. This is achieved through conversations, observations and document review. It enables a closer focus into key risk areas to test and assess the effectiveness and sufficiency of health and safety management from front line to board.
7. The assessment provides a snapshot of ICC at a point in time—and is based on what was heard and observed, and what was provided to us. Not all of ICC sites activities were visited, and

<sup>1</sup> <https://worksafe.govt.nz/dmsdocument/2512-safeplus-performance-requirements>

not all staff were spoken with. The scope of the assessment was always within the control of ICC.

### **How to read this report**

8. The report is structured around the three SafePlus themes: Leadership, Engagement and Risk. Within each section the key findings are in bold (and can be read as a summary). Beneath each key message, explanatory and evidential information is outlined.
9. At the end of each section there are key recommendations to support ICC to improve. Recommendations have not been made for each finding to keep the actions prioritised, focused and manageable. ICC has internal health and safety resources that can provide support when implementing the recommendations.



# LEADERSHIP

Leaders in a business are in a unique position to have a major influence in health and safety. Leaders set the conditions in their businesses, control the resources and have a large influence on the culture. All these components contribute to determining the level of safety and health in a business. Leadership is also an expectation of the Health and Safety at Work Act 2015 which includes a focus on ‘Officer’ responsibilities. For these reasons SafePlus assesses the perceptions as to how well leaders display health and safety leadership in their business.

## **Performance Requirements**

1. The business has effective leadership in health and safety
2. Senior leaders visibly demonstrate their commitment to health and safety through their actions
3. The business strives to continually improve health and safety practice and performance
4. The business resources health and safety activities

## FINDINGS

### FINDING 1: Organisational leadership in health and safety is improving

10. The executive leadership team (ELT) is relatively new, with all but one member being in post for around 12 months. The reset at the ELT was perceived as positive by many of those we spoke to, who saw it as an opportunity to clean out the old ways of working, and to bring a fresh vibrant perspective to Council and to their work.
11. When demonstrating organisational leadership in health and safety, a clear and common sense of purpose and direction is required. At present this does not exist and we heard mixed views about what the organisational goals for health and safety were amongst those spoken to (at the worker, manager and executive levels).
12. Some ELT members expressed a view that the organisation was too immature for a clear sense of direction to be developed, and that the first step was to encourage staff to start reporting.
13. Plans and goals are a way to clearly define the ELT commitment and direction for health and safety (and care for staff). Without a clear purpose, goal or intent work to improve will not be aligned or cohesive, and the ELT will find it very difficult to understand if progress is being made.
14. ELT have not set clear expectations for health and safety performance at anything other than a very generic level. In the absence of any formal senior leadership expectations, we found that some front-line leaders were taking it upon themselves to set their own standards for their direct reports. For example, in arboreal services, there were clear expectations set around gear checks, maintenance of equipment, training and emergency preparedness and practice. This was driven by the leader in that

area of the business, and records of this were being maintained on the computer of that leader.

15. ELT have recently begun visiting worksites to talk with staff. The purpose of the visits is to understand the way that work is being managed, and the views of staff – to better understand how risk is being managed and where resources may need to be focused. Some leaders told us they found these visits easier to do than others – and listening and learning rather than “finding fault” and “fixing” was a challenge. This is true of many organisational leaders and will become easier with practice. The staff we spoke to that had seen members of ELT on sites, appreciated them getting out and about to learn about the reality of their work and their working conditions.

### FINDING 2: ELT information and insights are constrained

16. ELT can name the critical risks relevant to their areas of the organisation but are less confident about the mechanisms required to manage the risks, the standards the risks are being managed to, and the verifying or monitoring of risk control effectiveness. Ensuring that the actions and controls needed to reduce the risks of harm are in place and working as intended is one of the key roles of executive leadership. The absence of clear controls and controls standards means that any policy, process or piece of guidance material is being developed without a good foundational understanding of the risk(s) it exists to help staff and leaders to manage.
17. ELT manages by exception. Failures (accidents and incidents) are the focus of activity and interest. While it is important to learn from failure, ELT cannot understand whether they have an organisation that is safe by analysing the few times someone is hurt. There can be a tendency among organisations that adopt this approach to believe that when there are no harm events, that

the work is safe, but the absence of injury does not equal the presence of safety as large-scale disasters like BP Macondo, (who had multiple years being injury free before having one of the world's worst disasters) demonstrate.

18. To support ELT to understand health and safety management performance and specifically how effectively risk is being managed, performance reports are supplied from the health and safety team and given to the ELT and Council. There are several deficiencies with these reports which require significant overhaul to better support effective leadership and governance.
  - A) The reporting is based on data with little integrity. Not all incidents are reported by staff, and when incidents are reported, they are not always captured in the data set used to populate the reports for the executive team and councillors.
  - B) The reports are heavily focused on incidents. The absence of injury does not equal the presence of safety – therefore leaders need to monitor risk controls and have risk control effectiveness reported to them.
  - C) Health and safety performance information for council-controlled organisations, contracted activity and for investments such as the large property portfolio owned and managed by Council, was not included in the reporting we observed.
  - D) There is no organisational visibility of performance in terms of hazardous substances, violence and aggression, driving, infectious and communicable disease and other critical risks. If information about these risks is available, it is stored in multiple known and unknown locations and not brought together into one cohesive picture that would enable the ELT to gain insight into whether these risks were being well controlled.
19. The current reporting does not support ELT or Councillors to exercise due diligence- nor to get insights into Council

performance. A common reason cited for the reporting deficiencies related to the absence of a system (an ICT system) to capture information. There are prerequisites to having a system:

- A) Business requirements need to be clearly defined based on an understanding of risk and need
  - B) The resources to fully deploy a system must be committed.
20. It is possible to capture data without an electronic system – however this is heavily administrative and so until such a time as the understanding of risk has developed, and business requirements have been captured clearly, the health and safety team will require support to help them to capture data for the ELT reports. This support will involve some assistance from a resource that understands health and safety and is able to take on a heavy administrative burden. It will also require the commitment of ELT and managers across the Council to changing the locations where they store specific defined information so that it can be used and analysed by the health and safety team.
21. The Council does not currently have a continual improvement process for health and safety in place. We could find no information that collated the nature of any learnings from investigations or audits over the past 12 months. This means that there is not a formal process to monitor the implementation of any corrective actions and ensure evaluation of the success or otherwise of corrective action implementation, and therefore key information cannot be presented to the ELT.

### **FINDING 3: The organisation does not fully manage risk in its supply chain**

22. The business is checking contractor competence but there are gaps. ICC uses Sitewise to assess the documentation that

contractors have.

23. In the infrastructure part of the organization, in addition to sitewise, the engineering leader of that area has made sure that health and safety is included as an item in the tendering process. It is not yet a weighted attribute.
24. There are gaps in overlapping duties. There is no formal or informal process in place to ensure that where ICC is working with or alongside others, that health and safety is being managed in a clearly defined and communicated way. The Council, by virtue of its activities, works with and alongside many different types of people and organizations in many different situations. A proportionate approach to the management of risk in all relationships must be taken.
25. This is a significant risk to Council and a serious deficiency in process. Further information about work undertaken with others can be found in the deep dive section of this report.

#### **FINDING 4: Health and safety resources and capability is improving but still not adequate**

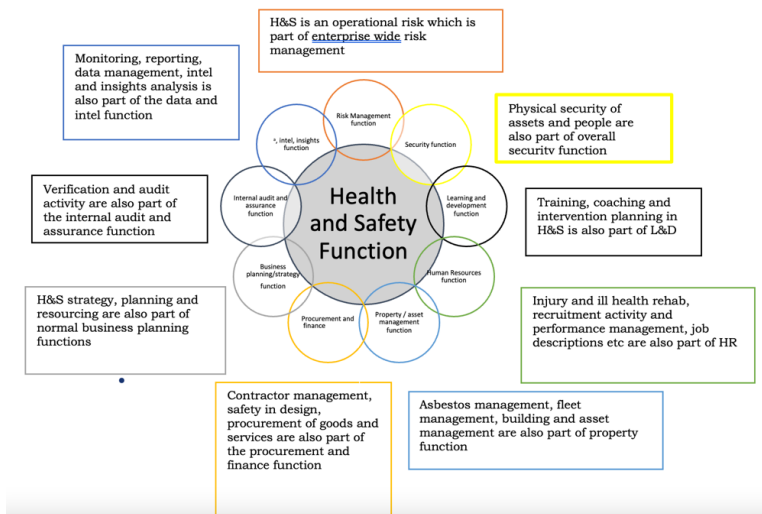
26. The health and safety team consists of two people. Given the immaturity of the Council in health and safety, and the absence of the foundational elements that most organisations have in place, it was unsurprising that more resource was something frequently raised during the assessment by operational leaders and staff. One area indicated they had such a large need that they were going to directly engage external support in that business unit. The question is not just of quantity though, but of structure and capability. It was clear from the assessment, that the desired purpose and function of the enabling function of health and safety was not matched by the reality of how the function has to operate.
27. There is no formula to calculate the number of people in a health and safety function that an organization should have. This is

because:

- a) The nature and type of safety and health support required is context specific. In general, the number of support workers required can decrease as the maturity of the organization increases.
  - b) An organisation can obtain capability through the 4Bs. It can build capability, borrow capability, bind existing capability and buy capability. Therefore, not all capability needs to be a permanent in-house resource.
28. The number of health and safety functional support workers required depends on:
- a) The maturity of the organization in terms of health and safety practice
  - b) The maturity of organizational capability (infrastructure, values, systems)
  - c) The capacity of the leaders and workers
  - d) The purpose of the health and safety function
  - e) The roles the health and safety function undertake (and alignment / existence of other functions like audit, risk management, reporting and data insights, strategy)
  - f) The resources the organization must borrow or to buy capability in when required.
29. There are indicators that demonstrate that an organization is under resourced in health and safety – these are:
- a) Incomplete understanding of risk
  - b) Duplication of effort across locations and services
  - c) A heavily reactive health and safety resource
  - d) A focus on compliance and process
  - e) A disconnect between work and health and safety
30. If ICC had high maturity, good capacity, teams that provided support functions around strategy, security, reporting, audit and assurance and risk management, then the organization would need less people in the health and safety team. However, these functional areas either do not exist currently, or are not directed

towards safety and health in a formalized manner. In addition, all of the indicators of an under resourced organization were present.

31. The diagram below highlights areas of the organization where health and safety can be included, and where overlaps in activity occur. This highlights area of potential for supplementing health and safety functional support with other types of support through the business.



32. There are several domains of effective health and safety operating models, these are included in the appendix for reference.
33. At ICC, based on conversations across the business, we found that the structure and capability mix of the health and safety team had not been formally planned out against the needs of the Council and that the resources had no clear objectives, no formal mandate or operating framework and in some cases very little support for their role and function. The team was therefore plunged into a reactive operating approach which was not believed to be effective by ELT, workers and leaders or the health and safety team.

## RECOMMENDATIONS

### RECOMMENDATION 1: Improve risk control monitoring and verification

34. Change focus as an ELT from looking only at failure data, to also monitoring and understanding where you have built the capability to manage risk. This will require you to ask questions about the following:
  - a) What are our critical risks?
  - b) What are the key controls for those risks?
  - c) What is the standard we need to set for those controls (how safe do we need people to be – balanced by ability to do work and cost)?
  - d) How do we make sure the Council is monitoring and checking those controls are in place?
  - e) How do we get information in our reports that tells us whether those controls are in place and working?
35. By asking yourselves these questions, you will lead and develop a much clearer approach to risk management and a more targeted focus as an ELT on the aspects that matter to health and safety performance.
36. In addition to the above, because of the constraints that exist on in data collection and organisational visibility, you will need to broaden the way you get performance information. As an ELT, you could require your direct reports to provide defined health and safety information to you about their functional areas. The type of information will be guided by the answers to the questions about critical risks and key controls that you work through. Such an approach would work like this:
  - a) Information from staff checks of risk controls will be reported to front line managers
  - b) Information from front line managers will be reported to senior leaders

- c) Information from senior leaders will be reported to the ELT member, which the ELT member can then share at the ELT meetings.
  - d) ELT can then still get a report from the Health and Safety team at ELT meetings, but this shouldn't contain any information that is not already known by each relevant ELT member – and should provide a useful assurance check to the ELT.
  - e) The health and safety committee can also report items and information from representatives and workers where needed to the committee meetings, which the ELT chair can take to the ELT meetings.
37. The above checking and reporting process can then be supported with internal audits and checks undertaken by your health and safety team and third parties.
38. The reporting can be verbally undertaken in 1-2-1 meetings, or through more formal methods – whichever way works for you best as you start to initiate this process. You can mature this over time.

### RECOMMENDATION 2:

#### Set clear expectations for health and safety performance.

39. When you have defined your critical risks and key risk controls (see recommendations in the risk section), set clear responsibilities, accountabilities, and authorities for those controls. This is essential to ensure that the controls are implemented and maintain in place and effective. If you have a delegations framework, you should ensure responsibility is aligned with the authority to take action in that that framework.
40. Communicate your intent and your expectations for general health and safety performance to your staff. This is your opportunity to communicate your commitment and your promise



to your staff that the work you design and create for them should be safe and healthy. To create an environment of trust, one where people freely report incidents and events, and where ideas and innovation are cultivated, staff must hear that you care, and must believe that you care by seeing your actions match your words. This is a great time to really reset your commitment, and you can bring a really council specific flavour to this.

### **RECOMMENDATION 3: Analyse the capability needs of the health and safety team**

41. Analyse the capability needs of the health and safety team against the domains of a good health and safety operating model in the table included in the findings. This will help you to identify any development needs, and to buy in or borrow capability as required in a planned way.
42. Develop a clear operating model and mandate for the health and safety team that outlines the purpose of the function, the way you want the function to work and to operate, the objectives and priorities for the function, and the way the function can escalate and raise issues of concern to the ELT directly.



# WORKER ENGAGEMENT

Research has consistently identified that worker engagement and participation in health and safety has a fundamental impact on the health and safety performance of a business. Factors that make worker engagement and participation effective include management commitment to participation processes, union support of health and safety representatives and effective workers representatives. The more workers and their representatives are able to participate in decisions impacting on their health and safety, the better the outcomes. SafePlus focuses on the mechanisms in place for worker involvement in health and safety and the perceptions of those in business as to how those processes are working.

## Performance Requirements

5. The business communicates effectively
6. The business engages with, and empowers, workers and representatives

## FINDINGS

### **FINDING 5: Staff have the solutions; they just need to a better platform to enable them to be heard**

43. Staff do not always have the opportunity to be involved in matters that impact their health and safety. As an example, a risk assessment has recently been undertaken of COVID19 exposure risk, in order to determine whether some roles and sites to require vaccine passes. The risk assessment was not undertaken with the support or knowledge of the principal advisor health and safety, and neither were all staff formally involved in the process or the assessment. Some senior leaders spoke with their teams to help them to assess the roles using the framework that had been developed, but members of ELT expressed a view that not all leaders would have done this as requested. It did not appear that any health and safety representatives were formally consulted or involved in the risk assessment process.
44. There is a formal health and safety committee process, which is chaired by an ELT member. In addition, there are health and safety representatives, but we were not able to see records of training – or an outline of how workgroups for representatives have been defined or how the structure is supposed to work. The formal structures were not perceived by those we spoke to as providing or adding any value to the health and safety conversation.
45. There were however, examples of great engagement practice, where staff have been fully involved and their involvement has resulted in a far better outcome. In Arboreal services a new chipper and trailer were designed and procured, and a new truck with well-designed shelving. The staff spoken to were very enthusiastic about the process that was followed with these 2 items and were very satisfied with their involvement and the

equipment they now have to use. This is a success that is well worth celebrating and sharing across the business.

### **FINDING 6: Communication is great in some parts, and inadequate in others**

46. During the assessment, a common comment from staff was that communications relating to health and safety from the ELT were improving, but that they had a long way to go. Those we spoke with were genuinely interested in hearing about health and safety from members of ELT. They wanted to know whether ELT understood the realities of their work and wanted to share with ELT their ideas for improvement. Animal control for example was very keen to show all ELT members the equipment they must use, the environments they must work in, and the risks they must manage.
47. The methods and content of communication are not tailored to the needs of different audiences. There is a notice board in the council offices which is maintained by the health and safety team, the efficacy of this is questionable.
48. There are a range of audiences that need health and safety information and communication - including contractors and those working on the same sites (including different ICC teams). When working on the same site as another team there may be health and safety considerations which require risk assessment and the implementation of controls. We were informed that some information about where teams are working and what they are doing is contained in GIS maps, but that not all teams have access to this nor would use it.
49. Staff gave us examples of how historically conflicts, disagreements and issues were not addressed in a responsive way. We were also informed that in some areas this is changing. For example, in Animal Control almost all of the staff are new following a few years which were described as problematic.

## RECOMMENDATIONS

### **RECOMMENDATION 3: Be deliberate in your communication approach**

50. Identify the different audiences and different health and safety communication needs across the council - for example, the public, workers, contractors, those that working alongside staff. Develop a clear communication approach for each of these audiences, with key messages defined to ensure the right information is being delivered in the right way to the right people.
51. The type of information to communicate may include:
  - a) Risk information
  - b) Responsibilities
  - c) Wellbeing activities and programmes
  - d) Support services
  - e) Alerts
  - f) Changes and impacts
  - g) Actions and items from health and safety committee meetings
  - h) Ability and opportunity to get involved
52. Identify accountability and timing for communications – and ensure that those with accountability have the capability and authority to fulfil their roles.
53. Consider cultural dimensions, language and literacy in all communications. A competent communications specialist will be able to provide support to develop a clear communication plan and approach that is relevant to health and safety and the various audiences.

### **RECOMMENDATION 4: Listen to staff and give them more opportunities to be involved**

54. Consider rolling out an engagement survey with your staff.

55. Develop the worker engagement and participation structures to ensure that all staff have a voice in decisions that may impact their health and safety
56. Continue to undertake the ELT engagement walks and roll these out to Councillors as well as tier 3 leaders. Use the information from the walks to drive action and improvement. This can be achieved through the active and deliberate discussion about the walks with each other.



# RISK MANAGEMENT

To protect workers from both short- and long-term harm, a business needs to have effective processes in place to identify, assess and control both health and safety risks. Safeplus assesses how a business identifies and manages health and safety risks by looking for evidence of risk management processes in place, knowledge of those processes within the business, and by looking in depth at how health and safety risks are understood and managed by workers.

## Performance Requirements

7. The business, with workers and their representatives, identify work related health and safety risks
8. The business and workers assess work related health and safety risks
9. The business, with workers and their representatives, takes a proportionate approach to controlling health and safety risks.
10. The business, with workers and their representatives, ensures controls are effective in managing health and safety risks.

## **FINDINGS: GENERAL**

### **FINDING 6: The overall risk picture is still being understood**

58. There is an incomplete understanding of risk across ICC which means any improvement activity is not focused on risk control in a way that ensures effective use of resource. There isn't a defined way to identify or assess the hazards and risks. A systematic approach has not been taken. No critical risks have been agreed for example (most organisations consider a critical risk on which has credible potential to cause serious or irreversible harm and it is on those risks which they place their priority attention).
59. In recent months an enterprise-wide risk framework has started to be developed. In time, the health and safety risks at a strategic level will be incorporated. Until that point, health and safety hazards and risks are captured in a spreadsheet by the principal advisor health and safety and there is no link into a broader organisational approach to understanding the multiple dimensions of risk.
60. There is no consistent organisational approach to analysing and managing risks in the supply chain – sometimes referred to as “overlapping duties”. Because there isn't a defined approach to risk, or a particular framework developed for this it means that each team could approach this differently and to different standards and different levels of effectiveness. The absence of a clear approach increases the potential for duplication and inconsistencies as well as placing a drain on minimal resources. Consulting, cooperating and communicating with those on those on the same or nearby sites, (and vice versa) to ensure risks are understood and managed is a key legal responsibility.

### **FINDING 7: Risk controls have not been defined**

61. The organisation has not yet defined how safe is safe enough. The introduction of the risk framework has commenced with introductory sessions with the ELT to define risk appetite and risk tolerance. This can then be cascaded into the risk criteria (the risk matrix) and then through the setting of risk controls as risk literacy of the organization develops. However, this is at early stages, and it is not envisaged that the health and safety risk approach integrate with this approach for some time. Therefore, an approach to defining “safe enough” will need to be agreed. Otherwise, staff and leaders have no benchmark or guide to help them to know if they have managed a risk well enough.
62. There is no discipline yet to the risk management approach, and therefore it is difficult for any team we spoke to to demonstrate they have considered the hierarchy of controls when mitigating risks in their work. There was a frequently expressed view that the controls in place are the ones that are either common sense or have been in place since forever.
63. The risk controls required to manage the critical risks have not been clearly defined. For example, training is ad hoc
  - i. There is no competence framework relating to risk for staff
  - ii. Records of compliance training and risk related training are not visible to the ELT and therefore ELT can have little confidence that their staff have the right information, instruction and training to do their work
64. There is a project to begin mapping out competencies, but this is for all competencies not just health and safety and risk control related ones, therefore the one staff member allocated to this piece of work is unlikely to be able to complete this in the near future without significant support.
65. Many leaders told us they wanted staff to speak up, to tell them when work wasn't safe. Speaking up requires 3 things to be in place:

- a) an awareness of what is wrong. Information hasn't been consistently provided to staff to tell them what safe work means for them in their work. Staff need to know what the controls are to manage the risks in their work. ICC have not fully identified the controls, haven't comprehensively trained people in those controls and haven't fully communicated what those controls are.
  - b) a belief that speaking up will lead to action. Those we spoke to did not believe anything reported would be dealt with.
  - c) a belief that they wouldn't be blamed, find themselves in a career limiting situation, or be shunned by their peers for raising issues. Staff expressed direct views that historically there was a tendency to blame staff when things went wrong, and this will take time to address.
- 66. There are pockets where risk is being well controlled through the actions of highly competent and capable people. This is driven by individuals and individual leaders, or other audit and statutory requirements (e.g., drinking water standards) and not by and council designed programme of activity. For example, in the parks team, the staff have been involved in the decisions about which design is needed for Arboreal trucks, and this has resulted in a better product and a safer way to work, as well as better taking care of expensive equipment. In addition, a new chipper and trailer has been designed and purchased and the staff were very pleased with the functionality, ease of use and safety of this. Their voices had influenced the design. This is a great platform from which to build because you can leverage the enthusiasm and knowledge of those leaders within the organization to develop a cohesive all of organization programme of activity.
- 67. Without defined risk controls, the investment needed to drive improvement cannot be articulated or requested. The investment in some areas of the organization could be substantial and multi-year.
- 68. Due to there being few risk standards articulated for key risk controls, monitoring activity cannot be comprehensive, reporting on control effectiveness is very difficult, and this leads to confusion amongst staff and leaders about whether risk is being controlled. In some situations, risk controls are in fact absent or deficient. For example, we observed or heard about:
  - a) Inadequate extraction at the crematorium, particularly around the bone crushing area.
  - b) Inadequate PPE at the crematorium, with a welding visor being available as protection against the heat of the incinerator, combined with a wholly inadequate first aid kit and an absence of emergency response planning.
  - c) Inadequate hygiene practices for exhumations at the cemetery, where we were told that staff were removing bodies that were severely water compromised during exhumations without a full risk assessment being undertaken.
  - d) No mechanism to ensure those new to roles are provided with training to manage the risks in those roles before they are exposed to them.
  - e) No mechanism to ensure that baseline testing is undertaken on all staff who are exposed to health risks in their work, and that where needed for their role the correct immunizations are offered and explained (e.g., Tetanus and Hep B).
  - f) An absence of clear lone working protocols.
  - g) An absence of protection in the animal control facility between the secured office area and the animal compound. A staff member entering the area had no ability to enter a fenced off area first to observe the animals. Access was immediately into the compound. While there was a video link in the main office – by the

- time a staff member had gone through the other room and entered the compound the situation in the compound could have changed.
- h) An absence of formalized, practiced emergency procedures for events in the animal control facility. If there is an attack, all staff must be familiar with the process to deal with the emergency and practiced at doing so.
  - i) One asbestos management plan all property activities. The Council has just undertaken heat pump installations in aged care facilities, where external reviewers were brought in to make sure that the risk was being managed. There are some gaps in asbestos knowledge through the portfolio because the parks portfolio was always separate, and the senior leader stated there was a need to assess all buildings because they had only 70% confidence in their current available information.
69. During our discussions with staff, we were frequently told that they wanted to develop guidance or SOPs to help everyone to manage their work in a way that was healthier and safer. Many teams were beginning to develop such documents or seeking out the health and safety advisor to help them. For example, the cemetery team and the arboreal services team in the Parks group were both starting to develop standard operating procedures for key activities. The staff recognized that new recruits needed more support to help them to work safely, and that this was one way they could help to achieve that.

## **FINDING 9: Learning and improving mechanisms are in their infancy**

70. Basic investigations into events are undertaken, but the training and methodology to do this was ill defined. Investigation is not an innate skill, and it can be easy to allow biases to creep in or

- blaming the worker to occur. There were no mechanisms to counteract this enabling a more objective inquiry into harm events.
71. Actions to be implemented following investigations were not tracked.



## **FINDINGS: RISK FOCUS**

### **Violence and Aggression (V&A) Risk Deep Dive**

#### **What it is:**

A risk that ICC workers and members of the public could be harmed because of the behaviour and actions of another person. The harm caused could be physical or psychological - and can occur as a result of threats of harm, racism, sexism otherwise threatening verbal abuse or physical assault. This may or may not involve weapons.

#### **What we saw, read and heard:**

Staff were exposed to V&A risk in multiple locations and activities, some higher risk than others. For example, at Council reception areas, in animal control activities (on site and on other sites), during tree work in public spaces when arboreal staff won't cut trees down that the public want cut down. ICC has experienced a number of threats and near miss event involving aggression and violence towards staff, to the point in some areas of the organisation that it has been deemed necessary for staff to wear stab resistant body armour and on body cameras. This is a significant step and demonstrates the severity with which the ICC believes violence and aggression can impact staff.

#### **Performance at ICC:**

Violence and aggression risk is in many areas being managed. One senior leader told us how proud they were of the customer services team who recently had an escalation event involving a known customer whose trespass notice had expired. The response to this person aggressively approaching staff at the Council was handled well because of the team leader in this area and her level of capability and experience.

There is however no comprehensive ELT view of how this risk is being managed in different areas, to what standards it is being managed, nor whether the controls are effective or sufficient. There has not been a full risk assessment undertaken across Council of this risk.

In animal control, protective vests were worn. These were primarily to protect against animal bites – however staff indicated they were also there to protect against violence and aggression – something they experienced frequently at the facility. This highlights an opportunity to focus on communication and training.

## Mental Health Risk

### What it is:

There is a risk of psychological harm, fatigue (and knock-on effects on other risks), staff disengagement and increased turnover, as well as burnout and the physical harm caused by work related stress.

### What we saw and heard:

Staff were experiencing elements of work-related stress in many roles and locations across ICC. We did not observe any organisational risk assessment for the factors involved in mental health risk, and nor were there any defined controls or standards of care. The response from the Council to mental health is very reactive. There are 6 management standards for work related stress. Observations, interviews and document review revealed the following performance against each of the standards:

- **Demands** (workload, work patterns and work environment)
  - Staff (front line and managers) talked frequently about how their colleagues, themselves and their leaders were more short tempered and emotional because the demands placed upon and the pressures of nearly 2 years of a global pandemic.
  - Turnover in some areas was high.
- **Control** (Staff members say in the pace and structure of their work)
  - Staff control over the way they do their job was perceived as sufficient. Staff discussions highlighted that they were adopting a defensive type of approach to their work because of a fear that if something did not go well, that they would be investigated (by management) and blamed. Many staff expressed innovative ideas for improving their work but felt powerless to implement any of them. For example, one area of the organisation wanted to develop

guidance material, and one area wanted to implement an electronic audit system.

- **Support** (Encouragement, growth, resources)
  - Support was not perceived as available, nor observed as available, from higher levels of management.
  - Support between front line management and staff was generally seen in a positive light, with front line managers seen as trying to do the best they could for the frontline staff.
  - Growth and development supported, but there was no clear competence programme for people to ensure they had the skills and knowledge needed to manage the risks in their work.
- **Relationships** (positive leadership, dealing with conflict, management)
  - Interpersonal relationships between staff were not always collegial.
- **Role** (role clarity and expectations)
  - Staff expressed confusion over what they were responsible for and not in H&S terms. There was a low level of understanding of obligations and legal requirements, and many staff were doing what the longer-term staff had shown them should be done.
- **Change** (how change is managed and communicated)
  - There has been a lot of change in the council in the past 3 years.
  - There wasn't a process to support consideration of health and safety impacts when instigating change. That isn't to say that it isn't considered – but evidence of this could not be found.

### Your performance:

The council manage mental health like physical health – by exception. There are no proactive actions to consider the way that

work is organised and designed. In terms of support for mental health, the organisation is still very reactive and in its infancy. The use of EAP is in the main the only support available. During the review a number of staff were observed to be visibly in need of support. This is an area where many of the staff and leaders we spoke to expressed concerns, and one which needs significant focus in order to drive improvement.

## **Working With Others**

### **What it is:**

During the assessment, we specifically focused on how you manage work with others, whether that is with contractors and sub-contractors, or when you are working on the same sites or in the vicinity of others. These are often referred to as “overlapping duties”.

### **What we saw and heard:**

We observed staff working with and alongside others in many areas of the organisation. There were contractors on site at the animal control facility when we visited. We observed verbal instruction to the contractors about the site and security around the use of doors, but we did not hear the contractors provide any verbal or other information to those on site about the impact their work could have on them.

At the Sewerage treatment plant there were parks staff mowing lawns – there did not appear to be any defined management of this, and during the walk around, we had to move out of the way of the mower on two occasions. The mower operator was aware of us, but it was clear that the site had not given them an update about who was on site. The water treatment plant at Braxholme has multiple contractors working on site at various times – to fix the fencing, to drain and remove the sediment from the ponds and to maintain equipment. The arboreal team are working next to the public in a range of environments.

The management of overlapping duties is not formally set out. Each part of the organisation approaches this in different ways, driven by the capability of the leader and staff on that site / area of the business. The whole council uses sitewise. This is a pre-qualification process with no specific standard set by Council to indicate whether a contractor can be used or not. In addition, there

was no evidence that the remaining parts of the contractor management activity are undertaken for all contracted work (specific scope of work, safety planning and communication, monitoring and evaluation).

In the infrastructure part of the organisation, health and safety is included in tenders, but not as a weighted attribute. The staff in those areas are not experienced in overlapping duties, and the leader is providing coaching to them to help them to understand how to manage this. This has commenced with the introduction of a type of audit document to guide the staff through how to undertake site observations. One of the key aims for this process is to help the staff to understand the need to focus on critical risks as a priority, because the leader informed us that critical risks had not been defined and were not well understood by the team.

An additional next step that the infrastructure team articulated to us, was the need to request contractors to report on key metrics to Council in order to assist with contractor evaluation processes.

One of the constraints to good practice in overlapping duties was capacity. The infrastructure team in particular expressed the view that they didn’t have the capacity to do the work they needed to do in terms of health and safety oversight, and so ended pushing this out to consultants to help manage.

Some of the issues with contractors that we were told about included the immaturity of some contractors in the management of risk. A significant amount of oversight was required for contracted work involving asbestos, contaminated land, and during ICC staff investigations where underground services were not always located before investigations were commenced. This was a risk of significant concern to the leaders in that part of the Council.



**Your performance:**

This is a significant area of risk that ICC does not manage well or consistently. An urgent focus on the approach to managing risk in all relationships is required.

## RECOMMENDATIONS

### RECOMMENDATION 6: Develop risk management maturity.

72. Continue to develop the risk management process. This should include a range of methods to assess risk. Include staff in the development and deployment of the methodologies.
73. Define risk controls and embed these through Council.
74. Assess the implementation status of each control identified once you have completed the embedding phase. Use the outcome of the critical risk analysis to develop a prioritised programme of investment in order to build standards and enhance organisational and workforce capability (people, process and plant).
75. Develop a communication plan and an assurance plan for each critical risk.
76. Identify how to monitor the controls at the front line, site level and organisation level. This may involve altering workplace inspection checklists slightly to include the monitoring of risk controls more clearly.
77. Report the key risk indicators to the councillors and the senior leadership team.
78. As part of the above, focus attention on the controls required to address the issues identified in the risk management section of this report as a priority.

### RECOMMENDATION 7: Focus on overlapping duties

79. With key internal stakeholders, map the different types of relationship ICC has with others. You may like to refer to the Z Energy Overlapping PCBU framework as a guide for inspiration.
80. When the types of relationship are identified, assess the level of risk in each one, and then determine the approach ICC will take

to managing risk in each (the consult, cooperate and communicate duty).

81. Develop a framework and training programme that helps those within the business understand how health and safety must be approached in each situation. This will drive consistency and ensure visibility of approach.

### RECOMMENDATION 8: Build organisational Capability

82. Identify the organisational capabilities required to support good work. In particular,
  - a. Health and safety management system (processes not ICT)
    - i. Integrate the health and safety processes into broader Council business activity, simplifying and tailoring these to support a clearer focus on managing critical risk.
    - ii. Reflect the site culture in all documentation – make it personal and engaging
  - b. Develop the systems (could be IT and non-IT systems) for sharing, analysing and collating information. these so that there is the:
    - iii. Ability to collaborate across Council
    - iv. Ability to collate information centrally but manage it locally
    - v. Ability to track information, actions, non-conformances, training and maintenance
    - vi. Ability to track asset information through asset management databases and escalate concerns with ease to the ELT

## Appendix A – attributes of effective H&S capability

Key domains of effective health and safety operating models			
Requirement	Standard	Indicator (what good looks like)	Why this matters
<b>Purpose</b>	Strategic Intent	There is clarity of alignment between the health and safety functions activities and the organizational purpose.	<i>This impacts how the function operates, what it does, how it communicates, the resources needed, and the value added to workers and the organisation. Without a clear strategic intent, the functions activities may not be in the best interests of the wider organisational objectives and may hinder rather than help normal work.</i>
	Philosophy	There is a clear understanding of what the terms “safety” and “being safe” means to ICC. This underpins the way the health and safety function will operate and the support and assistance the organisation and workers will expect.	<i>Language is fateful, and words create worlds. The way an organisation defines and thinks about the term’s “safety” and “being safe” informs its approach and activities.</i>
<b>Service</b>	Role (function)	The health and safety function has defined what it does. The role is aligned to the strategic intent, and informed by the underpinning philosophy.	<i>Health and safety is often an assumed area of activity, but to make real change, the organisation and all workers need to be clear what the function does and does not do. This ensures an appropriate accountability framework through the organisation.</i>
	Approach (function)	There are clear methods of work that enable the health and safety function to deliver on their purpose, reflect their role, and communicate how the team works with the organization and individuals.	<i>This is required in order to build relationships based on truth, trust and transparency. The functions approach may change based on the specific issue, but if the function is not clear how it supports the workers and the business, then the workers and the business will not be clear either. The approach informs the capabilities and capacity needed in the function.</i>
	Structure (form)	The positioning of the health and safety resource within the organizational structures ensures appropriate influence and voice in organizational issues and ability to deliver the services in line with the stated approach to fulfil the role of the function and the functions purpose.	<i>Form follows function, and when the function of the team is articulated, the structure must enable the delivery of that in an efficient and effective way.</i>
<b>Capability</b>	Leadership / Strategic	The health and safety function contains strong capability (knowledge, skills and experience) in the strategic and business/operational domains, that enables the function to operate at the governance and leadership level across a complex organizational structure.	<i>A function that operates across the organisation and thinks big picture is better able to support the board and senior leaders and ensure alignment to business objectives. This requires a different skill set to operational issue management. This skill enables a focus on the important.</i>
	Technical / Operational	There is strong capability in the operational and technical domains, relevant to the tasks, locations, equipment and environments ICC workers face.	<i>There are a number of risks and activities in ICC, and in order to understand the nature of the work within such a complex adaptive system, the function needs specific skills and knowledge that can support it to deliver.</i>
	Organizational	There are effective information, data, intelligence, IT, finance and other tools that enable the team to achieve their purpose and support the organization.	<i>The organisation needs tools to acquire, assimilate, transform and assimilate learnings in order to build absorptive capacity, without this, the organisation and the work of the health and safety function, leaders and workers will be disconnected, more difficult and less effective.</i>
<b>Capacity</b>	Strategic	There is sufficient capacity to analyse data and intel, plan and implement interventions, develop programmes of work, adopt a long-term view, and undertake projects that are both cross organizational and activity, service and location specific, to understand, monitor and improve performance and practice.	<i>To drive performance a long term and planned approach is needed. A function without such an approach can be dragged into the weeds and find that progress is not fast paced, sustainable or even consistent.</i>
	Operational	There is sufficient capacity to service the needs and demands of the business across all locations, services and teams.	<i>To support fast paced and sustainable improvement, the organisation needs the ability to support workers across the organisation in a timely manner.</i>





## RISK MANAGEMENT UPDATE MARCH 2023

<b>To:</b>	Risk and Assurance Committee
<b>Meeting Date:</b>	Tuesday 21 March 2023
<b>From:</b>	Peter Patton – Manager – Quality People and Capability
<b>Approved:</b>	Andrew Cameron – Chief Risk Officer
<b>Approved Date:</b>	Tuesday 14 March 2023
<b>Open Agenda:</b>	Yes
<b>Public Excluded Agenda:</b>	No

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### Purpose and Summary

This report is designed to provide an update on risk management. At this stage the report is primarily activity focused however it will progressively move to a format that will enable the monitoring and assessment of actions to manage risk within Council.

### Recommendations

That the Risk and Assurance Committee:

1. Receive the report "Risk Management Update March 2023".
2. Note the current legislative compliance review of the Public Records Act and steps taken to reduce the risk of non-compliance.
3. Note that a programme of work will be provided to improve the monitoring of Council's non-financial risks.

### Background

The aim of the Risk Management Framework is to allow Council to explore the opportunities and minimise the threats presented by the risks inherent in Council's activities. The main objectives of the policy are to:

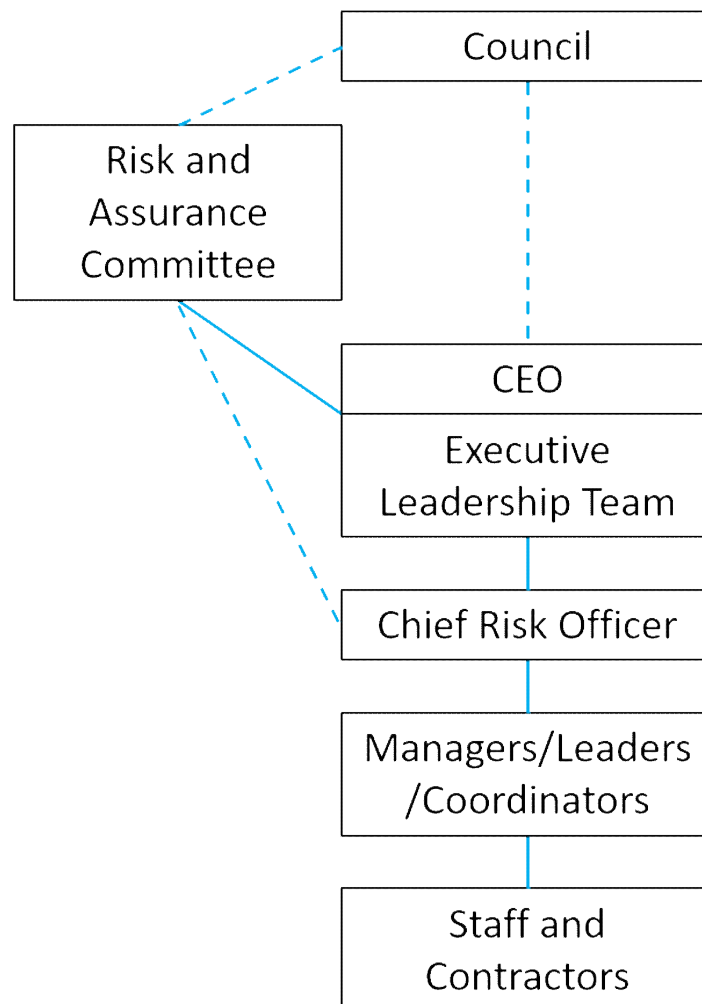
- increase the likelihood of Council achieving its strategic and business objectives
- safeguard assets, people, finances, the environment, and reputation
- improve performance and service delivery to maximise resource utilisation
- integrate risk management into Council's operations and processes, including through the use of a common language, to promote a risk aware culture across the organisation
- ensure the visibility of Council's risk management process
- provide a timely response to escalated risks and actual events when they occur

- aid decision making and encourage innovation
- maintain a flexible risk management framework which is aligned with AS/NZS ISO 31000:2009, ISO 31000:2018, and good practices generally.

## Issues

With the introduction of the Chief Risk Officer role in March 2023, the risk management governance structure changed as indicated in figure 1 below.

**Figure 1: Risk management governance structure**



This change will enable an increased focus on the monitoring of risk within Council. Council is currently working through a review of its risk appetite. This is a foundation step to guide monitoring of risk as it is against the risk appetite set by Council that the performance of risk management will be monitored.

An appropriate risk appetite statement will enable this Committee and Council to:

- communicate the desired risk tolerance for specific risks
- monitor and measure how Council is operating against its stated risk appetite for a particular risk
- mobilise resources and strategies to return Council to within its risk appetite where reporting indicates that it is operating outside appetite; and/or
- accept that Council is operating outside its risk appetite with appropriate understanding of the impact that this may have on the overall risk capacity of Council.

Monitoring of financial risks is generally more mature than non-financial risks. The reports to this Committee on health and safety give an example of how it is proposed to start improving the reporting on non-financial risks. In particular information will be provided as to whether the organisation is operating within the risk appetite set by Council and the actions to be taken or acceptance of that position as the case may be.

Reporting to the Committee will be developed to reflect the ongoing monitoring and review of risks as required by the Risk Management Framework. In particular the reporting will consider the systems and processes in place to support risk management including but not limited to control effectiveness.

### **Risk Identification**

Council has engaged Deloitte to assist with the development of a key risk register. This work is progressing within certain departments and an update on that work will be provided to the next meeting.

Following identification of the risk work will be undertaken to analyse, evaluate and treat those risks in accordance with the risk framework. Any significant change to the existing risk profile of Council from this work will be reported to this Committee.

### **Monitoring and Review**

#### **Governance R00019 – Public Records Act (PRA) 2005 Compliance – Update**

Council is subject to the Public Records Act. The key requirements are for Council to create and maintain full and accurate records of its affairs. Further Council can only dispose of those records in accordance with the Act.

Council has stated that its risk appetite for non-compliance with legislation is low.

*Status update on the Public Records Act 2005(PRA) risk.*

Work to date on improving compliance with the PRA has focused on identifying key information and data sets throughout the organisation, and also identifying/clarifying or establishing authoritative sources of truth for key information. This is currently being done through:

- revision of the file structure within our electronic document management system Objective ECM. The revised structure is a decisive move towards more agile function and activity based recordkeeping best practice with an enhanced focus on meaningful metadata.

- an information asset inventory has been undertaken to identify information assets throughout the organisation. This has provided some clarity regarding the likely authoritative source and owner for high risk/high value information.
- a close eye has been kept on the property file digitisation project compliance with digitisation and metadata standards. A stringent quality assurance programme is in place and subsequently a very high standard of digital output is being achieved.
- revision of training and support was undertaken resulting in a small change to the training approach for new staff.
- a review of physical records appraisal and processing was undertaken resulting in a number of efficiency improvements.

This risk will be updated at the July 2023 Risk and Assurance Committee meeting including an assessment of whether Council is operating within the risk appetite set.

### **Next Steps**

Work will continue with the Committee to understand and improve risk maturity throughout Council.