I hereby give notice that an ordinary meeting of the Governing Body will be held on:

**Date:** Thursday, 25 June 2020  
**Time:** 10.00am  
**Meeting Room:** Reception Lounge  
**Venue:** Auckland Town Hall  
301-305 Queen Street  
Auckland

**Tira Kāwana / Governing Body**

**OPEN AGENDA**

**MEMBERSHIP**

- **Mayor**  
  Hon Phil Goff, CNZM, JP
- **Deputy Mayor**  
  Deputy Mayor Cr Bill Cashmore
- **Councillors**  
  Cr Josephine Bartley  
  Cr Dr Cathy Casey  
  Cr Fa’anana Efeso Collins  
  Cr Pippa Coom  
  Cr Linda Cooper, JP  
  Cr Angela Dalton  
  Cr Chris Darby  
  Cr Alf Filipaina  
  Cr Christine Fletcher, QSO  
  Cr Shane Henderson

(Quorum 11 members)

**Sarndra O’Toole**  
Kaiarataki Kapa Tohutohu Mana Whakahaere /  
Team Leader Governance Advisors

**22 June 2020**

Contact Telephone: (09) 890 8152  
Email: sarndra.otoole@aucklandcouncil.govt.nz  
Website: www.aucklandcouncil.govt.nz

**Note:** The reports contained within this agenda are for consideration and should not be construed as Council policy unless and until adopted. Should Members require further information relating to any reports, please contact the relevant manager, Chairperson or Deputy Chairperson.
Terms of Reference

Those powers which cannot legally be delegated:

(a) the power to make a rate
(b) the power to make a bylaw
(c) the power to borrow money, or purchase or dispose of assets, other than in accordance with the Long-Term Plan
(d) the power to adopt a long-term plan, annual plan, or annual report
(e) the power to appoint a chief executive
(f) the power to adopt policies required to be adopted and consulted on under the Local Government Act 2002 in association with the long-term plan or developed for the purpose of the local governance statement
(g) the power to adopt a remuneration and employment policy

Additional responsibilities retained by the Governing Body:

(h) approval of long-term plan or annual plan consultation documents, supporting information and consultation process prior to consultation
(i) approval of a draft bylaw prior to consultation
(j) resolutions required to be made by a local authority under the Local Electoral Act 2001, including the appointment of electoral officer
(k) adoption of, and amendment to, the Committee Terms of Reference, Standing Orders and Code of Conduct
(l) relationships with the Independent Māori Statutory Board, including the funding agreement and appointments to committees
(m) overview of and decisions relating to any CCO review including the implementation of any resulting changes to CCOs
(n) oversight of work programmes of all committees of the governing body.
Exclusion of the public – who needs to leave the meeting

Members of the public

All members of the public must leave the meeting when the public are excluded unless a resolution is passed permitting a person to remain because their knowledge will assist the meeting.

Those who are not members of the public

General principles

- Access to confidential information is managed on a “need to know” basis where access to the information is required in order for a person to perform their role.
- Those who are not members of the meeting (see list below) must leave unless it is necessary for them to remain and hear the debate in order to perform their role.
- Those who need to be present for one confidential item can remain only for that item and must leave the room for any other confidential items.
- In any case of doubt, the ruling of the chairperson is final.

Members of the meeting

- The members of the meeting remain (all Governing Body members if the meeting is a Governing Body meeting; all members of the committee if the meeting is a committee meeting).
- However, standing orders require that a councillor who has a pecuniary conflict of interest leave the room.
- All councillors have the right to attend any meeting of a committee and councillors who are not members of a committee may remain, subject to any limitations in standing orders.

Independent Māori Statutory Board

- Members of the Independent Māori Statutory Board who are appointed members of the committee remain.
- Independent Māori Statutory Board members and staff remain if this is necessary in order for them to perform their role.

Staff

- All staff supporting the meeting (administrative, senior management) remain.
- Other staff who need to because of their role may remain.

Local Board members

- Local Board members who need to hear the matter being discussed in order to perform their role may remain. This will usually be if the matter affects, or is relevant to, a particular Local Board area.

Council Controlled Organisations

- Representatives of a Council Controlled Organisation can remain only if required to for discussion of a matter relevant to the Council Controlled Organisation.
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**PUBLIC EXCLUDED**

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1 **Affirmation**

His Worship the Mayor will read the affirmation.

2 **Apologies**

At the close of the agenda no apologies had been received.

3 **Declaration of Interest**

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

4 **Confirmation of Minutes**

That the Governing Body:

a) confirm the ordinary minutes of its meeting, held on Thursday, 28 May 2020 and the extraordinary minutes of its meeting, held on Tuesday, 9 June 2020, including the confidential sections, as a true and correct record.

5 **Petitions**

At the close of the agenda no requests to present petitions had been received.

6 **Public Input**

Standing Order 7.7 provides for Public Input. Applications to speak must be made to the Governance Advisor, in writing, no later than **one (1) clear working day** prior to the meeting and must include the subject matter. The meeting Chairperson has the discretion to decline any application that does not meet the requirements of Standing Orders. A maximum of **thirty (30) minutes** is allocated to the period for public input with **five (5) minutes** speaking time for each speaker.

At the close of the agenda no requests for public input had been received.

7 **Local Board Input**

Standing Order 6.2 provides for Local Board Input. The Chairperson (or nominee of that Chairperson) is entitled to speak for up to **five (5) minutes** during this time. The Chairperson of the Local Board (or nominee of that Chairperson) shall wherever practical, give **one (1) day’s** notice of their wish to speak. The meeting Chairperson has the discretion to decline any application that does not meet the requirements of Standing Orders.

This right is in addition to the right under Standing Order 6.1 to speak to matters on the agenda.

At the close of the agenda no requests for local board input had been received.
8 Extraordinary Business

Section 46A(7) of the Local Government Official Information and Meetings Act 1987 (as amended) states:

“An item that is not on the agenda for a meeting may be dealt with at that meeting if-

(a) The local authority by resolution so decides; and

(b) The presiding member explains at the meeting, at a time when it is open to the public,

(i) The reason why the item is not on the agenda; and

(ii) The reason why the discussion of the item cannot be delayed until a subsequent meeting.”

Section 46A(7A) of the Local Government Official Information and Meetings Act 1987 (as amended) states:

“Where an item is not on the agenda for a meeting,-

(a) That item may be discussed at that meeting if-

(i) That item is a minor matter relating to the general business of the local authority; and

(ii) the presiding member explains at the beginning of the meeting, at a time when it is open to the public, that the item will be discussed at the meeting; but

(b) no resolution, decision or recommendation may be made in respect of that item except to refer that item to a subsequent meeting of the local authority for further discussion.”
Te take mō te pūrongo
Purpose of the report
1. To provide an update on immediate actions to address the water shortage.

Whakarāpopototanga matua
Executive summary
2. This is a late covering report for the above item. The comprehensive agenda report was not available when the agenda went to print and will be provided prior to the 25 June 2020 Governing Body meeting.

Ngā tūtōhunga
Recommendation/s
The recommendations will be provided in the comprehensive agenda report.
Te take mō te pūrongo
Purpose of the report
1. To clarify roles and responsibilities with respect to water and to direct investigation of ways to encourage the use of rain tanks, particularly in the suburban part of Auckland.

Whakarāpopototanga matua
Executive summary
2. This is a late covering report for the above item. The comprehensive agenda report was not available when the agenda went to print and will be provided prior to the 25 June 2020 Governing Body meeting.

Ngā tūtohunga
Recommendation/s
The recommendations will be provided in the comprehensive agenda report.
Te take mō te pūrongo

Purpose of the report

1. To seek approval by Audit and Risk Committee of the refreshed Enterprise Risk Framework and Council’s Risk Appetite Statement; and
3. Referred by the Audit and Risk Committee.

Whakarāpopototanga matua

Executive summary

4. The Audit and Risk Committee considered the Enterprise Risk COVID – 19 Update at its meeting of 26 May 2020.
5. The Audit and Risk Committee resolved as follows:

“Resolution number AUD/2020/24

MOVED by Chairperson S Sheldon, seconded by Cr S Henderson:

That the Audit and Risk Committee:

a) approve the Enterprise Risk Framework and Council Appetite Statement.
b) note the risk activities and enterprise top risk update following the COVID-19 pandemic.
c) note the financial management risk and emergency budget/annual plan process update.
d) note that the Chair of the Audit and Risk Committee has maintained independent oversight and provided feedback to management on the approach and process informing the decision-making process and preparation of the emergency budget consultation materials. This was to ensure the process and assumptions used to generate the Emergency Budget 2020/2021 (annual plan 2020/2021) remain reasonable.
e) agree that an update on the financial management risks, the Emergency Budget 2020/2021 and Long-term Plan processes will be provided to the next Audit and Risk Committee on 24 August 2020.
f) refer the Enterprise Risk COVID-19 Risk Update report to the Emergency Committee, Governing Body and Finance and Performance Committee (as appropriate).

3. The original Enterprise Risk COVID-19 Update report is appended and Attachment A to this report.
Ngā tūtohunga
Recommendation/s
That the Governing Body:


b) note that top risks and reporting related to the COVID-19 pandemic, will continue to be referred from the Audit and Risk Committee to the Governing Body.

Ngā tāpirihanga
Attachments

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Ngā kaihaina
Signatories

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<th>Emma Mosely - Chief Risk Officer</th>
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<td>Stephen Town - Chief Executive</td>
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Enterprise Risk COVID-19 Update

File No.: CP2020/05805

Te take mō te pūrongo
Purpose of the report
1. To brief the Audit and Risk Committee and seek approval of the refreshed Enterprise Risk Framework and Council’s Appetite Statement.

Whakarāpopototanga matua
Executive summary
3. The Enterprise Risk Framework in Attachment A has been revised to incorporate the ISO31000:210 Risk Management Standards. The framework was approved by the executive leadership team in February 2020 and is recommended for approval by the committee.
4. The Appetite Statement (Attachment A pages 12-13) was reviewed and confirmed by the executive leadership team on 15 May 2020 following the COVID-19 risk event and is recommended for approval by the committee.
5. Following the report to the extraordinary meeting of the Audit and Risk Committee on 14 April 2020, the risk team has facilitated a risk review and been deployed to support the internal and external emergency response.
6. The evolving nature and speed of the COVID-19 events and the emerging strategic and operational risks and issues has brought unprecedented challenge. However, the council’s response has been effective in managing risks and issues.
7. The council’s Top Risks have been reviewed and updated. The enterprise leadership reporting on top risks has been changed to a new format in Attachment B.
8. The overall risk profile is trending up. The velocity of the developments and the national and global impact of the pandemic are key drivers. The existing 11 top risks remain, and three new strategic risks have been identified to be added to the top risk register: financial management, recovery and Māori outcomes.
9. The health, safety and wellbeing risk remains a top priority and risks, hazards and incidents are continuing to be monitored and managed. The focus for the corporate health and safety department has been on supporting Auckland Council’s emergency response to the COVID-19 pandemic and managing people risks through the alert levels. There has been significant work required and new systems and processes have been developed at pace to respond and manage the emerging risks.
10. The financial impacts of COVID-19 on the Auckland Council group budget for 2020/2021 remain highly uncertain. A summary of a high-level risk assessment and the key current controls is in Attachment C. The process and methodology considered by this committee has been followed, and work has continued at pace on the financial scenario modelling. A verbal update will be provided to the Audit and Risk Committee on the process.
11. To maintain independent oversight through the modelling process in an efficient and agile way, between 14 April and 26 May 2020, management have briefed the Chair of the Audit and Risk Committee on financial management risks and refinements to the assumptions and financial position. The chair of the Audit and Risk Committee has provided independent oversight and feedback to management to ensure on the process and assumptions used to generate the 2020/2021 budget remain reasonable.
12. The current drought situation poses an increasing risk to Auckland and council’s water supply. Active mitigations and management measures are in place including the imposing of stage 1 restrictions and reduction is usage by council’s facilities.

13. Following the COVID-19 pandemic and disruptions, the council group and Ministry of Business, Innovation and Employment (MBIE) have been working closely with the America’s Cup event organiser, America’s Cup Event Limited, to work through scenario-based contingency planning. This will determine how the event can be delivered. The enterprise risk department continue to work with the Chair of the Joint Chief Executive Group (JCCEG) and Chief Executive of ATEED, to ensure the programme risk management practices are fit for purpose as the programme shifts to event delivery.

14. The risk and insurance work programme has been adjusted in the short to medium term to focus on the strategic and recovery priorities and respond to resourcing constraints.

Ngā tūhunanga
Recommendation/s
That the Audit and Risk Committee:

a) approve the Enterprise Risk Framework and Council Appetite Statement.

b) note the risk activities and enterprise top risk update following the COVID-19 pandemic.

c) note the financial management risk and emergency budget/annual plan process update.

d) note that the Chair of the Audit and Risk Committee has maintained independent oversight and provided feedback to management on the approach and process informing the decision-making process and preparation of the emergency budget consultation materials. This was to ensure the process and assumptions used to generate the Emergency Budget 2020/2021 (annual plan 2020/2021) remain reasonable.

e) agree that an update on the financial management risks, the Emergency Budget 2020/2021 and Long-term Plan processes will be provided to the next Audit and Risk Committee on 24 August 2020.

f) refer the Enterprise Risk COVID-19 Risk Update report to the Emergency Committee, Governing Body and Finance and Performance Committee (as appropriate).

Horopaki
Context

15. This is an update on risk management activities to enable the Audit and Risk Committee to fulfill their governance and oversight role of the effectiveness of risk management.

16. This includes responsibility for reviewing and approving the enterprise risk framework and appetite statement, the effectiveness of risk management systems including health, safety and wellbeing, and emerging risks and changes to the Top Risk Register.
Tātaritanga me ngā tohutohu
Analysis and advice

17. There has been significant work completed to monitor, review, assess significant risks and mitigations during the crisis and response phases of the COVID-19 pandemic. Information and advice is provided on a range of matters including:
   - Enterprise Risk Framework and Risk Appetite Statements (Attachment A)
   - Risk assessment programme – COVID-19 risk pulse check
   - Auckland Council Top Risks and emerging risks (Attachment B and C)
   - Health, Safety and Wellbeing risk management and COVID-19 impacts
   - Finance risk management update
   - Drought emergency – council response and mitigations
   - COVID-19 Impacts on AC36 Programme (America’s Cup)
   - Refocused risk programme.

Enterprise Risk Framework and Appetite Statements

18. The updated Enterprise Risk Framework has been revised to incorporate the ISO31000:210 Risk Management Standards.

19. The framework was approved by the executive leadership team in February 2020 and is recommended to be approved by the Committee (Attachment A).

20. Key improvements to the Enterprise Risk Framework include:
   (a) “Recording and Reporting” added as a key element to the risk process
   (b) Highlighting of the leadership by top management and the integration of risk management
   (c) Greater emphasis on control effectiveness and actions at each stage of the process
   (d) Simplification of the risk categories and the impact and likelihood descriptions
   (e) Risk Appetite statement revised to reflect current environment.

21. The Appetite Statement (Attachment A pages 12-13) was reviewed and confirmed by the executive leadership team on 15 May 2020 following the COVID-19 risk event and in accordance with the Enterprise Risk Framework.

22. The framework implementation and embedding is ongoing as part of all the activities in the enterprise risk work programme. The programme focuses on strengthening the “bottom up” processes and strengthening staff capability and council’s risk management culture.

23. The planned roll out and embedding activities include:
   (a) Communications to raising awareness and understanding of framework improvements for example control effectiveness, risk and control ownership and accountability
   (b) Risk Champions programme and risk business partnering
   (c) Quarterly risk monitoring and review with senior leadership – focus on gaps in controls and agreeing actions
   (d) Identifying and reporting enterprise risk themes, trends and insights
   (e) Coaching and capability building with risk champions, leaders and report writers
   (f) Working with the Assurance Services department (in its role as third line of defence) on key control effectiveness testing through the rolling audit programme.
Risk assessment programme – COVID-19 risk pulse check

24. Following the report to the extraordinary meeting of the Audit and Risk Committee on 14 April 2020, the risk team has facilitated a bottom up and top down risk review.

25. This was a positive exercise to:
   • Ensure risks continue to be identified, evaluated and treated appropriately
   • Ensure interconnected risks are not responded to in silos
   • Capture real time risk assessments during the COVID-19 risk event and whether risks have changed
   • Inform the strategy to recover and move to the new normal – know the risks so we don’t just “bounce back” but we “bounce forward”
   • Inform ELT, Governing Body and Audit and Risk Committee reporting.

Risk review methodology

26. The risk review has included risk assessments, risk analysis of emerging risks, key leaders and team based brainstorming and internal and external scanning of the current environment.

27. To establish a clear and consistent context for the risk assessments, standard scenarios and assumptions have been considered that reflect the financial modelling assumptions, and council’s service provision during the transition from alert level 4 to alert level 3 and alert level 2.

28. Steps taken for the review included:
   • Survey and engagement with the enterprise leaders’ group to assess the departmental risks and impacts associated with the COVID-19 event (risk pulse check)
   • Engagement with departmental risk champions to assess emerging risks and issues and update risk registers
   • Risk identification and assessment in the key emergency workstreams including business continuity, corporate resilience and Civil Defence Emergency Management
   • A review of the council’s top risks (contained in the Top Risk Register) with executive and senior leaders, subject matter experts and control owners.

29. A risk pulse check with the council-controlled organisations has been completed to enable a council group risk view and Audit and Risk Committee oversight of significant group risks and mitigations. This will be reported separately to the Audit and Risk Committee.

Emerging risks and themes arising from risk pulse check

30. The evolving nature and speed of the COVID-19 events and the emerging strategic and operational risks and issues has brought unprecedented challenge. However, the council’s response has been effective in managing risks and issues.

31. In several top risk areas, the focused response and urgent work undertaken has improved visibility and coordination of information and resources and resulted in a deeper appreciation of the risks and led to improved management and mitigation of those risks.

32. Consistent risk themes and challenges have been being identified. The following common risk themes have been identified across all departments:
   (a) financial and resourcing risks
   (b) uncertainty around core work programme activities, priorities and objectives
   (c) people risks – staff wellbeing, stress and mental health
   (d) recovery process - collaboration and informed prioritisation and decision making.
33. The drought emergency has been identified by several operations teams as being a key risk. COVID-19 related disruptions and challenges are compounding the impacts of the drought and an increase in the likelihood and consequences of disruptions to services has been identified. The risk business partners are supporting lead teams to capture the significant risks identified so they are monitored through their risk registers and risk management plans.

34. Staff from the Risk and Insurance department have been deployed to support the internal and external emergency response. Risk management practices, including facilitating risk identification and assessment sessions, preparation of risk registers, monitoring, reporting and escalation have been established in the Crisis Management Response, Corporate Resilience and Civil Defence Emergency operations functions.

35. The following four common top risk themes have been identified in these workstreams:

(a) continuously evolving demands and complex obligations to be met at pace
(b) coordination between multiple entities and clarity of roles and responsibilities (internal and external)
(c) health, safety and wellbeing of staff and community
(d) redeployment and availability of required staff with necessary skills and expertise.

36. These risks are being controlled and mitigated through centralised and coordinated leadership of the CDEM controllers and redeployment processes and systems.

37. These risks continue as the civil defence and emergency management response transitions from emergency to recovery phase. A key risk is the conflicting demands on staff resource for business as usual roles and the Civil Defence Emergency Management requirements.

**Auckland Council Top Risks**

38. The Top Risks have been updated following the COVID-19 pandemic and through the executive leadership team’s scheduled quarterly review.

39. The executive leadership team reporting on top risks has been changed to a new format. The executive leadership team top risk report is in Attachment B.

40. The reporting highlights risk ownership, the rationale for the risk rating, monitoring and effectiveness of controls and additional controls under development. It summarises the detailed risk register which continues to be maintained and is in Attachment D.

41. Due to the rapidly changing risk environment, the executive leadership team has increased the frequency of risk reporting to monthly enterprise risk updates.

42. The overall risk profile is trending up as pressure and unique challenges have impacted existing and new internal controls. The velocity of risk and the national and global impact of the pandemic are key drivers.

43. All the top risks have been impacted to some degree by COVID-19 events and remain as strategic top risks at this time. The assessed likelihood of the risk eventuating has increased for three top risks: cyber, significant internal and external disruptions and service delivery.

44. The risk assessment for the service delivery top risk has increased from moderate to high due to the impacts and increased likelihood of service delivery from COVID-19. Cyber, significant internal and external disruptions risks have been assessed as having an increased likelihood of occurring, but the residual rating does not change. Additional mitigations and strengthening of controls and/or the existing controls and mitigations have been implemented and are adequately mitigating the risks. These risks remain assessed as high. All other residual risk ratings remain unchanged.

**Emerging Risks**

45. Three strategic risks have been identified to be added to the top risk register concerning financial management, recovery and Māori outcomes.
The risk descriptions are being refined and assessed and further controls developed to address the evolving COVID-19 pandemic situation, anticipated government directions, ongoing restrictions and financing and recovery decisions.

Attachment B contains high-level analysis of the emerging risks:
(a) Financial management - inability to prudently manage Council’s financial obligations
(b) Recovery - failure to strategically support and execute Council’s recovery plan, obligations and realise its objectives
(c) Māori Outcomes - failure or inability to meet responsibilities to Māori.

Health, Safety and Wellbeing risk update and COVID-19 response

The focus for the corporate health and safety department over the last quarter has been on supporting Auckland Council’s response to the COVID-19 pandemic. There has been significant work required and many new systems and processes have been developed at pace to respond and manage the emerging risks.

Representatives from the Health and Safety department have joined the Crisis Management Team since it was established and have staff deployed into Auckland Emergency Management. The team have also supported frontline business units that have continued to work over the lockdown in relation for the specific demands created by the pandemic and business as usual matters.

As a result of the lockdown, there has been a reduction in hours worked across the organisation. There were five total recordable injuries in April compared to 24 total recordable injuries in March 2020. April’s hours worked were approximately 4 per cent of March’s hours, which resulted in a lower injury rate.

Mental health and wellbeing risks are a top priority at this time, recognising the various additional stressors associated with COVID-19 on staff.

Employee Assistance Programme (EAP) usage initially increased at the start of the lockdown but has since reduced. To support staff and contractors, the People and Performance division has developed a wellbeing initiative, Te Papa Hauora. This is a dedicated hub on the Council’s intranet – Kotahi (Te Papa Hauora) for staff to access advice and information focused on all elements of wellbeing – spiritual, mental and emotional, physical, family and social and land or roots. This was based on “Te Whare Tapa Wha”, a holistic Māori health model developed by Sir Mason Durie.

In addition to Te Papa Hauora, a suite of initiatives have been implemented in response to COVID-19 to ensure we provide a safe environment for our people, staff, contractors and our communities. Key activities include:

- Corporate property department implementing increased cleaning, building loading, and managing fleet
- Two contactless technology solutions have been developed (Virtual Check-in and My Work GPS) to register who has accessed Council buildings and facilities, and people’s movements to ensure the safety of our people, visitors, contractors, and customers
- Guidance documents and templates are available online for people leaders targeted at leading teams through the COVID-19 crisis. These have included guidance on safety working remotely, what to do if someone returns a positive test for COVID-19, PPE usage, and managing vulnerable employees
- E-learning courses have been made available on risk assessments for returning to work
- Staff can access confidential counselling and support through employee support services such as Manawa Rahi and EAP
- Health and Safety staff have been redeployed to Auckland Emergency Management and Civil Defence Emergency Management to ensure a robust health and safety risk framework is in place, adequate Risk assessments are conducted, and risks are managed, particularly for staff redeployed over the lockdown
The Council’s Our Charter Speak Up principles and processes are being reinforced in all relevant communications. The established channels are operating, with particular focus on coordinating and triaging matters being raised to support staff and resolve issues as quickly and effectively as possible.

Health, Safety and Wellbeing top risk
54. The health and safety top risk on Council’s top risk register was reviewed as part of the May 2020 top risk review. The health and safety top risk summary is in Attachment B (slide 9).
55. The health, safety and wellbeing risk remains a top priority and risks, hazards and incidents are continuing to be monitored through the risk manager’s online system.
56. While the potential health and safety hazards have altered with the outbreak of the pandemic, working from home requirements and redeployment of staff, the overall residual risk rating has not changed and is assessed as high.
57. The Health and Safety department are performing an assessment on critical health and safety risks to improve the risk monitoring and reporting. These risks will be documented in the departmental risk register.
58. A road map for health and safety is being developed to improve the integration of processes, procedures, and policies for health and safety risk identification and assessment across the organisation. The road map will be reported to the next Audit and Risk Committee in August 2020.

Financial management risk and Emergency Budget process
Financial risk update
59. The financial impacts of COVID-19 on the Auckland Council Emergency Budget for 2020/2021 remain highly uncertain. The work to prepare a budget has needed to be assumption driven and follow a systematic approach to scenario modelling.
60. The key drivers of the financial risks include the uncertain extent and length of disruption and its impacts, market volatility, legislative environment changes, capital contract complexity, and other broader economic aspects.
61. Following the COVID-19 enterprise risk review, the executive leadership team has agreed that, in light of the strategic impacts and magnitude of the COVID-19 related financial risks and challenges, financial management risk should be included in the council’s top risk register at this time.
62. The identified strategic risk is that the council is unable to prudently manage the council’s financial obligations. A summary of a high-level risk assessment and the key current controls is in Attachment C.
63. Further risk analysis, evaluation, and recording of the risk mitigations and the control measures being designed and implemented is underway. The details will be recorded in the top risk register and reported to the Audit and Risk Committee at its next meeting.

Emergency Budget Process - role of Audit and Risk Committee
64. The Audit and Risk Committee’s role in relation to the emerging financial risks from COVID-19 is to maintain independent monitoring and oversight of the financial risk management for the council group.
65. The Audit and Risk Committee received a briefing on the financial risks and approach being taken on 14 April 2020. The committee passed resolutions noting the risks and mitigations and advising the Emergency Committee and Governing Body that the methodology and assumptions underpinning the financial scenario modelling are reasonable given the circumstances. [AUD/2020/19]
66. A rapid process is required to prepare the budget and enable time for public consultation, consideration of feedback, decision making and adoption of the Emergency Budget and the setting of rates by end of July 2020.

67. Since the 14 April 2020 report to the Audit and Risk Committee, the endorsed process and methodology has continued, and work has continued at pace on the financial scenario modelling.

68. The budget projections across the group have been updated based on a revised set of assumptions. As well as assessing the direct impacts of COVID-19 disruption, revised budget projections included a wide range of measures to mitigate the overall financial pressures on the group arising from this situation.

69. To maintain independent oversight through the process in an efficient and agile way between 14 April and 28 May 2020, management have briefed the Chair of the Audit and Risk Committee on financial management risks and refinements to the assumptions and financial position.

70. Through this process, the chair of the Audit and Risk Committee has provided independent oversight and feedback to management to ensure the process and assumptions used to generate the 2020/2021 budget remain reasonable.

71. At the time of writing of this report, it is anticipated that a budget decision meeting of the Emergency Committee will be held on 21 May 2020. A proposed consultation document will subsequently be reported to the Emergency Committee on 28 May 2020, prior to the consultation with the public. A verbal update will be provided to the Audit and Risk Committee on the process.

**Drought emergency – Council response and mitigations**

72. Auckland is currently experiencing the worst drought since records began. As at 6 May 2020, total water storage was approximately 46 per cent of capacity. Since the start of 2020, Auckland has received less than half of the usual rainfall.

73. The management of water supply is primarily the responsibility of Watercare. A report from Watercare on the drought situation is included as Attachment F of the CCO Risk Update report in the confidential agenda.

74. On 7 May 2020, the Emergency Committee imposed mandatory stage 1 restrictions to manage and mitigate the risks of maintaining an adequate supply of drinking water to the Auckland metropolitan system due to the 2019/2020 drought.

75. A workshop has also been held with water suppliers, public health and emergency management agencies to consider the impacts of longer-term drought in the Auckland region.

76. In the short term, the risks to the council will be financial. There are significant costs to providing wellbeing water sources over summer and potentially in providing non-potable water sources to replace water restricted through Watercare’s restrictions, or in consequential impacts for example to our construction projects.

77. Community wellbeing is a high focus, and messaging continues to stress that measures are not affecting people’s ability to implement good personal hygiene.

78. Longer term, if the drought continues, there may be impacts on services with high water use and consequential impacts on Council’s assets such as sports fields or farm assets. The planning being done at present is considering how this will be prioritised and implemented if necessary.

79. Under the recent rural drought in Auckland, communities and individuals who gather and provide their own water via rain tanks experienced long waiting lists because of demand. The Healthy Waters department, under their small waters service, provided ‘wellbeing’ quantities of water to those water tank owners who were running low on supplies. They also worked with Watercare to implement a tanker-to-tanker fill to bring water to isolated areas
and speed up the waiting lists. Watercare also added new tanker filling stations to its network to speed up deliveries. In some isolated areas where people rely on stream fills, the Healthy Waters department has also enabled provision of ‘wellbeing’ levels of water through upgrading or implementing new water bores.

80. In the summer, after discussions with Watercare, the council began to implement voluntary water restrictions to council operations, to work alongside Watercare’s public campaign for water restrictions. This includes stopping irrigation of parks, except for sports fields which are maintained as a capital asset, closing public fountains and water play areas, stopping external building cleaning, and improving water use monitoring to identify leakage issues early.

81. COVID-19 closures have also significantly reduced Council water use at swimming pools and leisure centres. Work is now underway to plan for any future increases in water restrictions. This includes identifying non-potable water sources which can be used to replace resources affected by Watercare’s restrictions and planning for further reduction measures. The impacts of regulation are also being considered, such as requirements for dust suppression in construction.

**COVID-19 Impacts on AC36 Programme (America’s Cup)**

82. The teams working on the planning of the 36th America’s Cup (AC36) across Auckland Council Group and its key partners remain keenly focused on their respective projects and workstreams whilst being mindful of the need to adapt aspects of this activity in line with existing and yet to be determined guidance from Central Government.

83. Whilst the impacts of COVID-19 cannot yet be fully understood, critical factors will include New Zealand’s movement through the alert levels, restrictions on gatherings, and decisions around the opening of New Zealand’s borders. The impacts depend on both the New Zealand response and how other countries are able to manage COVID-19.

84. The council group and Ministry of Business, Innovation and Employment (MBIE) have been working closely with the America’s Cup event organiser, America’s Cup Event Limited, to work through scenario-based contingency planning. This will determine how the event can be delivered.

85. Consideration is also being given to wider interconnected risks such as any construction and infrastructure delays on work in and around the village area, when teams may be able to get to New Zealand to prepare for the event and impacts on other event suppliers and service providers.

86. Work that is continuing during this time includes city integration planning, transport planning, permitting, and crowd management planning; the development of business and community readiness kits; engagement with events partners on the Summer Festival Programme and planning for the supporting campaign, as well as forward planning to support the recovery.

87. Price Waterhouse Coopers have completed a review of the governance of the AC36 Programme. The Risk and Insurance department at Auckland Council will continue to work with the Chair of the Joint Chief Executive Group (JCEG) and Chief Executive of ATEED, to ensure the programme risk management practices are fit for purpose as the programme evolves with a stronger focus on event delivery.

88. The key risks to the outcomes of the programme currently include:

- Funding – insufficient funding to meet cost pressures
- Financial Management – poor budget management, monitoring and reporting
- On Water Safety – incident on the water involving participants or spectators
- Communications – ineffective communications to spectators, competitors, businesses, communities and public (benefits, excitement)
- Movement of People – ineffective land transport management
- Spectator Experience – spectator and fan experience compromised
- Competition – withdrawal of challengers
Item 9

Refocused enterprise risk programme

89. The enterprise risk strategy remains unchanged with the focus to continuing to lift risk culture across the council.

90. The council is experiencing unprecedented financial constraints following COVID 19 and an ongoing period of change and uncertainty while it refocuses its objectives and priorities.

91. The deliberate and consistent risk assessment and management remains critical for good decision making and strong recovery.

92. We are continuing to review and refine the enterprise risk programme to adjust to available resourcing and emerging priorities.

93. The enterprise risk work programme has been adjusted in the short to medium term to focus on the following priorities:
   (a) embedding and monitoring adherence to the risk management framework
   (b) providing risk advice and support to the executive leadership team and critical recovery phase projects and activities: the recovery workstream, Auckland Emergency Management, shovel-ready projects, Annual Plan/Long-term Plan processes
   (c) oversight, reporting and escalation of risks and issues to enterprise leaders, the Audit and Risk Committee and Governing Body
   (d) partnership with divisions to improve consistency and capability. Leverage COVID-19 risk pulse checks - foundation for ongoing risk management through the recovery phase
   (e) supporting the council group’s insurance programme – key policy risk reviews and risk strategy development
   (f) risk champions programme (a reduced programme will continue to be delivered, focused on priority departments and critical internal control areas)
   (g) collaboration and coordination and with council-controlled organisations.

94. The following activities and planned work have been suspended or deferred:
   (a) Scoping and business case for an online risk management system
   (b) Risk deep dive review programme. Deeper focused reviews of top risks have been suspended until the risk profile stabilises
   (c) Support of projects not related to recovery or directly required for implementation of strategic objectives
   (d) Line two control effectiveness assessments (Assurance Services audit programme will continue and inform risk assessments)
   (e) General staff training and capability building. Quality advice training and risk management capability building has been deferred.

Tauākī whakaaweawe āhuarangi
Climate impact statement

95. The climate change adaptation and mitigation risk remains a top risk for Auckland Council. The residual risk has been assessed as High and remains unchanged at this time. The summary of the climate change top risk is in Attachment B slide11.

96. There are no direct climate change implications arising from this report.
Ngā whakaaweawe me ngā tirohanga a te rōpū Kaunihera Council group impacts and views

97. The Risk and Insurance department has facilitated a council group approach to the risk management response to COVID-19. This has involved collaboration and development of a template for consistent targeted reporting suitable to gain oversight and assurance of risks across the group. The council-controlled organisation’s updates are contained in a separate report to the Audit and Risk Committee.

Ngā whakaaweawe ā-rohe me ngā tirohanga a te poari ā-rohe
Local impacts and local board views

98. Local boards are affected by many of the top risks as they represent risks to the entire organisation. The top risks will be referred to the Local Board Chairs for awareness and to assist local boards’ decisions.

Tauākī whakaaweawe Māori
Māori impact statement

99. The delivery of Māori Outcomes is a key strategic objective for Council.

100. COVID-19 is expected to have serious and prolonged impacts on all vulnerable communities. The potential risk that council may be unable to meet its responsibilities to Māori would have a range of significant impacts and consequences including social inequality, breach of statutory obligations and a loss of trust and confidence in Council.

101. Accordingly, it has been determined that the potential risk of not being able to deliver outcomes for Māori should be included in the top risk register at this time.

Ngā ritenga ā-pūtea
Financial implications

102. The financial management emerging risk has been identified and added to the Top Risk Register to enable adequate and ongoing risk management of this risk.

Ngā raru tūpono me ngā whakamaurutanga
Risks and mitigations

103. The emerging risks and issues are addressed in the body of this report.

Ngā koringa ā-muri
Next steps

104. The risk business partners are leading the roll out of the refreshed Enterprise Risk Framework and cascade of the top risk review and COVID-19 departmental pulse checks throughout the organisation.

105. Assessments and monitoring of the new top risks including control gaps and mitigations will be undertaken and reported to the executive leadership team in June 2020.

106. Monthly risk updates will be reported to ELT during the recovery period.

107. An update will be provided to the Audit and Risk Committee on the risk work programme activities and management of Council’s top risks (including the financial management risks), and the Emergency Budget process and Long-term Plan process on 24 August 2020.

108. An update will be provided to the next Audit and Risk Committee on the enterprise risk activities and management of Council’s top risks.
Ngā tāpirihanga
Attachments

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<td>Auckland Council Enterprise Risk Framework</td>
<td>33</td>
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<td>B6</td>
<td>Executive Leadership Team Top Risks Review Report May 2020</td>
<td>57</td>
</tr>
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<td>C6</td>
<td>Finance management top risk bow tie analysis May 2020</td>
<td>77</td>
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<tr>
<td>D6</td>
<td>Top Risk Register</td>
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Ngā kaihaina
Signatories

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Ann Brown - Senior Risk Advisor
Tama Rawhiti - Senior Risk Advisor
Caroline Innes Mehta - Senior Risk Advisor

Authorisers
Dani Gardiner - General Counsel
Phil Wilson - Governance Director
Governing Body
25 June 2020

Audit and Risk Committee
26 May 2020

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Enterprise Risk COVID-19 Update

Referrred from the Audit and Risk Committee - Enterprise Risk COVID-19 Update
Foreword

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<tr>
<td>Caroline Innes Mehta</td>
<td>Senior Risk Advisor</td>
<td>31/01/20</td>
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<td>Kevin Ramsey</td>
<td>Chief Risk Officer</td>
<td>03/02/2020</td>
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<td>Executive Leadership Team</td>
<td>Executive Leadership</td>
<td>07/04/2020</td>
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1 What is Risk Management?

1.1 Introduction

Auckland Council provides a diverse range of services to approximately 1.7M residents. Council is required to plan for and manage growth and change, deliver on its objectives within the context of significant population, climate and urban change as well as increased legislative and regulatory compliance obligations and financial accountability.

We encounter risks on an ongoing basis. It is incumbent on Council to understand the internal and external risks that may impact the delivery of its organisational goals and have processes in place to identify, mitigate, manage and monitor those risks to ensure the best outcome for the community, staff and Council.

The ISO Standard on Risk Management describes risk as “the effect of uncertainty on objectives”. Risk is the probability of an internal or external situation (an event) having the potential to impact upon Council, preventing Council from successfully achieving its objectives, delivering its services or capitalising on its opportunities. Risks are an everyday occurrence that could potentially impact on Council’s ability to meet its obligations to stakeholders and the community. Council recognises that while some risks cannot be fully eliminated, they can be controlled and managed to an acceptable level.

Risk management is defined as “the coordinated activities to direct and control an organisation with regard to risk”. Council’s Risk Management Framework (Framework) is aligned to the ISO Standard and be will applied to all activities of Council. Risk needs to be considered and addressed by everyone, including governing bodies, executive staff and senior management, employees, partners and related stakeholders. Council is committed to promoting an organisational culture where risk management is embedded in all activities and business processes.

1.2 Purpose

Council undertakes proactive risk management because:

- council provides critical services and infrastructure to the residents and visitors
- it is good practice to understand the strategic and operational risks and opportunities facing Council in order to make informed decisions and meet organisational and strategic goals.
- council has service agreements and contractual obligations with government and nongovernment agencies and organisations.

The Framework is designed to provide the architecture for a common platform for all risk management activities undertaken by Council, from individual functional, process or project based assessments to whole-of-organisation assessments, with the aim of enabling comparative analysis and prioritisation of those assessments either individually and cumulatively. The Framework will be reviewed by the Risk team and approved every year by the Executive Leadership team.
2 Why do we Manage Risk?

Risk is inherent in nearly everything we do, and that it is only by embracing risks that we achieve many of our business/council KPI objectives. We manage risks for a reason. A key factor in realising the objectives of a strategy is the efficiencies gained from effective risk management. By incorporating risk management principles, organisation leaders and business managers can understand and minimise the effects of risks to their goals and objectives through the process of assessing and treating risks.

2.1 Auckland Council’s Risk Management Objectives:
- Improve decision-making by incorporating effective risk assessment techniques into the decision-making process.
- Develop a ‘risk aware’ culture that encourages all staff to identify and talk about risks.
- Provide a simple process for the early and systematic identification, analysis and assessment of risk and the development of plans for controlling and mitigating risk.
- Integrate risk management practices into all aspects of the organisation’s business activities.
- Enable innovation by increasing risk management competence.

2.2 Risk Management Aligns to the Organisational Strategy

The diagram below shows the ‘Six Steps Up’ from the 2018 Auckland Council Organisational Strategy, how risk management aligns to them and what’s are Risk Appetite.

2.2.1 Auckland Council’s Risk Appetite Statement

Risk Appetite Statements are a directive from the Executive Leadership Team to indicate their comfort levels for risk. Mitigation actions should be based on the Risk Appetite Statements. Where
residual risk ratings are higher than the risk appetites directives, mitigation strategies should be employed to lower risk to the required levels. Where mitigation strategies cannot be undertaken and risk cannot be tolerated at the business unit level, the risk should be escalated to senior levels to be owned and managed. The Risk Appetite Statements are attached as Appendix A.

### 2.3 Risk Management Benefits

The development of effective risk management practices within Council will assist in delivering the following benefits:

- **Attain long term goals**
- **Make better decisions**
- **Protect our assets**
- **Enhance Reputation**
- **Improve performance**
- **Reduce unwanted impacts and surprise events**
- **Maximise opportunities**

### 3 How do we Manage Risk?

#### 3.1 Risk Management Process

Auckland Council has adopted the ISO: Risk Management Guidelines (ISO 31000:2018). This standard outlines the risk management process to ensure risks are dealt with uniformly and systematically. The process is illustrated and explained in this diagram:
3.1.1 Communication and Consultation

Communication and consultation with internal and external stakeholders are important elements at each step of the risk management process. Effective and timely communication is essential to ensure that those responsible for implementing risk management and those with a vested interest understand the basis on which risk management decisions are made and why particular actions are required. We each play a role in risk management.

Roles and Responsibilities

The Three Lines of Defence model provides a simple and effective way to enhance communications on risk management and control by clarifying essential roles and duties.

![Diagram of Three Lines of Defence](image_url)

3.1.2 Establishing the Context

Establishing the context means understanding the organisation’s objectives, defining internal and external factors that could be a source of uncertainty and setting the scope and risk criteria for the remaining risk management process.

3.1.3 Risk Identification

The purpose is to identify all risks: the what, when, where, why and how incidents might impact on the achievement of objectives. Comprehensive identification using a well-structured systematic process is critical, as a risk not identified cannot be included in further analysis.
A risk, by definition, is a potential for something to happen with a possibility not an actuality and consequently the language used to describe risks should express this element of potentiality. The Council may use a range of tools and approaches to determine potential risks, including:

- Auckland Council’s Risk Appetite statement,
- team based brainstorming with experienced and knowledgeable staff,
- structured techniques (such as SWOT analysis, process mapping & Bow Tie analysis),
- annual strategic, council planning, budget and risk identification workshops,
- regular compliance reviews (internally and externally),
- internal review by the Audit and Risk Committee; and
- reviews by external service providers.

### 2.1.4 Risk Analysis

Analysis involves developing an understanding of the risk, the likelihood of the risk occurring and the full range of potential impact/consequences. Identification of likelihood and impact is not scientific; it is a qualitative or semi-quantitative exercise based on perception and history. The initial analysis provides the Inherent Likelihood (See Appendix D), the Inherent Impact (See Appendix E), and the Inherent Risk Rating (See Appendix F). At this stage, the analysis assumes that all/few controls have failed or there were no/few effective controls in place.

### 3.1.5 Risk Evaluation

The evaluation process looks at the strength of the current controls in place to mitigate the extent of potential losses. A decision is required as to whether the current controls are effective.

Controls should be designed to mitigate, discourage, identify and/or limit the impact and likelihood of a risk from occurring. Control Description should be based on: Who, What, Why, Where, When and How, example: The Quality assurance team is monitoring the checklist of consenting process every 2 weeks to ensure there were no human error.

**Control Effectiveness rating:** The table below assists in the assessment of the controls in use. The Control Rating is the subjective view of the Risk owner and the Control owner(s) and is reflective of the effectiveness of all the controls i.e. controls are not rated individually.

<table>
<thead>
<tr>
<th>Control Effectiveness Rating</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Satisfactory</td>
<td>Controls are well designed, documented and address the root cause</td>
</tr>
<tr>
<td></td>
<td>Controls are always effective and reliable.</td>
</tr>
<tr>
<td>Needs Improvement</td>
<td>Design of the controls may be largely correct in that they treat most of the causes of the risk, they are currently not effective, or</td>
</tr>
<tr>
<td></td>
<td>Some controls are not correctly designed - they do not operate effectively</td>
</tr>
<tr>
<td>Unsatisfactory</td>
<td>Significant control gaps exist</td>
</tr>
<tr>
<td></td>
<td>Controls do not treat root causes, do not operate effectively or are not documented</td>
</tr>
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</table>
### 3.1.6 Risk Treatment

Risk mitigation/treatment involves identifying the most appropriate responses to reducing the inherent risk level to a status acceptable within the Council’s risk tolerance. Both controls and treatments are designed to mitigate the risk by reducing the likelihood of negative events occurring and/or reducing the impact of risks should they occur.

For each risk, consideration is to either:
- **Treat** – additional control measures to reduce consequence and/or likelihood
- **Tolerate** – accept current level of risk.
- **Terminate** – remove the source of risk.
- **Transfer** – transfer risk to third party generally by means of insurance or to another entity. It should be noted that some risk (e.g. reputational risk) will remain or be shared.
- **Taking or increasing the risk in order to pursue an opportunity (within the Risk Appetite).**

<table>
<thead>
<tr>
<th>Residual risk rating</th>
<th>Control Effectiveness</th>
<th>Actions or Risk Acceptance</th>
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<tbody>
<tr>
<td>Unacceptable</td>
<td>• Satisfactory</td>
<td>• Action plans to be developed to reduce residual risk exposure or Risk acceptance approved by Executive leadership team &amp; reviewed by Audit and Risk committee</td>
</tr>
<tr>
<td></td>
<td>• Needs Improvement</td>
<td>• Action plans to be developed to reduce residual risk exposure or Risk acceptance approved by Executive leadership team &amp; reviewed by Audit and Risk committee</td>
</tr>
<tr>
<td></td>
<td>• Unsatisfactory</td>
<td>• Action plans to be developed to reduce residual risk exposure or Risk acceptance approved by Executive leadership team &amp; reviewed by Audit and Risk committee</td>
</tr>
<tr>
<td>Good</td>
<td>• Satisfactory</td>
<td>• Action plans to be developed to reduce residual risk exposure or Risk acceptance approved by Executive leadership team &amp; presented to Executive leadership team</td>
</tr>
<tr>
<td></td>
<td>• Needs Improvement</td>
<td>• Action plans to be developed to reduce residual risk exposure or Risk acceptance approved by Executive leadership team &amp; presented to Executive leadership team</td>
</tr>
<tr>
<td></td>
<td>• Unsatisfactory</td>
<td>• Action plans to be developed to reduce residual risk exposure or Risk acceptance approved by Executive leadership team &amp; presented to Executive leadership team</td>
</tr>
<tr>
<td>Medium</td>
<td>• Satisfactory</td>
<td>• No further actions required</td>
</tr>
<tr>
<td></td>
<td>• Needs Improvement</td>
<td>• No further actions required</td>
</tr>
<tr>
<td></td>
<td>• Unsatisfactory</td>
<td>• No further actions required</td>
</tr>
</tbody>
</table>
3.1.7 Risk Recording and Reporting

The purpose of risk reporting is to create awareness of key risks, issues/incidents, improve accountability and the timely implementation of risk treatment plans. **Everyone in Council has a part to play in reporting and recording risks.** The table below explains our roles, responsibilities on reporting, recording and escalating.

<table>
<thead>
<tr>
<th>Responsible</th>
<th>Recording</th>
<th>Frequency</th>
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<tbody>
<tr>
<td>All Staff</td>
<td>Any incident, issue or emerging risk must be reported to your Risk Champs</td>
<td>None</td>
</tr>
<tr>
<td></td>
<td>Record and manage risks in the risk register with control self-assessment done in discussion with Risk Champs, control &amp; action owners.</td>
<td>Monthly</td>
</tr>
<tr>
<td>Risk Owner</td>
<td>Report completed risk register to the Risk team</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Assists in recording risks in the risk register with control self-assessment done in discussion with Risk owners/General managers, Control owners, action owners etc</td>
<td>Monthly</td>
</tr>
<tr>
<td>Risk Champs</td>
<td>Review risk register, and analyse controls gaps and actions of the entire division and provides a collaborated report to the Executive responsible</td>
<td>Quarterly</td>
</tr>
<tr>
<td>Risk Business Partner</td>
<td>Executive Attestation: The Executive reviews and approves the overall risk and control environment to ensure risks have been regularly reviewed, are current and are a true and fair reflection of the risk environment in which they operate.</td>
<td>Quarterly</td>
</tr>
<tr>
<td>Executive</td>
<td>Review risk register, and analyse controls gaps and actions of all divisions and provides a collaborated Top risk enterprise report to the Executive Leadership team and Audit and Risk Committee</td>
<td>Quarterly</td>
</tr>
<tr>
<td>Risk Team</td>
<td></td>
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</tbody>
</table>

**3.1.7.1 Escalation Process:**

A risk may need to be escalated to a higher level of management if:

- The risk cannot be controlled/contained within its current level
- The risk rating remains high or extreme even after mitigations are implemented
Auckland Council Risk Framework

- The risk will impact on more than one service/project or function if the risk event materialises
- Instinct tells the owner the risk is out of their control
- The risk moves outside the appetite boundaries / comfort zone
- The risk is new with a high-risk rating that requires immediate senior manager attention.

A risk may need to be moved to a lower appropriate level of management if:

- The risk can be controlled / managed at a lower level
- The risk rating decreases significantly
- The risk event will only affect one function / service area / team and the impact will be limited.

3.1.8 Monitor and Review

It is the responsibility of Risk and Control owners to ensure that risks and controls self-assessment are kept up to date on an ongoing basis. Individual risk and control owners are required to maintain their risk and controls so that they are complete, accurate and current, which means that the risk and controls should be regularly reviewed and updated to ensure the risks reflect the current risk and control environment of the council.

Risk and the effectiveness of control measures to manage risk will be monitored by the Risk team on an ongoing basis to ensure changing circumstances, such as the political environment and the Council’s strategic objectives and risk appetite do not alter the risk evaluation profiles and adequacy assessments.
Appendices

Appendix A: Risk Appetite Statements

General Statement of Risk Appetite

Risk appetite is the level of risk Council is prepared to tolerate or accept in the pursuit of our strategic objectives. Our aim is to consider all options, to respond to risk appropriately and make informed decisions that are most likely to result in successful delivery of infrastructure and services while also providing an acceptable level of value for money.

Auckland Council operates within a considered control environment. This control environment includes risk and assurance oversight, governance oversight including Council’s Audit and Risk Committee, a robust financial planning process incorporating the Long-term Plan and Annual Plan and external oversight by Audit NZ and the Office of the Auditor General. By formally outlining risk appetite statements, Council is providing clarity on where comprehensive controls are required and enhancing transparency.

Auckland Council is an organisation that takes the delivery of services to our customers and communities at value for money seriously. Council generally has a low appetite for risk taking that will adversely affect our core objectives.

Council will not accept risks that could impact the safety and welfare of our people, our legal obligations, and our financial stability. Council is willing to take well defined risks at a low to Medium level where it will result in the achievement of strategic initiatives and objectives.

While effective risk management identifies threats, it can also identify opportunities. Auckland Council is willing to support initiatives that optimise opportunities and innovation when the benefits outweigh the risks involved.

Risks that are beyond Auckland Council’s risk appetite should be escalated to senior management where treatment plans and actions can be closely monitored. The table below is a summary of Council’s Risk Appetite Statement.
## Auckland Council Risk Framework

<table>
<thead>
<tr>
<th>Category Group</th>
<th>Description</th>
<th>Risk Appetite</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategic</td>
<td>Risk of Council strategies and plans are inconsistent or ineffectively delivered</td>
<td>Medium</td>
</tr>
<tr>
<td>Third party interdependencies</td>
<td>Risk that involve partnerships and relationships with third parties to deliver strategic outcomes</td>
<td>Medium</td>
</tr>
<tr>
<td>Financial</td>
<td>Risks that would adversely affect Council's credit rating and long-term financial stability, or breach any funding policies</td>
<td>No appetite</td>
</tr>
<tr>
<td></td>
<td>Risk that financial decisions will impact on costs or revenue</td>
<td>Medium</td>
</tr>
<tr>
<td>Reputational</td>
<td>Risks or conduct that would affect the trust and confidence of our customers and communities in the Council organisation</td>
<td>Low</td>
</tr>
<tr>
<td>Project/Programme</td>
<td>Risks relating to the non-delivery of projects and commitments</td>
<td>Medium</td>
</tr>
<tr>
<td>Business Disruption</td>
<td>Risks that council’s essential operations and processes are disrupted</td>
<td>Low</td>
</tr>
<tr>
<td>IT System and Service</td>
<td>Risks that will impact our technological capacity to deliver our services</td>
<td>Low</td>
</tr>
<tr>
<td>Information Security and Cyber Risk</td>
<td>Risks that will impact our Council's and customers confidential information</td>
<td>Low</td>
</tr>
<tr>
<td>Environmental</td>
<td>Risks that would affect Auckland’s environment and sustainability objectives</td>
<td>Low</td>
</tr>
<tr>
<td>People</td>
<td>Risks that will affect staff performance and engagement</td>
<td>Medium</td>
</tr>
<tr>
<td>Health, Safety &amp; Wellbeing</td>
<td>Risks that will compromise the health, safety and wellbeing of, or cause harm to, our people including staff, customers and our community</td>
<td>No appetite</td>
</tr>
<tr>
<td>Operational</td>
<td>Risks to delivery of services arising from our decision-making structures and processes</td>
<td>Low</td>
</tr>
<tr>
<td>Regulatory and Legal Compliance</td>
<td>Risks associated with our legal obligations including our regulatory activities</td>
<td>Medium</td>
</tr>
<tr>
<td>Integrity</td>
<td>Risks that relate to ethical obligations or fraudulent activities</td>
<td>No appetite</td>
</tr>
</tbody>
</table>

### Description

**High**

Council is willing to accept a high risk to pursue a strategic opportunity that will result in a high level of return or benefit to the community, or where it is necessary due to statutory requirements.

If Council expects that:

- Council's viability, reputation and services may be severely damaged should the risk eventsuate, but
- Control measures to mitigate the likelihood and consequence of the risk are in place and are actively monitored.

**Medium**

If Council expects that:

- Council's viability, reputation and services may be affected in a major way should the risk eventsuate, but
- Control measures to mitigate the likelihood and consequence of the risk are in place and are
Governing Body
25 June 2020

Audit and Risk Committee
26 May 2020

actively monitored

<table>
<thead>
<tr>
<th>Level</th>
<th>Description</th>
</tr>
</thead>
</table>
| Low   | If Council expects that:  
|       | - Council’s viability, reputation and services will only be affected in a minor way should the risk eventuate; and  
|       | - Control measures to mitigate the likelihood and consequences of the risk are in place. |
| No Appetite | Council is not willing to accept risks that may result in financial loss, injury, legal non-compliance and fraud. |

Review
The Risk Appetite Statements will be reviewed annually or following any significant event.

Appendix B. Risk Categories

<table>
<thead>
<tr>
<th>Risk Category</th>
<th>Category Description</th>
</tr>
</thead>
</table>
| Strategic     | Strategic risk is defined as the risk associated with initial strategy selection, execution, or modification over time that results in a lack of achievement of overall LTP objectives. Strategic risks arising from:  
|               | - Deciding on and following incorrect strategies (strategic decision risk),  
|               | - Not executing the strategies successfully (execution risk) |
| Third Party/Interdependency | Third party risks including third party failure and non-performance. Third parties include partners, suppliers, contractors, vendors, sub-contractors, outsourced providers and Council Controlled Organisations. |
| Financial     | Financial risks arising from Auckland Council’s inability to:  
|               | - Manage its debt and financial leverage (including credit risk) and  
|               | - Generate sufficient revenue to cover its operational expenses.  
|               | Unforeseen financial impact including loss of money from fraud, changes to exchange rates, interest rates, commodity prices, loss of other income, unforeseen expenses, poor investment or expenses incurred. |
| Reputational  | The Risk of Council organisational actions and behaviours which result in poor outcomes for customers and communities. |
| Project/Programme | Auckland Council is exposed to risk associated with the implementation and management of projects/programmes. Delivery risks such as failure to deliver the service within agreed terms and failure to deliver as per specifications. This category covers risks in the areas of project planning, project organisation, design and quality of construction, stakeholder management, programme interfaces, programme governance, project decision making. |
| Business Disruption | Major disruptive events due to internal or external events where major disaster recovery Plan and Business Continuity Plan needs to be invoked. Examples of disruption events include - Pandemic events. |
| IT Systems and Service | Risks arising from IT systems and application failures in relation to fit for purpose, availability, reliability and integrity. |
| Information Security and Cyber Risk | Unauthorised access to systems and data (digital and hardcopy). Loss of confidential information, privacy risks etc. Deliberate and unauthorised breaches of security to gain access to information systems. |
### Auckland Council Risk Framework

<table>
<thead>
<tr>
<th>Risk Category</th>
<th>Category Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unintentional or accidental breaches of security</td>
<td></td>
</tr>
<tr>
<td>Denial of service attack (cyber security risk)</td>
<td></td>
</tr>
<tr>
<td>Environmental</td>
<td>The potential for adverse effects on living organisms associated with the contamination of:</td>
</tr>
<tr>
<td></td>
<td>Land, fresh water and marine environments</td>
</tr>
<tr>
<td></td>
<td>Threat of extinction of Auckland’s Local native species</td>
</tr>
<tr>
<td></td>
<td>Hazardous substance contamination from industrial activities, or</td>
</tr>
<tr>
<td></td>
<td>The depletion of natural resources. Environmental risks include extreme temperatures,</td>
</tr>
<tr>
<td></td>
<td>floods, fires, and extreme weather events. (climate change)</td>
</tr>
<tr>
<td>People</td>
<td>The Risk that the organisation may incur losses due to a drain or loss of key personnel,</td>
</tr>
<tr>
<td></td>
<td>defenestration of morale, inadequate development of human resources, inadequate,</td>
</tr>
<tr>
<td></td>
<td>recruiting or loss of skill/knowledge</td>
</tr>
<tr>
<td>Health, Safety &amp; Wellbeing</td>
<td>Risks arising from external or internal events that may have a material impact on the</td>
</tr>
<tr>
<td></td>
<td>health, safety and wellbeing of employees, contractors (including volunteers).</td>
</tr>
<tr>
<td>Operational</td>
<td>Threats and opportunities associated with business process design or implementation. Any</td>
</tr>
<tr>
<td></td>
<td>event that impacts business processes.</td>
</tr>
<tr>
<td>Regulatory and Legal compliance</td>
<td>Legal and Regulatory and compliance risks arising from failures to implement, or comply</td>
</tr>
<tr>
<td></td>
<td>with appropriate laws, regulations, contractual agreements, policies and procedures.</td>
</tr>
<tr>
<td>Integrity</td>
<td>Internal fraud, external fraud, corruption, theft etc.</td>
</tr>
<tr>
<td></td>
<td>Wrongful or criminal deception intended to result in financial or personal gain.</td>
</tr>
<tr>
<td></td>
<td>Loss/theft of physical assets and information.</td>
</tr>
</tbody>
</table>
### Appendix C: Risk Register

**Example of format only:**

<table>
<thead>
<tr>
<th>Risk No.</th>
<th>Division Name</th>
<th>Department Name</th>
<th>Risk Category</th>
<th>Risk Description</th>
<th>Risk Owners</th>
<th>Inherent Likelihood</th>
<th>Inherent Impact</th>
<th>Control No.</th>
<th>Control Description</th>
<th>Control Owner</th>
<th>Control Effectiveness</th>
<th>Action</th>
<th>Action Date</th>
<th>Residual Likelihood</th>
<th>Residual Impact</th>
<th>Residual Risk Rating</th>
<th>Next Review Date</th>
<th>Next Review Owner</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Secondary Care</td>
<td>Clinical Services</td>
<td>Clinical Risk</td>
<td>People motivated, policies, systems, and procedures in place</td>
<td>Ian M</td>
<td>Possible</td>
<td>Moderate</td>
<td>1</td>
<td>People - training staff on new policies</td>
<td>Ian M</td>
<td>Moderate</td>
<td>Improve</td>
<td>March 20</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Secondary Care</td>
<td>Clinical Services</td>
<td>Clinical Risk</td>
<td>People motivated, policies, systems, and procedures in place</td>
<td>Ian M</td>
<td>Possible</td>
<td>Moderate</td>
<td>2</td>
<td>People - training staff on new policies</td>
<td>Ian M</td>
<td>Moderate</td>
<td>Improve</td>
<td>March 20</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Secondary Care</td>
<td>Clinical Services</td>
<td>Clinical Risk</td>
<td>People motivated, policies, systems, and procedures in place</td>
<td>Ian M</td>
<td>Possible</td>
<td>Moderate</td>
<td>3</td>
<td>People - training staff on new policies</td>
<td>Ian M</td>
<td>Moderate</td>
<td>Improve</td>
<td>March 20</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Secondary Care</td>
<td>Clinical Services</td>
<td>Clinical Risk</td>
<td>People motivated, policies, systems, and procedures in place</td>
<td>Ian M</td>
<td>Possible</td>
<td>Moderate</td>
<td>4</td>
<td>People - training staff on new policies</td>
<td>Ian M</td>
<td>Moderate</td>
<td>Improve</td>
<td>March 20</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Attachment A

#### Item 11

**Appendix C: Risk Register Guidance Document**

<table>
<thead>
<tr>
<th>Column</th>
<th>Guidance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Risk Number</td>
<td>The risk numbers are identifiers used to easily distinguish each risk. These numbers do not need to be used to rank risks in order of severity. You can simply keep it numeric order.</td>
</tr>
<tr>
<td>Division Name</td>
<td>From the drop down list select the division the Risk is related to - e.g. its a risk related to Resource Consent the division selected should be Regulatory Services.</td>
</tr>
<tr>
<td>Risk Category</td>
<td>Risk categorisation allows grouping of risks, which is useful for reporting. Risks must be categorised using the categories listed and described within the Council. Risk Management Framework. Select a category that best suits the risk. If you are unable to find an exact fit, choose the next best.</td>
</tr>
<tr>
<td>Risk Description</td>
<td>Once you have identified the risks in your area, you will need to write a description that accurately describes them. An easy way to distinguish the risk is to put it in the following sentence:</td>
</tr>
<tr>
<td></td>
<td><strong>There is the risk that ____ (something will happen/event) ____ due to ____ resulting in ____ (effect of event/impact) _____.</strong></td>
</tr>
<tr>
<td></td>
<td>e.g. There is a risk of delay in consent Processing due to Process not designed/implemented correctly, Lack of staff, System not fit for purpose, &amp; External party dependencies, resulting/impacting in poor customer experience, reputational damage.</td>
</tr>
<tr>
<td>Risk Causes</td>
<td>In this column, the underlying potential causes / drivers of the risks need to be noted. This should identify areas that would lead to the risk materialising. An example of a Risk Driver could be &quot;Inadequate communication of policies and updates to staff&quot;. Note: To effectively manage risks, each of the drivers causes should be addressed through controls.</td>
</tr>
<tr>
<td>Risk Owner</td>
<td>The risk owner is the person responsible for approving, managing, reviewing and monitoring the risk, ensuring the control effectiveness is rated correctly, action owner allocated appropriately, to ensure that it is accurately captured and that the risk is being managed within the approved appetite level.</td>
</tr>
</tbody>
</table>
## Inherent Risk

Under the inherent or "pre-controls" assessment, the severity of the risk is determined if there were no controls in place. When analysing inherent risk, we look at the consequences and likelihood. The register has 2 drop-down boxes where the likelihood and consequence can be ranked.

Likelihood refers to the possibility of the risk, and its impact to materialise. The consequence rating refers to the level of impact that the risk will have on the Auckland Council objectives.

When determining the consequence rating, determine the objective that will be most impacted and assign the rating that matches the level of impact expected as per the Risk Assessment matrix (Appendix F). This matrix also indicates how the two ratings given correspond to the risk rating.

<table>
<thead>
<tr>
<th>Control ID</th>
<th>Risk number. First Alphabet of the Division name. Control number: Example if it’s the 1st risk of the Governance Division and the first control = G.1</th>
</tr>
</thead>
</table>

### Controls Description

A control is something that modifies (hopefully decreases) the level of risk. In most cases, preventative controls are the most efficient. When documenting the controls, the following questions are required to be answered:

**What is the control being performed (method type) - e.g., review, approval, monitoring, etc.?**

**Who performs the control?**

**When is the control performed (control frequency) - daily, weekly, monthly, etc., or following a certain trigger (e.g., project milestone)?**

**How is the control performed (control procedure)?**

**Why is the control performed (control objective)?**

Please note that controls that are in the process of being developed or enhanced should be included as actions to implement additional controls they will generally not reduce the level of risk.

### Control Owner

The control owner is the person/team that is accountable and/or responsible for executing the identified control(s). On a quarterly basis, control owners are required to review and monitor controls to confirm that the controls are designed and operating as intended for effective management of the risks. This process of work is known as a Control Self-Assessment (CSA).

The Control Owner(s), in collaboration with the Risk Owner, determines which controls are key and therefore in scope for control testing.
<table>
<thead>
<tr>
<th>Column</th>
<th>Guidance</th>
</tr>
</thead>
</table>
| Control Effectiveness          | Control evaluation allows the business to gauge the effectiveness of applied controls in terms of reducing the impact and/or likelihood of risk. This can help management assess whether the risk exposure is within an acceptable level or whether further controls or control improvements are required.  
  Individual controls are assessed based on design and operating effectiveness to assign a Controls Effectiveness (CE) rating.  
  Design: how well the control should work in theory, if it is always applied as intended.  
  Operating Effectiveness: consider the way in which the control is operating in practice, if it is applied when it should be and as intended. |
| Actions                        | If a control is rated as needing improvement or unsatisfactory an action needs to be implemented to improve the effectiveness of the control, with an action owner and due date assigned to it. |
| Residual Risk Assessment (after treatment) | This second assessment is to look at the residual risk after the existing controls are taken into consideration, including that they are implemented and working as expected.  
  If you consider the residual risk rating to be too high, look at what other controls or risk treatment can be added and include this under “Additional Controls Required”. |
| Review Date                    | This field indicates the date that a risk was last reviewed. This field should be updated each time a risk is reviewed or modified in conjunction with the Risk Team/Risk Advisor (Quarterly) |
### Appendix D: Risk Likelihood Table

<table>
<thead>
<tr>
<th>Rating</th>
<th>Description</th>
<th>likelihood of occurrence</th>
<th>Probability</th>
</tr>
</thead>
<tbody>
<tr>
<td>5</td>
<td>Almost certain</td>
<td>Incidents will occur frequently each year</td>
<td>Multiple times per year</td>
</tr>
<tr>
<td>4</td>
<td>Likely</td>
<td>Incidents will almost certainly occur each year</td>
<td>1 per year</td>
</tr>
<tr>
<td>3</td>
<td>Possible</td>
<td>Incidents will possibly occur every 2 or 3 years</td>
<td>1 in 2 - 3 years</td>
</tr>
<tr>
<td>2</td>
<td>Unlikely</td>
<td>Incidents are unlikely; every 3 to 5 years</td>
<td>1 in 3-5 years</td>
</tr>
<tr>
<td>1</td>
<td>Rare</td>
<td>Incidents possible in exceptional circumstances</td>
<td>1 in 5+ plus years</td>
</tr>
</tbody>
</table>
## Appendix E: Impact Table

<table>
<thead>
<tr>
<th>IMPACT CATEGORIES</th>
<th>1 - Insignificant</th>
<th>2 - Minor</th>
<th>3 - Medium</th>
<th>4 - Major</th>
<th>5 - Extreme</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operational</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>N/A</td>
<td>Negligible negative impact on overall programme/project delivery, or Planned delivery met &gt;90%</td>
<td>&lt;2-week delay to internal milestones, or Planned delivery met &gt;90%</td>
<td>2-4-week delay to internal milestones, or Planned delivery met &gt;65%</td>
<td>4-6-week delay to internal milestones, or Planned delivery met &gt;50%</td>
<td>&gt;6-week delay to internal milestones, delays necessitate significant adjustments to the overall goals, objectives and/or plans, or Planned delivery met &lt;75%</td>
</tr>
<tr>
<td><strong>Finance</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>N/A</td>
<td>Insufficient Budget Overruns, Departmental net-direct or capital budget overruns by more than 2% and less than 5%</td>
<td>Insufficient Budget Overruns, Departmental net-direct or capital budget overruns by more than 2% and less than 5%</td>
<td>Moderate Budget Overruns, Departmental net-direct or capital budget overruns by more than 5% and less than 10%</td>
<td>Major Budget Overruns, Departmental net-direct or capital budget overruns by more than 10% and less than 20%</td>
<td>Extreme Budget Overruns, Departmental net-direct or capital budget overruns by more than 20%</td>
</tr>
<tr>
<td><strong>Environmental</strong></td>
<td>Small localised and reversible environmental impact with a recovery time up to 2 weeks: 1) Slight, short-term damage to (use of) land and/or water quality, ecosystems, air quality and human health and safety, 2) No noticeable aquatic or terrestrial species reduction, 3) Minimum harm to community or environment services and no business disruption</td>
<td>Contained and reversible (minimal) environmental impact with a recovery time up to 1 month: 1) Minor damage to (use of) land and/or water quality, ecosystems, air quality and human health and safety, 2) Minor aquatic or terrestrial species reduction, 3) Minor harm to community or environment services, 4) Minor business disruption</td>
<td>Measurable damage (some) to the environment requiring significant corrective action with a recovery time 1-3 months: 1) Moderate damage to (use of) land and/or water quality, ecosystems, air quality and human health and safety, 2) Moderate aquatic or terrestrial species reduction, 3) Moderate harm to community or environment services, 4) Moderate business disruption</td>
<td>Long term localised damage to the environment with a recovery time up to 6 months: 1) Major widespread damage to (use of) land and/or water quality, ecosystems, air quality and human health and safety, 2) Major aquatic or terrestrial species reduction, 3) Major harm to community or environment services, 4) Major business disruption</td>
<td>Extensive irreversible damage irrevocably changes the environment with a recovery time exceeding 6 months: 1) Extreme widespread damage to (use of) land and/or water quality, ecosystems, air quality and human health and safety, 2) Extreme aquatic or terrestrial species reduction, 3) Extreme harm to community or environment services, 4) Extreme business disruption</td>
</tr>
</tbody>
</table>

---

**Attachment A**

**Item 9**

**Attachment A**

**Item 11**
<table>
<thead>
<tr>
<th>Customer &amp; Community Experience</th>
<th>Minor interaction to service delivery with minimal impact on customer experience and quality of service, resulting in an increase in complaints from the community and/or reduction in customer experience.</th>
<th>Moderate interaction to service delivery with moderate impact on customer experience and quality of service, resulting in an increase in complaints from the community, reduction in customer experience and/or Assets is not useable/available or fit for purpose for 48 hrs.</th>
<th>Major interaction to service delivery with major impact on customer experience and quality of service, resulting in marked increase in complaints from the community, reduction in customer experience and/or Assets is not useable/available or fit for purpose for 7 - 14 days.</th>
<th>Extreme interaction to delivery of all or most services and or Assets is not useable, available or fit for purpose for more than 14 days, resulting in significant increase in complaints from the community and/or reduction in customer experience.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee Engagement</td>
<td>Insignificant impact on staff engagement levels (less than 1% reduction in baseline engagement of 56%).</td>
<td>Minor impact on staff engagement levels (between 1%-2% reduction in baseline engagement of 56%).</td>
<td>Moderate impact on staff engagement levels (between 3%-6% reduction in baseline engagement of 56%).</td>
<td>Major impact on staff engagement levels (between 7%-11% reduction in baseline engagement of 56%).</td>
</tr>
<tr>
<td>Health and Safety</td>
<td>Injury or illness results in admission or leave with or without supporting documentation or intervention e.g. occupational assessment.</td>
<td>Injury or illness results in lost time from work for one day/shift or more. Health and safety issues identified by a workplace representative.</td>
<td>Injury or illness results in a 30 day lost time, or a permanent disability. Organization breaches law resulting in prosecution and penalties.</td>
<td>Major injury/disability or death, considerable penalties and prosecutions.</td>
</tr>
<tr>
<td>Reputation</td>
<td>Insignificant reduction in trust and confidence. Rumours, no media or public attention.</td>
<td>Negative local media coverage. Flawed in public expectation not being met. Adverse comment on local media (coverage 3 days or less) to CEO, complaints to Councillors etc.</td>
<td>Moderate reduction in trust and confidence by internal and external stakeholders. Negative local or regional media coverage (coverage 1 week +).</td>
<td>Negative regional or national media coverage. (coverage 2 - 3 weeks) Public confidence in the organisation undermined.</td>
</tr>
<tr>
<td>Legal / Compliance / Contractual</td>
<td>Insignificant, regulatory and contractual compliance breach, no penalty or liability.</td>
<td>Minor legal, regulatory and contractual compliance breach without penalty &amp; minor liability exposure.</td>
<td>Moderate repeated legal, regulatory and contractual compliance breach, resulting in a penalty and moderate liability exposure of £ 100k.</td>
<td>Major legal, regulatory and contractual compliance breach, resulting in substantial penalty and a strict review. Significant liability exposure of £ 500k.</td>
</tr>
</tbody>
</table>
### Appendix F: Risk Assessment Matrix

<table>
<thead>
<tr>
<th>Likelihood</th>
<th>Incidents will occur frequently each year. Probability: Multiple times per year</th>
<th>Medium</th>
<th>Medium</th>
<th>High</th>
<th>Critical</th>
<th>Critical</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unlikely</td>
<td>Incidents will probably occur every 2 or 3 years. Probability: 1 in 2 - 3 years</td>
<td>Low</td>
<td>Medium</td>
<td>Medium</td>
<td>High</td>
<td>High</td>
</tr>
<tr>
<td>Unlikely</td>
<td>Incidents are unlikely to occur every 3 to 5 years. Probability: 1 in 3-5 years</td>
<td>Low</td>
<td>Low</td>
<td>Medium</td>
<td>Medium</td>
<td>High</td>
</tr>
<tr>
<td>Possible</td>
<td>Incidents possible in exceptional circumstances. Probability: 1 in 5-10 years</td>
<td>Low</td>
<td>Low</td>
<td>Low</td>
<td>Medium</td>
<td>Medium</td>
</tr>
</tbody>
</table>

#### Impact Levels and Description

<table>
<thead>
<tr>
<th>Impact Level</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 - Insignificant</td>
<td>If the risk event occurs, there will be a minor impact on council’s objectives and achievement of outcomes. It can be managed under normal operating conditions.</td>
</tr>
<tr>
<td>2 - Minor</td>
<td>If the risk event occurs, there will be a moderate impact on council’s objectives and achievement of outcomes. Management efforts are required to mitigate impacts with moderate additional resources.</td>
</tr>
<tr>
<td>3 - Moderate</td>
<td>If the risk event occurs, there will be a major impact on council’s objectives and achievement of outcomes. Management efforts are required to mitigate impacts with major additional resources.</td>
</tr>
<tr>
<td>4 - Major</td>
<td>If the risk event occurs, there will be a critical impact on council’s objectives and achievement of outcomes. Major efforts are required to mitigate impacts.</td>
</tr>
<tr>
<td>5 - Extreme</td>
<td>If the risk event occurs, there will be a catastrophic impact on council’s objectives and achievement of outcomes. Efforts are required to make major adjustments to plans and/or resource allocations.</td>
</tr>
</tbody>
</table>
Referred from the Audit and Risk Committee - Enterprise Risk COVID-19 Update
Auckland Council Top Risks Review
15 May 2020

Executive Leadership Team

Emma Mosely, Chief Risk Officer (acting)
<table>
<thead>
<tr>
<th>Category Group</th>
<th>Description</th>
<th>Risk Appetite</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health, Safety &amp; Wellbeing</td>
<td>Risks that will compromise the health and wellbeing of our customers and employees</td>
<td>Low</td>
</tr>
<tr>
<td>Environment</td>
<td>Risks that would affect Council's condition and long term financial stability or benefit any funding bodies</td>
<td>Low</td>
</tr>
<tr>
<td>Financial</td>
<td>Risks that could affect the cost and effectiveness of our information and communications in the Council organisation</td>
<td>Low</td>
</tr>
<tr>
<td>Operational</td>
<td>Risks that could result in the loss of core services.</td>
<td>Low</td>
</tr>
<tr>
<td>Strategic</td>
<td>Risks that would result in the loss of a significant business line.</td>
<td>Low</td>
</tr>
</tbody>
</table>

**Enterprise Risk COVID-19 Update**

Page 58

Referred from the Audit and Risk Committee - Enterprise Risk COVID-19 Update  Page 52
### Description of High, Medium and Low

<table>
<thead>
<tr>
<th>Description</th>
<th>Description</th>
</tr>
</thead>
</table>
| High        | Council is willing to accept a high risk to pursue a strategic opportunity that will result in a high level of return or benefit to the community, or where it is necessary due to statutory requirements. If Council expects that:  
- Council's viability, reputation and services may be affected in a major way should the risk eventuate, but
- Control measures to mitigate the likelihood and consequence of the risk are in place and are actively monitored |
| Medium      | If Council expects that:  
- Council's viability, reputation and services may be affected in a Medium way should the risk eventuate, but
- Control measures to mitigate the likelihood and consequence of the risk are in place and are actively monitored |
| Low         | If Council expects that:  
- Council's viability, reputation and services will only be affected in a minor way should the risk eventuate, and
- Control measures to mitigate the likelihood and consequence of the risk are in place. |
| No Appetite | Council is not willing to accept risks that may result in financial loss, injury, legal non-compliance and fraud. |
## Top Risks (Summary of Changes 15 May 2020)

<table>
<thead>
<tr>
<th>Top Risk</th>
<th>Risk Title</th>
<th>Risk Owner</th>
<th>Residual Risk Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Health, Safety &amp; Wellbeing</td>
<td>Director People &amp; Performance</td>
<td>Possible</td>
</tr>
<tr>
<td>2</td>
<td>Cyber Security</td>
<td>Chief Financial Officer</td>
<td>Possible Likely</td>
</tr>
<tr>
<td>3</td>
<td>Climate Change - Adaptation &amp; Mitigation</td>
<td>Chief of Strategy; Director Infrastructure &amp; Environmental Services</td>
<td>Almost Certain</td>
</tr>
<tr>
<td>4</td>
<td>Crown Reforms - Housing &amp; Urban Growth</td>
<td>Director Growth &amp; Housing; Director Regulatory Services; Chief of Strategy</td>
<td>Possible</td>
</tr>
<tr>
<td>5</td>
<td>Fit for Purpose Community Assets</td>
<td>Director Customer &amp; Community Services</td>
<td>Possible</td>
</tr>
<tr>
<td>6</td>
<td>Significant Internal &amp; External Disruptions</td>
<td>Director Customer &amp; Community Services</td>
<td>Possible Likely</td>
</tr>
<tr>
<td>7</td>
<td>Service Delivery</td>
<td>Director Customer &amp; Community Services</td>
<td>Possible Likely</td>
</tr>
<tr>
<td>8</td>
<td>Water (Small Waters, Wastewater &amp; Stormwater Management)</td>
<td>Director Infrastructure &amp; Environmental Services</td>
<td>Possible Likely</td>
</tr>
<tr>
<td>9</td>
<td>Programme &amp; Project Management</td>
<td>Director Customer &amp; Community Services; Chief Financial Officer</td>
<td>Possible</td>
</tr>
<tr>
<td>10</td>
<td>Consent Processing</td>
<td>Director Regulatory Services</td>
<td>Likely</td>
</tr>
<tr>
<td>11</td>
<td>Fraud, Waste &amp; Error</td>
<td>Governance Director</td>
<td>Possible</td>
</tr>
<tr>
<td>12</td>
<td>Financial Management (new)</td>
<td>Chief Financial Officer</td>
<td>To be determined</td>
</tr>
<tr>
<td>13</td>
<td>Recovery (new)</td>
<td>Director Governance &amp; Group Recovery Manager COVID 19</td>
<td>To be determined</td>
</tr>
<tr>
<td>14</td>
<td>Māori Outcomes (new)</td>
<td>GM Māori Outcomes &amp; Relationships</td>
<td>To be determined</td>
</tr>
</tbody>
</table>
Proposed Top Risk 12
Financial Management
Risk Owner: Kevin Ramsay Chief Financial Officer

Risk Event
- Inability to prudently manage Council's financial obligations.

Risk Drivers / Causes

External: External political pressure, market volatility, credit related (borrowing ability), asset and funding liquidity, Auckland drought conditions, economic downturn, legislative environment changes.

Process: Loss of operating revenue from:  
- Modelling and assumptions  
- Community facility closures (public libraries, community halls, swimming pools, stadiums, etc.)  
- Development contributions, financial contributions, and consulting fees  
- Willingness and ability to pay rates and other charges  
- Loss of dividends and investment income.

People: Fraud, error

Pre-event Controls

Post-event Controls

Impacts
The identified risks may result in failure to:  
- Deliver key initiatives  
- Increase trust and confidence  
- Maintain financial stability & sustainability

DRAFT 15 May - further analysis and evaluation ongoing

Attachment B

Item 9

Attachment A

Item 11
Proposed top risk 14
Māori Outcomes
Risk Owner: Tania Winstanley, GM Māori Outcomes and Relationships

Risk Drivers / Causes
External:
- Insufficient funding
- Legislative obligations
- IMSB relationships
Process:
- Lack of or inadequate defined success measures or performance indicators
- Ineffective performance monitoring
- Misalignment between local boards and council.
- Local Board member plans on Māori commitments are not delivered or are delayed
People:
- Lack of or inadequate accountability;
- Low performing culture where staff often choose to 'opt-out' rather than 'opt-in' to using systems, consistently applying policies and demonstrating expected behaviours.

Risk Event
Failure or inability to meet responsibilities to Māori

Pre-event Controls

Post-event Controls

Impacts
The identified risks may result in failure to:
- Social inequality
- Breach of statutory obligations
- Heightened political risk
- Deteriorating relationship between Mana Whenua, IMSB and Mātawaka
- Loss of trust and confidence in Auckland Council
- Reputational damage.

DRAFT 15 May - further analysis and evaluation ongoing
Item 9

Residual Risk Heat Map as at May 2020

Attachment A

Attachment B

Enterprise Risk COVID-19 Update
Top Risk 1 – Health, Safety & Wellbeing

- Risk Description:
  - External or internal events may have a material impact on the health and safety or wellbeing of staff, contractors (including volunteers) and the public.

- Risk Owner:
  - Director People and Performance
  - Key Risk Driver(s):
    - Process – Inadequate design and/or implementation of the H&S policy and procedures.
    - System – Risk Manager not fit for purpose.
    - External – Disease outbreak or pandemic, severe weather or natural catastrophe (tsunami, drought etc.)

- Impacted:
  - Health, safety and wellbeing of people
  - Reputation

- Control gaps and mitigation comments:
  - Residual Risk Rating Rationale:
    - See detailed controls in the Top Enterprise Risk Register.
    - Design and implementation needs to be benchmarked to corporate standards.
    - Auditing framework for assurance to be developed.
    - ELT due diligence gaps, top down approach.
    - Inconsistency of risk reporting across the organisation.
    - Ineffective critical risk monitoring.
    - Effectiveness of Risk Management System under review (H&S & monitoring of risks).
    - Lower percentage of H&S training accreditation among people leaders & Emergency services.
    - Design, implementation and testing gaps in Business continuity plan, Crisis management plan.

- Control gaps and corrective actions agreed:
  - H&S Design and implementation framework will be reviewed, ensuring it integrates consistent: application processes, procedures, policies of health and safety risk identification and assessment methods across the organisation (Action).
  - Training, design framework and Volunteer standard expected to be rolled out and completed by July 2020.
  - Auditing framework for assurance to be developed.
  - ELT Due diligence process to be reviewed and gaps to be reported.
  - H&S teams are performing an assessment on critical risks as a pre-working to ensure the right level of risks are monitored, reported and documented in the risk register.
  - Improving and adopting a risk reporting & methodology that is consistent across council.
  - Undertaking a review of the Risk Manager system.
  - Training accreditation process being reviewed.
  - Business continuity plan & Crisis management plan to be reviewed and approved.
  - Business continuity plan & Crisis management plan to be tested and documented.

- COVID-19 impact and response:
  - Residual risk remains high with a possible likelihood of COVID-19 transmission within and outside the organisation, however actions taken by People Leaders, Head of H&S and the ELT has controlled the impact and likelihood.

Attachment B

Attachment A

Item 9

Item 11
## Top Risk 2 – Cyber Security

<table>
<thead>
<tr>
<th>Risk Description</th>
<th>Critical</th>
<th>High</th>
<th>Medium</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cyber security risk is the probability of exposure or loss resulting from a cyber attack or data breach on Council Group.</td>
<td></td>
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</tr>
<tr>
<td><strong>Risk Owner:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Chief Financial Officer</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Key Risk Driver(s):</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• People – Ineffective training, malicious or unintentional employee activities.</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>• Process – Increased digitization without proper integration with processes and flexible working</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Systems – Inadequate cyber security mechanisms. Technical failure to protect IT systems.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• External – Increasing cyber attacks</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Impacted:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Reputation</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Data loss and business</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Interruption, denial of service</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Financial loss</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Legal e.g. Non-compliance due to privacy breach</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Wellbeing and availability of ICT staff</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Residual Risk Rating Rationale:**
- See detailed controls in the Top Enterprise Risk Register.
- Staff training needs to be enhanced to keep up with emerging cyber risk landscape.
- Cybersecurity system investment required for greater rigour in identification, mitigation and management of changing cyber security threats.
- Consistency of approach and cybersecurity for Council family required.

**Control gaps and corrective actions agreed:**
- **Training:** Cyber Security and Phishing awareness and training mechanisms in place. Identified issue is that training is not currently mandatory. There is increased comms and monitoring in COVID-19 environment.
- **System:** Multicloud project to complete delivery so backups are in place to allow for recovery of data in the event of data loss or a successful ransomware attack. Financial support required for increased OpEx and CapEx for approved programmes, implement 2 Factor Authentication while accessing corporate wifi (project approved, delivery date TBA - slippage risks due to COVID priorities). Replace outdated software in the environment.
- **Strategy:** Creation of a council family Security Operations Centre to centralise security mechanisms and initiatives. (Director, ICT, Due Date: 0/8/20)

**COVID-19 Impact and Response:**
- The risk of cyber attacks has increased in the COVID-19 environment, increasing the likelihood.
- Additional measures are being implemented around communication and monitoring.
### Top Risk 3 – Climate Change Adaptation & Mitigation

<table>
<thead>
<tr>
<th>Risk Description</th>
<th>Critical</th>
<th>High</th>
<th>Medium</th>
<th>Control gaps and mitigation comments</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>There is a risk that adaptation and mitigation actions (reducing emissions) to climate change may not be adequate to respond, adapt and/or reduce impacts of climate change, including severe weather events.</td>
<td></td>
<td></td>
<td></td>
<td>Residual Risk Rating Rationale: See detailed controls in the Top Enterprise Risk Register.</td>
<td></td>
</tr>
</tbody>
</table>

- **Approach:** Lack of a coordinated approach to climate change across the Council group and inconsistent messaging to key stakeholders. Inconsistent approach for addressing claims or assessing potential liability in cases of coastal erosion.

- **Monitoring:** Gaps in understanding, monitoring and reporting for key climate change initiatives and deliverables. Inconsistent data available for council group and public.

- **People:** Further upskilling of staff required to improve risk-based decision-making for climate change issues.

---

**Central gaps and corrective actions agreed:**

- **Strategy:** Establish a coordinated approach to climate change across the Council Group by using Te Tārukie-a-Tāwhiri: Auckland’s Climate Plan. (The plan aims to reduce greenhouse gas emissions; and ensure Auckland is prepared for the impacts of climate change.) and have this integrated within the LTP. Develop a communications strategy on climate change. Develop a policy to address liability due to adverse weather events.

- **Process and system enhancements:** Regularly review and improve using evidence-based research, monitoring and reporting for key climate change initiatives and deliverables. Improve integrity, availability and consistency of data within the council group and public.

- **Training:** Upskill and build staff capability with training and development on climate change risk.

---

**COVID-19 Impact and Response:**

- Changing financial repositioning & legislative drivers due to COVID-19 - challenges to meet agreed targets.

- Leverage the opportunities of the recovery phase.
## Top Risk 4 – Crown Reforms (Housing & Urban Growth)

<table>
<thead>
<tr>
<th>Risk Description</th>
<th>Critical</th>
<th>High</th>
<th>Medium</th>
</tr>
</thead>
<tbody>
<tr>
<td>Misalignment between the council and central government objectives for housing and urban growth caused by legislative reforms.</td>
<td>*</td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td>Risk Owner: Chief of Strategy</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Key Risk Driver(s)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>People – Additional demand or competition for resources and/or capability of staff from new Crown agency.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Process – Lack of good relationships and collaborative communication between Crown and Council. Insufficient funding to meet delivery expectations. Short-term objectives and political agendas prioritised over agreed joint programme objectives.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>External – Crown growth agenda and legislative reforms not aligned to council objectives and development sequencing. Demand for housing and infrastructure delivery pressures on council from central government.</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Impact:**
- Failure to deliver on housing and urban growth outcomes in the Auckland Plan.
- Failure to anticipate and implement plans for the delivery of the regulatory and service functions.
- Council not ready and resourced for reforms.

### Residual Risk Rating Rationale:
- Government not slowing down with the legislative reform programme but is accelerating to respond to the COVID impacts and recovery strategy.
- Announcements over shovel ready bids and the Urban Development Bill anticipated. Council has submitted on the Bill currently before Parliament.
- While the relationship is currently working well, the Council/Crown relationship is even more important at this time. Communications strategy in place.
- For housing, infrastructure funding is the main issue and will become even more so. We expect Crown investment to be directed towards infrastructure that directly supports/enable housing and urban growth.
- The overall residual risk is considered to be adequately controlled at this time.

### Control gaps and key corrective actions agreed:
- The GM working group members, led by Megan Tyler Chief Strategic Officer, are taking the lead engagement with the Crown and managing risk around housing and urban growth.
- The terms of reference for the Council Crown joint group working group are currently being updated to reflect priority project updates and recent changes to government agencies and legislation.

### COVID-19 Impact and Response:
- COVID-19 has resulted in significant financial impact and uncertainty.
- Regulatory and operations teams are maintaining services and work on the programme has continued during lockdown.
- COVID is providing new opportunities to progress objectives and outcomes (e.g. shovel ready projects)
- Disruption to workforce and a significant increase in pace of reforms increases the risk of competition for staff with government agencies.
Top Risk 5 – Fit for Purpose Community Assets

<table>
<thead>
<tr>
<th>Risk Description</th>
<th>Critical</th>
<th>High</th>
<th>Medium</th>
<th>Control gaps and mitigation comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Failure to effectively manage and protect our owned assets so they are fit for purpose to deliver the required levels of service and meet growth demand.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Risk Owner: Director, Customer &amp; Community Services</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Key Risk Driver(s)</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>People</td>
<td>Inadequate suppliers, staff, capacity and capability</td>
</tr>
<tr>
<td>Process</td>
<td>Non-conformance with regulatory and legislative obligations</td>
</tr>
<tr>
<td>Process</td>
<td>Inconsistent and poor coordination of significant asset risks across council including asbestos, mould, seismic, durability, weather tightness, geotechnical and natural hazard risk</td>
</tr>
<tr>
<td>Process</td>
<td>Lack of aligned service, strategic and asset management, strategy, plan or policy for prioritisation or divestment opportunities</td>
</tr>
<tr>
<td>Process</td>
<td>Inconsistent, inaccurate and delayed asset information and data systems</td>
</tr>
<tr>
<td>Process</td>
<td>Lack of standardised processes and systems</td>
</tr>
<tr>
<td>Process</td>
<td>Lack of tools to manage the asset utilisation, condition, maintenance and performance</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Paternal</th>
<th>Existing residual risks that cannot be removed (e.g. deferred milestones)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Impacted</td>
<td>Funding shortfalls</td>
</tr>
</tbody>
</table>

Residual Risk Rating Rationale:
- See detailed controls in the Top Enterprise Risk Register.
- The roles and responsibilities for managing community assets require clarification and simplification to improve decision-making and optimise cost, risk management and performance across asset lifecycles.
- Cleaner roles and responsibilities for asset management and planning are required to support effective coordination, communication, collaboration and better integration of decisions, processes, and risk management (incl. integrated program approach).
- Newly vested assets from developers require attention to ensure a sufficient strategic planning, budgeting, and risk assessment before council accepts the asset.
- Process improvements are needed to ensure assets transferred within the council group are fit for purpose and to assist in streamlined budgeted renewal and maintenance spend.
- Maintenance of seismic management policy.
- Strategic programs of work to enhance asset management practices across council including Value for Money (VFM) Program, WorkSmart, IAC, ARAP etc.

Control gaps and corrective actions agreed:
- Develop action plan for improvements to working and map key processes and identify and decide what it can be simplified or clarified.
- Establish processes to enable timely and effective communication with third party developers before an asset is vested.
- Develop an effective process to ensure assets are fit for purpose, ongoing maintenance and costs and obligations on council are accounted for and that the provision of the asset is in line with the strategic and policy outcomes.
- Process improvements are needed to ensure assets transferred within the council group are fit for purpose and to avoid unforeseen unbudgeted renewal and maintenance spend.
- Seismic Management Policy to be finalised in-house.
- Creation of the Asset Risk Assessment Program and associated steering group from across council.
- Re-organisation of community facilities department including the asset management intelligence function.

COVID-19 Impact and Response:
- COVID-19 impacted all of council’s community and customer service facilities and operations.
- Challenges mainly arise for community and customer service operations as the COVID-19 Alert Levels increase or decrease.
- A large number of CES personnel have been redeployed to support Auckland Emergency Management.
- The health, safety and wellbeing of our people and communities have been paramount during COVID-19 and the organisation has responded effectively.
Top Risk 6 – Business Disruption

<table>
<thead>
<tr>
<th>Risk Description</th>
<th>Critical</th>
<th>High</th>
<th>Medium</th>
<th>Control gaps and mitigation comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Risk of a significant disruption (internal and/or external) to Auckland Council’s operations</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Risk Owner: Director Customer &amp; Community Services</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Key Risk Driver(s)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>People</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ineffective design and implementation of frameworks (business continuity, crisis management, disaster recovery)</td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Systems</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inadequate risk in BOP systems or technology applications</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lack of internal emergency crisis notification ability – all staff urgent alert system</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loss of building’s and inadequate back up facilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>External</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Emergencies such as a natural catastrophe, technology and/or common failure, pandemic, power failure or cyber attack</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Third party or supply chain issues</td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Interdependency failure/s</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Legislative obligations – complex roles and relationships with other parties</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Impacted</td>
<td></td>
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</tr>
<tr>
<td>Operational;</td>
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</tr>
<tr>
<td>Legal/contractual;</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Financial;</td>
<td></td>
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</tr>
<tr>
<td>Health, Safety and well being</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loss of trust and confidence in Auckland Council</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reputational damage</td>
<td></td>
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</tr>
</tbody>
</table>

Residual Rating Rationale:
- See detailed controls in the Top Enterprise Risk Register.
- Gaps identified in the design and testing of business continuity and crisis management frameworks.
- Inconsistent business continuity and contingency planning across the organisation.
- Inadequate business impact analysis conducted.
- Concurrent responsibilities exist and held solely by Auckland Emergency Management for both business continuity and crisis management (internal) as well as regional civil defence management (external).
- Governance, reporting, escalation and assurance processes in relation to business continuity for Auckland Council need to be implemented.

Control gaps and corrective actions:
- Clarify responsibilities’ accountability and ensure fit for purpose org structure - AEM, CDEM, enterprise business continuity.
- Complete post event review to capture learnings from COVID pandemic response and Sky City Convention Centre fire 2019.
- Establish assurance programme (documentation, monitoring, auditing, reporting) to improve risk management, visibility and oversight, accountability, collaboration and commitment to corporate resilience.

COVID-19 Impact and Response:
- COVID-19 has resulted in a significant disruption to Auckland Council’s operations and services.
- Significant learnings across both internal and external response activities and activations.
- Risks and issues being effectively managed through coordinated and dedicated support from ERM and HSW teams.
### Top Risk 7 – Service Delivery

<table>
<thead>
<tr>
<th>Risk Description</th>
<th>Critical</th>
<th>High</th>
<th>Medium</th>
<th>Control gaps and mitigation comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Council may be unable to maintain and deliver services and/or meet service performance targets (including those delivered on its behalf through third parties or arms-length entities).</td>
<td></td>
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<td></td>
<td></td>
</tr>
</tbody>
</table>

- **Risk Owner:**
  - Director Customer & Community Services

- **Key Risk Driver(s):**
  - People – Alignment between expectations and budget, resourcing, inadequate communications with customers, poor vendor selection and contract management
  - Process – New ways of working, poor financial controls, maintenance of essential services and performance levels in an evolving situation
  - External – Lower than expected ratepayer growth, competing demands for services

- **Impacted:**
  - Adverse impacts on communities
  - Financial loss
  - Service levels and ability to deliver for Auckland
  - Reputational damage
  - Loss of trust and confidence

- **Residual Risk Rating Rationale:**
  - See detailed controls in the Top Enterprise Risk Register.
  - Implemented Service Strategy, supported by Community Facilities Network Plan
  - Community empowerment model embedded within ACE
  - Service Performance Targets are part of the LTP
  - Procurement and purchasing policies and framework
  - Proactive training and awareness
  - Critical services and prioritisation of business units and teams list
  - Business Continuity planning integrated into contracts
  - Robust insurance requirements integrated into contracts

- **Control gaps and corrective actions agreed:**
  - Contractor Performance Framework
  - Robust cyber security and ICT requirements to be embedded within contracts

- **COVID-19 Impact and Response:**
  - Auckland Council’s service delivery standards have been impacted by COVID-19 and associated lockdowns
  - Increased financial pressure across the organisation and our third party business partners
  - Resourcing and capability impacts across staff
  - Ongoing re-prioritisation of work programmes and workstreams to maintain essential services
### Top Risk 9 – Programme and Project Delivery

<table>
<thead>
<tr>
<th>Risk Description</th>
<th>Critical</th>
<th>High</th>
<th>Medium</th>
<th>Control gaps and mitigation comments</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Programme and Project Delivery - project management, including the management of interdependencies and risks inadequately.</td>
<td></td>
<td></td>
<td></td>
<td><strong>Residual Risk Rating Rationale:</strong> See detailed controls in the Top Enterprise Risk Register.</td>
<td></td>
</tr>
<tr>
<td><strong>Risk Owner:</strong> Chief Financial Officer</td>
<td></td>
<td></td>
<td></td>
<td>• Staff training investment needs to continue for project management understanding</td>
<td></td>
</tr>
<tr>
<td><strong>Key Risk Driver(s):</strong></td>
<td></td>
<td></td>
<td></td>
<td>• Regular post performance reviews and reporting across the enterprise. (Control owner: GM, Financial Transformation)</td>
<td></td>
</tr>
<tr>
<td>• People – Training/ awareness flexible working challenges</td>
<td></td>
<td></td>
<td></td>
<td>• Project risk framework development including management oversight, risk tolerances and escalation.</td>
<td></td>
</tr>
<tr>
<td>• Process – Cost constraints to training and to improve complex and standalone systems without proper integration with processes</td>
<td></td>
<td></td>
<td></td>
<td><strong>Control gaps and corrective actions agreed:</strong></td>
<td></td>
</tr>
<tr>
<td>• System – Standalone and not integrated with processes</td>
<td></td>
<td></td>
<td></td>
<td>• Training: Investment Delivery Framework - embedding programme including training around project management framework.</td>
<td></td>
</tr>
<tr>
<td>• External – Reprioritisation due to COVID environment leading to non delivery</td>
<td></td>
<td></td>
<td></td>
<td>• System: Communication and monitoring of the use of the Sentinel system. Enhance reporting and need for consequence management</td>
<td></td>
</tr>
<tr>
<td><strong>Impact:</strong></td>
<td></td>
<td></td>
<td></td>
<td>• Framework: Project Risk Framework based on Charter being developed for rollout.</td>
<td></td>
</tr>
<tr>
<td>• Budget and scope overruns</td>
<td></td>
<td></td>
<td></td>
<td><strong>COVID-19 Impact and Responses:</strong></td>
<td></td>
</tr>
<tr>
<td>• Project delays</td>
<td></td>
<td></td>
<td></td>
<td>• Reprioritisation of programmes and projects across council</td>
<td></td>
</tr>
<tr>
<td>• Substandard construction</td>
<td></td>
<td></td>
<td></td>
<td>• Significant financial implications – cost blow outs</td>
<td></td>
</tr>
<tr>
<td>• Workstream not leveraging off each other to drive decision making and optimise efficiencies</td>
<td></td>
<td></td>
<td></td>
<td>• Health, Safety and Wellbeing of project and program staff</td>
<td></td>
</tr>
<tr>
<td>• Adverse environmental impacts</td>
<td></td>
<td></td>
<td></td>
<td>• Disruption and project/programme continuity</td>
<td></td>
</tr>
<tr>
<td>• Financial loss (including return on investment / benefit realisation not met)</td>
<td></td>
<td></td>
<td></td>
<td><strong>COVID-19 Impact and Responses:</strong></td>
<td></td>
</tr>
<tr>
<td>• Reputation damage</td>
<td></td>
<td></td>
<td></td>
<td>• Reprioritisation of programmes and projects across council</td>
<td></td>
</tr>
<tr>
<td>• Inability to meet LTP project deliverables.</td>
<td></td>
<td></td>
<td></td>
<td>• Significant financial implications – cost blow outs</td>
<td></td>
</tr>
</tbody>
</table>
### Top Risk 10 – Consent Processing

<table>
<thead>
<tr>
<th>Risk Description</th>
<th>Critical</th>
<th>High</th>
<th>Medium</th>
<th>Control gaps and mitigation comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Risk of inconsistent, delayed, unauthorised or inadequate consenting processes</td>
<td></td>
<td></td>
<td></td>
<td>Residual Risk Rating Rationale:</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Socially distanced in the Top Enterprise Risk Register.</td>
</tr>
<tr>
<td></td>
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<td></td>
<td></td>
<td>• Completes building consenting process</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>• Skilled resource planning, training and recruitment gaps</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>• Unable to demonstrate absolute compliance with Statutory Obligations</td>
</tr>
<tr>
<td></td>
<td></td>
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<td></td>
<td>• Sole dependency on SAP without the best ability to utilize “best in breed” SAP compatible proprietary system.</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>• Lack of robust quality assurance systems in many parts of the design and construction industry</td>
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<td></td>
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<td></td>
<td>• Sub-optimal internal quality systems to enhance effective outcomes for the organization and the customer.</td>
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<td></td>
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<td></td>
<td>• Territorial Authorities are disproportionately liable for remediation costs associated with non-performing building work.</td>
</tr>
<tr>
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<td></td>
<td>Control gaps and corrective actions agreed:</td>
</tr>
<tr>
<td></td>
<td></td>
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<td></td>
<td>• Excellence Programme being progressed by the Operations and Optimisation department to create a more agile and customer-centric regulatory service delivery</td>
</tr>
<tr>
<td></td>
<td></td>
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<td></td>
<td>• Working with the Finance teams &amp; PMO to enhance existing workforce management to better predict future competency and capacity requirements</td>
</tr>
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<td></td>
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<td></td>
<td>• Develop a Code of Practice for Processing Officers for training and consistency</td>
</tr>
<tr>
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<td></td>
<td>• Work with O&amp;O department to investigate the action of interfacing existing web-based design/consenting application with SAP to deliver a more efficient customer-centric consenting/identification service</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>• Collaborate and educate the design and construction industry on the need and requirement to develop/enhance their quality assurance system</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>• Work with new Operations and Optimisation (O&amp;O) department to develop a more streamlined internal quality assurance system to meet business needs</td>
</tr>
<tr>
<td></td>
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<td></td>
<td></td>
<td>COVID-19 Impact and Response:</td>
</tr>
<tr>
<td></td>
<td></td>
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<td></td>
<td>• Physical inspections slowed due to Alert Levels 4 and 3, building inspections now taking place remotely, alongside some physical inspections.</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>• Building, engineering and resource consents and applications are also being processed and issued electronically.</td>
</tr>
</tbody>
</table>

**External**
- Third party dependency/low quality/replication of disconnected external stakeholder relationships (lack of focus on outcomes)
- Increase in demand and complexity of projects/policy & Reg changes etc.
- Construction contracts that drive challenging relationships and inefficient processes

**Impacted**
- Poor Customer Experience
- Financial - loss of license as a building consent authority, hindrance to economic development
- Reputational Damage
- Environmental - building stock does not perform. Cost to community, claims impacting ratepayer and loss of developer confidence in building in Auckland.
Top Risk 11 – Fraud, Waste and Error

Risk Description

- Internal or external fraud, corruption or other unethical behaviour perpetrated within or against Council that could lead to financial loss, reputational damage, and/or operational risk to council.

Risk Owner: Governance Director

- Key Risk Driver(s)
  - People
    - poor culture, emotionally and financially stressed staff, training and awareness
  - Process
    - breakdown of internal controls, inadequate channels to speak up
  - System
    - online and remote working controls and oversight, user management access controls
  - External
    - collusion between staff and suppliers

Impacted:
- breach of statutory and regulatory requirements.
- legal liability
- loss of ability of Council to perform its functions and duties
- Independence of Council and its staff called into question
- Loss of trust and confidence in Auckland Council.

Control gaps and mitigation comments

Residual Risk Rating Rationales:
See detailed controls in the Top Enterprise Risk Register.
- Fraud risk mitigation is embedded in the organisation culture;
- Integrated and coordinated process for sharing of critical and relevant information between internal Audit and Risk departments;
- Anti-money laundering framework and process;
- Quality Assurance Framework for continuous monitoring;
- Proactive training and awareness;
- Annual Conflict of Interest Declarations
- Public publishing of Gift Register
- Assurance Strategy and work program
- 0800 Integrity line – speak up framework – Our Charter - group wide (CCOs)
- Elected members - Advice and sensitive investigations, incl code of conduct, conflict of interests, complaints and investigations
- Probity advice and decision making process support: procurements and projects

Control gaps and corrective actions agreed:
- Embed Speak Up – Establish and embed framework and council group processes, raise awareness and improve experience - Improve cross speak up channel coordination and collaboration

COVID-19 Impact and Response:
- Heightened risk of fraud due to change in working remotely and increasing external attacks – cyber
- Refocused assurance audits and data analytic checks on internal controls for security, access, financial spend
Ngā mihi nui ki a koe
Thank you from the Risk Team
Proposed Top Risk 12
Financial Management
Risk Owner: Kevin Ramsay Chief Financial Officer

Risk Drivers / Causes
External: External political pressure, market volatility, credit related (borrowing ability), asset and funding liquidity, Auckland drought conditions, economic downturn, legislative environment changes.

Process: Loss of operating revenue from:
- Modelling and assumptions
- Community facility closures (public libraries, community halls, swimming pools, stadiums, etc.)
- Development contributions, financial contributions, and consenting fees
- Willingness and ability to pay rates and other charges
- Loss of dividends and investment income.

People: Fraud, Error

Risk Event
- Inability to prudently manage Council's financial obligations

Impacts
The identified risks may result in failure to:
- Deliver key initiatives
- Increase trust and confidence
- Maintain financial stability & sustainability

DRAFT 15 May - further analysis and evaluation ongoing
## Item 11

<table>
<thead>
<tr>
<th>Pre event controls - DRAFT 15 May. Further analysis and evaluation ongoing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regular review of revenue and cost management (sustainability)</td>
</tr>
<tr>
<td>Service repositioning.</td>
</tr>
<tr>
<td>Monitor, report and work closely with key stakeholders/ supply chain, Audit &amp; Risk Committee oversight of annual budget preparation.</td>
</tr>
<tr>
<td>Central Government &amp; Reserve Bank support</td>
</tr>
<tr>
<td>Additional disclosures in financial reports, increased engagement with rating agencies, Cash holdings increased.</td>
</tr>
<tr>
<td>Financial scenario analysis for planning with updated economic forecasts</td>
</tr>
<tr>
<td>A/R chair oversight of emergency budget process and member of disclosure committee</td>
</tr>
<tr>
<td>Continual monitoring of external information and responding accordingly, spreading the workload, clear strategy for political engagement, regular team check-ins</td>
</tr>
<tr>
<td>Procurement: Additional monitoring for compliance, fraud, Assurance monitoring and oversight. Action plans developed and implemented. Australia system controls and proactive supply chain management. Proactively review and renew relevant Essential contracts with 30/90/90 day Supplier failure contract expiry, identify low impact workarounds or alternative Supplier with Contract Manager in the event of primary Supplier failure, Issue suspension letters as necessary</td>
</tr>
</tbody>
</table>

## Attachment A

### Item 9

<table>
<thead>
<tr>
<th>Post event controls</th>
</tr>
</thead>
<tbody>
<tr>
<td>Review core AC offering</td>
</tr>
<tr>
<td>Continue to realign operating model and strategy for AC Group</td>
</tr>
<tr>
<td>Diversify offerings and customer base</td>
</tr>
<tr>
<td>Overseas investment?</td>
</tr>
</tbody>
</table>

---

**Enterprise Risk COVID-19 Update Page 78**

**Referred from the Audit and Risk Committee - Enterprise Risk COVID-19 Update Page 72**
<table>
<thead>
<tr>
<th>Risk Category</th>
<th>Risk Description</th>
<th>Risk Drivers (Existing and Potential Causes)</th>
<th>Risk Owner</th>
<th>Relevant Categories</th>
<th>Relevant RISK</th>
<th>Control ID</th>
<th>Controls (Existing and Additional Controls Suggested)</th>
<th>Actions</th>
<th>Deemed Effective</th>
<th>Relevant Categories</th>
<th>Relevant RISKS</th>
<th>Relevant Categories</th>
<th>Relevant Categories</th>
<th>Relevant Categories</th>
</tr>
</thead>
</table>
| 1             | Health, Safety and Well-being of people | Chance of an external or internal event that may have a material impact on the Health and Safety of working (and visitors) and the public. | Possible: | Health 
Sickness 
Public & Performance | Incident Report | C1 | Implement site-specific Health and Safety policies and procedures. | | | | |
|               |                 | Health, safety and well-being of people | Possible: | Health 
Sickness 
Public & Performance | Incident Report | C1 | Implement site-specific Health and Safety policies and procedures. | | | | |
|               |                 | Health, safety and well-being of people | Possible: | Health 
Sickness 
Public & Performance | Incident Report | C1 | Implement site-specific Health and Safety policies and procedures. | | | | |
<table>
<thead>
<tr>
<th>Risk No.</th>
<th>Risk Category</th>
<th>Risk Source</th>
<th>Risk Owner</th>
<th>Risk Owner Location</th>
<th>Risk Owner Contact Person</th>
<th>Reference Document</th>
<th>Risk Control Strategy</th>
<th>Control (Existing and Additional Controls Suggested)</th>
<th>Actions</th>
<th>Risk Likelihood</th>
<th>Risk Consequence</th>
<th>Risk Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>Information Security and Cyber</td>
<td>Information Security</td>
<td>Auckland Council</td>
<td>Council Office</td>
<td>C1</td>
<td>Enterprise Risk COVID-19 Update</td>
<td>Libby</td>
<td>Likely</td>
<td>Minor</td>
<td>1</td>
<td>2</td>
<td>1</td>
</tr>
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</tr>
<tr>
<td>Risk No.</td>
<td>Risk Category</td>
<td>Risk Description</td>
<td>Risk Drivers (Existing and Potential Causes)</td>
<td>Root Cause</td>
<td>Initial Likelihood</td>
<td>Inherent Consequence</td>
<td>Critical</td>
<td>Control ID</td>
<td>Controls (Leaning and Additional Controls Suggested)</td>
<td>Actions</td>
<td>Result of Control Test</td>
<td>Result of Control Test</td>
</tr>
<tr>
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</tr>
<tr>
<td>3</td>
<td>Environmental</td>
<td>Climate Change - Mitigation &amp; Adaptation</td>
<td>Climate change adaptation and mitigation strategies, including emissions to address climate change, may involve significant investments in infrastructure, climate risk, and other strategic investments in physical assets, including a range of other risks.</td>
<td>Adaptability</td>
<td>Major</td>
<td>Minor</td>
<td>Climate Change Mitigation &amp; Adaptation</td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tbody>
</table>

**Governing Body**
25 June 2020

Referred from the Audit and Risk Committee - Enterprise Risk COVID-19 Update
<table>
<thead>
<tr>
<th>Risk No</th>
<th>Risk Category</th>
<th>Risk Description</th>
<th>Risk Owners (Identifying and Potential Causes)</th>
<th>Risk Owner</th>
<th>Inherent Likelihood</th>
<th>Inherent Consequence</th>
<th>Inherent Risk</th>
<th>Control</th>
<th>Controls (Rating and Additional Controls Suggested)</th>
<th>Actions</th>
<th>Residual Likelihood</th>
<th>Residual Consequence</th>
<th>Residual Risk Rating</th>
<th>Next Review Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>6</td>
<td>Strategic</td>
<td><code>Crown volume – housing and urban growth</code></td>
<td>Strategic alignment with Crown. Mismatch between Council and the Crown objectives and leadership approach and priorities to housing and urban growth due to complex and multi-agency responsibilities and political decision making. Change readiness and ensuring alignment for the Crown and council to be fully engaged in an effective and timely manner so council can influence the reform outcomes and be prepared and resourced for change.</td>
<td>Chief of Strategy</td>
<td>High</td>
<td>High</td>
<td>High</td>
<td>CR3</td>
<td>Council and Crown memorandum of understanding and joint working programs; commitment to collaboration and delivery of work items and areas of joint-added values.</td>
<td>Possible</td>
<td>Moderate</td>
<td>Moderate</td>
<td>None</td>
<td>CR3</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Joint Working programme and Council Group Governance structures in place: viewing groups – political, Chief Executives, Programmes, Council Group; Joint Working Group.</td>
<td>CR2</td>
<td>Joint Working Programme Terms of Reference includes areas of working together – collaborative and open relationship with central government agencies, and communications protocols.</td>
<td>Terms of Reference are being updated to reflect the changes in legislation and new government agencies involved in this workstream.</td>
<td>CR3</td>
<td>Communications Strategy and programme communication plans.</td>
<td>CR3</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Council discussions and submissions on legislative proposals to influence outcomes and join up the joint working programme work items and legislative reforms.</td>
<td>CR3</td>
<td>Ongoing discussions with the FMER through joint working programme and other forums e.g., Building Commissioning Agencies working group on Building Act and Building Code Amendments, new MBIE legislation</td>
<td>COVID provides new opportunities to progress objectives and outcomes (e.g. Crown-led projects)</td>
<td>CR6</td>
<td>Regulatory debates – customer delivery - continue to optimize process - informed planning and align with Crown, adjust for Crown reforms.</td>
<td>CR6</td>
<td></td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

Referred from the Audit and Risk Committee - Enterprise Risk COVID-19 Update
<table>
<thead>
<tr>
<th>Risk Category</th>
<th>Risk Owner</th>
<th>Internal Environment</th>
<th>Internal Control</th>
<th>Action</th>
<th>Residual Likelihood</th>
<th>Residual Consequence</th>
<th>Residual Risk Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>Physical Assets</td>
<td>Chris Toher (CFO)</td>
<td>Finance and IT</td>
<td>Phase 4</td>
<td>Implement and monitor ongoing program to identify and address issues that may affect assets.</td>
<td>Low</td>
<td>Low</td>
<td>Low</td>
</tr>
<tr>
<td>Operations</td>
<td>Dave Smith (COO)</td>
<td>Operations</td>
<td>Phase 3</td>
<td>Develop and implement a comprehensive plan to mitigate risks associated with operational processes.</td>
<td>Medium</td>
<td>Medium</td>
<td>Medium</td>
</tr>
<tr>
<td>Human Resources</td>
<td>Tracey Brown (CHRO)</td>
<td>Human Resources</td>
<td>Phase 2</td>
<td>Ensure adequate training and support for employees to handle increased workload.</td>
<td>High</td>
<td>High</td>
<td>High</td>
</tr>
<tr>
<td>Information Technology</td>
<td>Tom Johnson (CTO)</td>
<td>Information Technology</td>
<td>Phase 1</td>
<td>Enhance cybersecurity measures to protect critical systems.</td>
<td>Very High</td>
<td>Very High</td>
<td>Very High</td>
</tr>
</tbody>
</table>

**Notes:**
- Actions listed are general recommendations and may require further refinement.
- Residual risk ratings are based on the likelihood and impact of potential risks.
- The risk management plan is continuously reviewed and updated as necessary.
Attachment A

Item 11

Governing Body
25 June 2020

Referred from the Audit and Risk Committee - Enterprise Risk COVID-19 Update

Page 7/8
| Risk No. | Risk Category | Risk Description | Risk Owners (Existing and Potential Causes) | Risk Owner | Control | Actions | Consequences (Existing and Additional Controls Integrated) | Notes | Likely Likelihood | Scenario | Impact | August 2020 |
|---------|---------------|-----------------|---------------------------------------------|------------|--------|---------|-----------------------------------------------------|-------|-----------------|----------|
| 2       | Service delivery | Service delivery risks include: lack of critical skills and training, system failures, poor design, poor management, lack of communication, and lack of strategic planning. | Executive, Customer & Community Services | Utility | 1.3    |        | Implement service delivery strategy, supported by feedback, local Board and Audit Risk Management program. |            |                |          |
| 2       | Financial | Financial risks include: lack of control over expenditures, lack of budget planning, and lack of financial oversight. | Executive, Customer & Community Services | Utility | 1.3    |        | Implement community empowerment model within ACE and extend programs to additional areas. |            |                |          |
| 2       | Operational | Operational risks include: lack of effective management, lack of effective control processes, and lack of effective communication. | Executive, Customer & Community Services | Utility | 1.3    |        | Implement management systems to ensure effective control processes. |            |                |          |
| 2       | Strategic | Strategic risks include: lack of effective strategic planning, lack of effective management, and lack of effective communication. | Executive, Customer & Community Services | Utility | 1.3    |        | Implement strategic planning systems to ensure effective management. |            |                |          |

References:
- Item 11: Referred from the Audit and Risk Committee - Enterprise Risk COVID-19 Update
<table>
<thead>
<tr>
<th>Attachment A</th>
<th>Item 11</th>
</tr>
</thead>
</table>

### Item 11

<table>
<thead>
<tr>
<th>Risk Category</th>
<th>Risk Description</th>
<th>Risk Owners</th>
<th>Gated by</th>
<th>Inherent Limitation of Design</th>
<th>Inherent Limitation of Environment</th>
<th>Control ID</th>
<th>Control (Existing and Additional Controls Suggested)</th>
<th>Audit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enterprise Risks</td>
<td>Utilities, Environmental &amp; Operational Performance</td>
<td>United Utilities, Auckland Council</td>
<td>Risk Owner</td>
<td>A lack of clear understanding of the company's strategic direction</td>
<td>A lack of clear understanding of the company's strategic direction</td>
<td>R1</td>
<td>Monitoring and reviewing the effectiveness of controls</td>
<td>LPA</td>
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<tr>
<td>Sl No</td>
<td>Risk Category</td>
<td>Risk Description</td>
<td>Risk Owner</td>
<td>Internal Audit</td>
<td>Influential Consequences</td>
<td>Controls (Existing and Additional Controls Suggested)</td>
<td>Actions</td>
<td>Risk Level</td>
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</tr>
<tr>
<td>1</td>
<td>Project (Change)</td>
<td>Governance and Project Delays</td>
<td>Group Chief Financial Officer</td>
<td>Likely</td>
<td>Major</td>
<td>1. Establish a process to provide accurate and transparent reporting of project costs and forecast. 2. Develop clear project milestones and timelines.</td>
<td></td>
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<tr>
<td>2</td>
<td>Project (Change)</td>
<td>Budget Overruns</td>
<td>Group Chief Financial Officer</td>
<td>Likely</td>
<td>Major</td>
<td>1. Implement budget controls to ensure adherence to approved budgets. 2. Regularly review project budgets and adjust as necessary.</td>
<td></td>
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</tr>
<tr>
<td>3</td>
<td>Project (Change)</td>
<td>Resource Shortages</td>
<td>Group Chief Financial Officer</td>
<td>Likely</td>
<td>Major</td>
<td>1. Develop a resource allocation plan. 2. Prioritize project tasks to ensure resource availability.</td>
<td></td>
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</tr>
</tbody>
</table>

**Attachment A**

**Item 11**

Referral from the Audit and Risk Committee - Enterprise Risk COVID-19 Update
<table>
<thead>
<tr>
<th>Risk No.</th>
<th>Risk Category</th>
<th>Risk Description</th>
<th>Risk Committee/Board/Other/(Personal/Others)</th>
<th>Risk Owner</th>
<th>Internal</th>
<th>External</th>
<th>High</th>
<th>Tied</th>
<th>Actions</th>
<th>Handled</th>
<th>Completed</th>
<th>Resolved</th>
<th>Amended</th>
<th>Liability</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1</td>
<td>Operational</td>
<td>Risk of incorrect, incomplete, unsafe level or inadequate systems processes for all construction projects - with scope to expand in future.</td>
<td>- Building, Engineering, Planning, and Environmental Services</td>
<td>Director, Regulatory Services</td>
<td>Insurable</td>
<td>Extensive</td>
<td>High</td>
<td>Tied</td>
<td>Continue to embed internal, external, and external partners and ensure service delivery.</td>
<td>Likely</td>
<td>Resolved</td>
<td>Insured</td>
<td>Amended</td>
<td>Liability</td>
<td>Other</td>
</tr>
<tr>
<td>1.2</td>
<td>Operational</td>
<td>Incorrect and untested training of non-technical staff working in construction, engineering, planning, and environmental services.</td>
<td>- Training, Development, and Performance</td>
<td>Director, Regulatory Services</td>
<td>Insurable</td>
<td>Extensive</td>
<td>High</td>
<td>Tied</td>
<td>Work with HR to develop training packages and ensure staff are adequately trained.</td>
<td>Likely</td>
<td>Resolved</td>
<td>Insured</td>
<td>Amended</td>
<td>Liability</td>
<td>Other</td>
</tr>
<tr>
<td>1.3</td>
<td>Operational</td>
<td>Incorrect and untested training of non-technical staff working in construction, engineering, planning, and environmental services.</td>
<td>- Training, Development, and Performance</td>
<td>Director, Regulatory Services</td>
<td>Insurable</td>
<td>Extensive</td>
<td>High</td>
<td>Tied</td>
<td>Work with HR to develop training packages and ensure staff are adequately trained.</td>
<td>Likely</td>
<td>Resolved</td>
<td>Insured</td>
<td>Amended</td>
<td>Liability</td>
<td>Other</td>
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</table>

**Attachment A**

Item 11

Referred from the Audit and Risk Committee - Enterprise Risk COVID-19 Update
<table>
<thead>
<tr>
<th>Risk No.</th>
<th>Risk Category</th>
<th>Risk Description</th>
<th>Risk Events (Existing and Potential Causes)</th>
<th>Risk Owner</th>
<th>Inherent Likelihood</th>
<th>Inherent Impact</th>
<th>Control ID</th>
<th>Controls (Ranking and Additional Controls to Manage)</th>
<th>Actions</th>
<th>Residual Likelihood</th>
<th>Residual Impact</th>
<th>Residual Risk</th>
<th>Next Reviews Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>11</td>
<td>Integrity</td>
<td>Inter or internal fraud, theft, error, omission or other unethical behaviour perpetrated within or against council that could lead to financial loss, reputational damage, and/or operational risk to council</td>
<td></td>
<td>Goverment Director</td>
<td>Likely</td>
<td>Major</td>
<td>F1.1</td>
<td>Fraud risk mitigation is a scheduled item for the organisation culture</td>
<td>Possible</td>
<td>Major</td>
<td>Major</td>
<td>F2.1</td>
<td>25 June 2020</td>
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<tr>
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<td></td>
<td>F2.2</td>
<td>Assurance Services strategy and work program (incl. audit of risk review and identify potential fraud risks)</td>
<td>Possible</td>
<td>Major</td>
<td>Major</td>
<td>F3.1</td>
<td>25 June 2020</td>
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<tr>
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<td>F3.2</td>
<td>Assurex Strategy (risk/risk arbitrage)</td>
<td>Possible</td>
<td>Major</td>
<td>Major</td>
<td>F4.1</td>
<td>25 June 2020</td>
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<td>F4.2</td>
<td>Integrated and coordinated process for sharing of critical and relevant information between Internal Audit and risk departments</td>
<td>Possible</td>
<td>Major</td>
<td>Major</td>
<td>F5.1</td>
<td>25 June 2020</td>
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<td>F5.2</td>
<td>Procurement &amp; contract management &amp; contract management controls are in key systems (e.g. ABMS &amp; contract framework)</td>
<td>Possible</td>
<td>Major</td>
<td>Major</td>
<td>F6.1</td>
<td>25 June 2020</td>
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<td>F6.2</td>
<td>Documentation of internal controls framework</td>
<td>Possible</td>
<td>Major</td>
<td>Major</td>
<td>F7.1</td>
<td>25 June 2020</td>
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<td></td>
<td>F7.2</td>
<td>Anti-money laundering framework and process</td>
<td>Possible</td>
<td>Major</td>
<td>Major</td>
<td>F8.1</td>
<td>25 June 2020</td>
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<td>F8.2</td>
<td>Our Director deployed to provide guidance to staff on expected behaviours</td>
<td>Possible</td>
<td>Major</td>
<td>Major</td>
<td>F9.1</td>
<td>25 June 2020</td>
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<td>F9.2</td>
<td>GBD Identity line</td>
<td>Possible</td>
<td>Major</td>
<td>Major</td>
<td>F10.1</td>
<td>25 June 2020</td>
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<td>F10.2</td>
<td>Quality assurance framework for continuous monitoring</td>
<td>Possible</td>
<td>Major</td>
<td>Major</td>
<td>F11.1</td>
<td>25 June 2020</td>
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<td>F11.2</td>
<td>Integrity and investigation unit provides training, investigations and data analytic services</td>
<td>Possible</td>
<td>Major</td>
<td>Major</td>
<td>F12.1</td>
<td>25 June 2020</td>
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<td>F12.2</td>
<td>Proactive training and awareness</td>
<td>Possible</td>
<td>Major</td>
<td>Major</td>
<td>F13.1</td>
<td>25 June 2020</td>
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<td>F13.2</td>
<td>Identity Security</td>
<td>Possible</td>
<td>Major</td>
<td>Major</td>
<td>F14.1</td>
<td>25 June 2020</td>
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<td>F14.2</td>
<td>IS Security (user access management, segregation of duties, passward management, etc.)</td>
<td>Possible</td>
<td>Major</td>
<td>Major</td>
<td>F15.1</td>
<td>25 June 2020</td>
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<td>F15.2</td>
<td>Reporting and transparency around sensitive expenditure</td>
<td>Possible</td>
<td>Major</td>
<td>Major</td>
<td>F16.1</td>
<td>25 June 2020</td>
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<td>F16.2</td>
<td>Background checks and control around recruitment process</td>
<td>Possible</td>
<td>Major</td>
<td>Major</td>
<td>F17.1</td>
<td>25 June 2020</td>
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<td>F17.2</td>
<td>Identity and management expectations and controls (auditing of financial statements)</td>
<td>Possible</td>
<td>Major</td>
<td>Major</td>
<td>F18.1</td>
<td>25 June 2020</td>
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<td>F18.2</td>
<td>Annual conflict of interest disclosure and public disclosure of Gift Register</td>
<td>Possible</td>
<td>Major</td>
<td>Major</td>
<td>F19.1</td>
<td>25 June 2020</td>
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</tbody>
</table>
Te take mō te pūrongo
Purpose of the report
1. To approve the Auckland Council delegation to the Local Government New Zealand (LGNZ) Annual General Meeting (AGM).

Whakarāpopototanga matua
Executive summary
2. The LGNZ AGM is usually held in conjunction with the LGNZ annual conference. The conference and AGM were to be held 16 to 18 July 2020 but, due to COVID-19, the conference has been postponed until 14 to 17 July 2021.
3. The 2020 AGM will be held on 21 August 2020 at the Museum of New Zealand, Te Papa Tongarewa, Wellington. The AGM is scheduled to start at 9:00 am and is likely to run for a minimum of two to three hours.
4. The LGNZ constitution permits the Auckland Council to appoint up to four delegates to represent it at the AGM, with one of the delegates being appointed as presiding delegate. Voting is required for the election of president and vice-president of LGNZ and for any remits put to the meeting.
5. Staff recommend that the presiding delegate be Mayor Phil Goff and that up to three other delegates are made up from those who already have roles with LGNZ:

<table>
<thead>
<tr>
<th>Presentative</th>
<th>LGNZ Role</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mayor Phil Goff</td>
<td>Representative on National Council</td>
</tr>
<tr>
<td>Councillor Pippa Coom</td>
<td>Representative on National Council</td>
</tr>
<tr>
<td>Waitemata Local Board Chair Richard Northey</td>
<td>Representative on National Council</td>
</tr>
<tr>
<td>Deputy Mayor Bill Cashmore</td>
<td>Auckland Council representative for Regional Sector</td>
</tr>
<tr>
<td>Councillor Angela Dalton</td>
<td>Member Governance and Strategy Advisory Group</td>
</tr>
<tr>
<td>Councillor Alf Filipaina</td>
<td>LGNZ Te Maruata Roopu Whakahaere</td>
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<tr>
<td>Councillor Richard Hills</td>
<td>Member Policy Advisory Group</td>
</tr>
<tr>
<td>Kaipātiki Local Board Member Cindy Schmidt</td>
<td>Member Policy Advisory Group</td>
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<tr>
<td>Kaipātiki Local Board Deputy Chair Danielle Grant</td>
<td>Member Governance and Strategy Advisory Group</td>
</tr>
</tbody>
</table>
Ngā tūtohunga
Recommendation/s
That the Governing Body:

a) appoint up to four delegates to attend the 2020 Local Government New Zealand Annual General Meeting on 21 August 2020, with Mayor Phil Goff being the presiding delegate

b) delegate to the mayor, in the event he cannot attend the 2020 Local Government New Zealand Annual General Meeting at short notice, the ability to appoint another governing body member to the role of presiding delegate

c) delegate to the mayor, in the event an appointed delegate cannot attend the 2020 Local Government New Zealand Annual General Meeting at short notice, the ability to appoint another member

d) agree that when exercising the Auckland Council’s vote at the 2020 Local Government New Zealand Annual General Meeting, the delegates have the discretion to determine the Auckland Council’s position on any matter on which the Auckland Council’s position is not otherwise known

e) note that, prior to the Annual General Meeting, staff will convene a meeting of all of council’s Local Government New Zealand representatives to discuss voting at the Annual General Meeting.

Horopaki
Context

6. LGNZ is the trading name of the New Zealand Local Government Association Inc, which is an incorporated society with its members being local authorities. The constitution requires LGNZ to hold an AGM prior to 31 July each year.

7. The LGNZ conference and AGM was to have been held 16 July to 18 July 2020. Due to COVID-19 the LGNZ Conference and EXCELLENCE Awards will now be held from Wednesday 14 to Saturday 17 July 2021 in Blenheim.

8. The 2020 AGM will be held on 21 August 2020 at the Museum of New Zealand, Te Papa Tongarewa, Wellington. The AGM is scheduled to start at 9 am and is likely to run for a minimum of two to three hours.

9. The President and Vice-President of LGNZ must be elected by ballot of member authorities at the AGM in the year following the year in which triennial local government elections are held. The election will occur at this AGM.

10. Proposed remits from member authorities are also considered at the AGM. Remits, other than those relating to the internal governance and constitution of LGNZ, should address only major strategic “issues of the moment”. They should have a national focus articulating a major interest or concern at the national political level.

Tātaritanga me ngā tohutohu
Analysis and advice

11. The LGNZ constitution permits the Auckland Council to appoint four delegates to represent it at the AGM, with one of the delegates being appointed as presiding delegate. Voting is required for the election of president and vice-president of LGNZ, and for any remits put to the meeting.
12. Nominations for president are:
   i) Councillor Stuart Crosby, Bay of Plenty Regional Council
   ii) Mayor Alex Walker, Central Hawke’s Bay District Council.

13. Nominations for vice-president are:
   i) Mayor Gary Kircher, Waitaki District Council
   ii) Mayor Hamish McDouall, Whanganui District Council.

14. Auckland Council has a total of 20 votes at the AGM (six votes for the first $100,000 of its subscription, plus an additional vote for every $20,000 in excess of $100,000. Auckland Council’s subscription for 2019/2020 is $340,148 plus GST.)

15. Elected members were invited to submit proposals for remits, albeit with a short time allowed for submission due to the change to the late change in date for the AGM. None were received within the time allocated, but one late proposal was made. At the time of writing this report staff were considering whether this late proposal could be accommodated. The remits proposed by other councils will be contained in business papers for the AGM.

16. Staff will convene a meeting of all of the council’s representatives who are involved in LGNZ prior to the AGM to discuss the council’s position on remits from other councils and to discuss preferences for president and vice-president.

Tauākī whakaaweawe āhuarangi
Climate impact statement
17. This report is procedural in nature, however there is an impact on greenhouse gas emissions through supporting attendance at the AGM by means of air travel. A conservative approach to attendance would help reduce this impact.

Ngā whakaaweawe me ngā tirohanga a te rōpū Kaunihera
Council group impacts and views
18. LGNZ is an incorporated body comprising members who are New Zealand councils. Council-controlled organisations are not eligible for separate membership, however, remits can cover activities of council-controlled organisations.

Ngā whakaaweawe ā-rohe me ngā tirohanga a te poari ā-rohe
Local impacts and local board views
19. At the 2019 AGM LGNZ approved membership of National Council which recognised both Auckland Council governing body and local boards. As a result, Auckland Council has three positions on National Council, comprising the mayor, a governing body member (Councillor Pippa Coom) and a local board member (Richard Northey).

Tauākī whakaaweawe Māori
Māori impact statement
20. The LGNZ National Council has a sub-committee, Te Maruata Roopu Whakahaere, whose role is to promote increased representation of Māori as elected members of local government, and to enhance Māori participation in local government processes. It also supports councils in building relationships with iwi, hapu and Māori groups.

21. Te Maruata Roopu Whakahaere provides Māori input on development of future policies or legislation relating to local government. Councillor Alf Filipaina is a member of the sub-committee.
Ngā ritenga ā-pūtea

Financial implications

22. The financial implications of attending the AGM are the travel costs involved and these are covered within existing budgets. Staff are continuing to work with LGNZ on the option to attend the AGM remotely. The meeting will take approximately a half-day, therefore overnight accommodation is not required.

Ngā raru tūpono me ngā whakamaurutanga

Risks and mitigations

23. The presiding delegate votes on behalf of Auckland Council. There is a risk that the council’s presiding delegate may become unavailable at short notice and recommendations include giving the mayor the ability to appoint a replacement.

Ngā koringa ā-muri

Next steps

24. Once the Governing Body decides its delegates, travel arrangements will be made, and briefings will be organised if required.

Ngā tāpirihanga

Attachments

There are no attachments for this report.

Ngā kaihaina

Signatories

<table>
<thead>
<tr>
<th>Author</th>
<th>Warwick McNaughton - Principal Advisor - Democracy Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>Authorisers</td>
<td>Rose Leonard – Acting General Manager Democracy Services</td>
</tr>
<tr>
<td></td>
<td>Phil Wilson - Governance Director</td>
</tr>
<tr>
<td></td>
<td>Stephen Town - Chief Executive</td>
</tr>
</tbody>
</table>
Standing Orders - Attendance by Electronic Link

File No.: CP2020/07655

Te take mō te pūrongo
Purpose of the report
1. To consider changes to Auckland Council's standing orders to allow more flexibility for members to attend meetings electronically.

Whakarāpopototanga matua
Executive summary
2. Auckland Council's current standing orders restrict the ability of members to attend meetings electronically.
3. The COVID-19 emergency meant it was possible for all members to attend meetings remotely. Changes to legislation permitted members attending remotely to be counted towards the quorum. With the expiry of the Epidemic Notice, only those physically present count towards the quorum.
4. This report provides an opportunity for the Governing Body to amend its standing orders to provide more flexible conditions for electronic attendance.
5. The proposed change includes a provision that if a member wishes to attend remotely as a personal preference but is otherwise able to attend the meeting physically then they must attend physically if this is necessary for quorum purposes.
6. An amendment to standing orders requires a 75 per cent vote.

Ngā tūtohunga
Recommendation/s
That the Governing Body:
a) amend Standing Order 3.3.3 to read as follows:

“3.3.3 Conditions for attending by electronic link
The governing body or its committees may give approval for a member to attend meetings by electronic link, either generally or for a specific meeting. Situations where approval can be given are:

a) where the member is at a place that makes their physical presence at the meeting impossible or impracticable
b) to accommodate the member’s illness or infirmity
c) in emergencies
d) where a member prefers to attend by electronic link but is otherwise able to attend the meeting physically.

The member who is seeking to attend by electronic link may not take part in the vote to give approval. The only exception is where there is an emergency, in which case the member seeking to attend by electronic link can take part in the vote.”
b) amend Standing Order 3.3.4 to read as follows:

“3.3.4 Request to attend by electronic link

Where possible, a member will give the chairperson of the governing body or its committees, and the chief executive at least two working days’ written notice where they want to attend a meeting by electronic link. Where, because of illness or emergency, this is not possible, the member may give less notice.

Where such a request is made, the chief executive must take reasonable steps to enable the member to attend by electronic link. However, the council has no obligation to make the technology for an electronic link available.

If the member’s request cannot be accommodated, or there is a technological issue with the link, this will not invalidate any acts or proceedings of the governing body or its committees.

If the request is from a member who prefers to attend by electronic link but is otherwise able to attend the meeting physically, that member must attend the meeting physically if the member is advised by staff or the meeting chairperson that physical attendance is necessary to achieve a quorum for the meeting.”

c) amend Standing Order 3.3.10 to read as follows:

“3.3.10 Attendance of non-members by electronic link

A person other than a member of the Governing Body, or the relevant committee, may participate in a meeting of the Governing Body or committee by means of audio link or audio-visual link in emergencies if the person is otherwise approved to participate under these standing orders (such as under Standing Order 6.2 “Local board input” or 7.7 “Public input”).”

Horopaki Context

7. The Prime Minister issued an Epidemic Notice which commenced on 25 March 2020 and, at the time of preparing this report, was due to expire three months later, on 25 June 2020. Soon after the Epidemic Notice was issued there was an Epidemic Management Notice which affected the holding of council meetings, including attendance at meetings electronically.

8. This report considers the implications of returning to the rules governing council meetings that were in place prior to the Epidemic Notice.

9. There are two key aspects:
   i) standing orders permitting electronic attendance
   ii) the effect of legislation on how the quorum is counted when members attend electronically.
10. Electronic attendance at meetings of a council is permitted by the Local Government Act 2002, schedule 7, clause 25A, if the council provides for it in their standing orders. When the Governing Body previously made provision in standing orders it was of a view that electronic attendance should be the exception rather than the rule. The current standing orders state:

### 3.3.3 Conditions for attending by electronic link

The governing body or its committees may give approval for a member to attend meetings by electronic link, either generally or for a specific meeting. Situations where approval can be given are:

- a) where the member is at a place that makes their physical presence at the meeting impossible or impracticable
- b) to accommodate the member’s illness or infirmity
- c) in emergencies.

The member who is seeking to attend by electronic link may not take part in the vote to give approval. The only exception is where there is an emergency, in which case the member seeking to attend by electronic link can take part in the vote.

11. With the expiry of the Epidemic Notice, members may only attend meetings electronically under the conditions in the standing orders.

12. The second aspect relates to quorums. The Local Government Act 2002 states that only those members physically present count towards the quorum. The Epidemic Management Notice amended the legislation for the duration of the notice such that those attending remotely also count towards the quorum. With the expiry of the notice the former provisions apply whereby only those physically present count towards the quorum.

13. In order to accommodate electronic attendance by the public during the epidemic period the governing body added the following standing order:

### 3.3.10 Attendance of non-members by electronic link

A person other than a member of the Governing Body, or the relevant committee, may participate in a meeting of the Governing Body or committee by means of audio link or audio-visual link in emergencies if the person is otherwise approved to participate under these standing orders (such as under Standing Order 6.2 “Local board input” or 7.7 “Public input”).

Tātaritanga me ngā tohutohu

Analysis and advice

14. With the experience of attending meetings by Skype during the epidemic period this report provides an opportunity for members to review standing orders to allow more flexibility for when members may attend a meeting electronically.

15. Apart from emergencies, the wording in the current standing order permits electronic attendance by a member when the member would find it difficult to attend physically and by a member who is sick. In both these cases, actual physical attendance is not a likely option and any quorum issues will exist regardless.

16. A further option could be added where it is the preference of a member to attend electronically but it is not impracticable for the member to attend physically, in which case the member would be required to be physically present if the quorum would not be achieved without the attendance of the member.
17. Staff recommend the following changes:

3.3.3 **Conditions for attending by electronic link**

The governing body or its committees may give approval for a member to attend meetings by electronic link, either generally or for a specific meeting. Situations where approval can be given are:

a) where the member is at a place that makes their physical presence at the meeting impossible or impracticable

b) to accommodate the member’s illness or infirmity

c) in emergencies

d) where a member prefers to attend by electronic link but is otherwise able to attend the meeting physically.

The member who is seeking to attend by electronic link may not take part in the vote to give approval. The only exception is where there is an emergency, in which case the member seeking to attend by electronic link can take part in the vote.

3.3.4 **Request to attend by electronic link**

Where possible, a member will give the chairperson of the governing body or its committees, and the chief executive at least two working days’ written notice where they want to attend a meeting by electronic link. Where, because of illness or emergency, this is not possible, the member may give less notice.

Where such a request is made, the chief executive must take reasonable steps to enable the member to attend by electronic link. However, the council has no obligation to make the technology for an electronic link available.

If the member’s request cannot be accommodated, or there is a technological issue with the link, this will not invalidate any acts or proceedings of the governing body or its committees.

If the request is from a member who prefers to attend by electronic link but is otherwise able to attend the meeting physically, that member must attend the meeting physically if the member is advised by staff or the meeting chairperson that physical attendance is necessary to achieve a quorum for the meeting.

18. For attendance by members of the public the following change is proposed:

3.3.10 **Attendance of non-members by electronic link**

A person other than a member of the Governing Body, or the relevant committee, may participate in a meeting of the Governing Body or committee by means of audio link or audio-visual link in emergencies if the person is otherwise approved to participate under these standing orders (such as under Standing Order 6.2 “Local board input” or 7.7 “Public input”).

19. When the Epidemic Notice provision on meeting quorums expires, staff recommend leaving quorums as they are. The quorum for the governing body is set in legislation and cannot be changed. Most committee quorums represent one-half of the committee members as the governing body considers at least half a committee should be present to make decisions. (It is possible to set a committee quorum as low as two, as was the case with Emergency Committee.)

20. Because those attending by electronic link do not count towards the quorum, the quorum must be physically present.
Standing Orders - Attendance by Electronic Link

Governing Body
25 June 2020

**Tauākī whakaaweawe āhuarangi**
Climate impact statement

21. Attendance electronically reduces travel by vehicles and so has a beneficial impact on climate change. Enabling more options for meeting for members of the public will improve the council's response to climate change.

**Ngā whakaaweawe me ngā tirohanga a te rōpū Kaunihera**
Council group impacts and views

22. This item relates solely to governing body meeting procedures. Nevertheless, the experience gained with electronic attendance might permit some future reporting from council-controlled organisations to be conducted electronically.

**Ngā whakaaweawe ā-rohe me ngā tirohanga a te poari ā-rohe**
Local impacts and local board views

23. The proposed change to standing order 3.3.10 allows local boards to present to governing body and committee meetings electronically. This could be of benefit to local boards, particularly the rural local boards who have travel large distances to attend governing body meeting.

**Tauākī whakaaweawe Māori**
Māori impact statement

24. This item relates to governing body procedures. A more relaxed rule about electronic attendance may make it easier for mana whenua and mataawaka to contribute under the public input section of the meeting.

**Ngā ritenga ā-pūtea**
Financial implications

25. There are no significant financial implications for the council if a higher level of remote attendance was to eventuate as compared with the level of remote attendance prior to COVID-19.

**Ngā raru tūpono me ngā whakaurutanga**
Risks and mitigations

26. The key risk is that the technology fails on the day with the result that the member who expected to attend by electronic link is not able to take part. There are solutions for this e.g. if the conferencing system (Skype) fails it is possible for the remote member to take part by phone.

**Ngā koringa ā-muri**
Next steps

27. If the governing body agrees to changes to standing orders, the amendments will be made and the revised standing orders re-published.
Ngā tāpirihanga
Attachments
There are no attachments for this report.

Ngā kaihaina
Signatories

<table>
<thead>
<tr>
<th>Author</th>
<th>Warwick McNaughton - Principal Advisor - Democracy Services</th>
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</thead>
<tbody>
<tr>
<td>Authorisers</td>
<td>Rose Leonard – Acting General Manager Democracy Services</td>
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Nomination to University of Auckland Animal Ethics Committee

File No.: CP2020/07656

Te take mō te pūrongo
Purpose of the report
1. To outline the process for Auckland Council to put forward a nomination for the University of Auckland Animal Ethics Committee.

Whakarāpopototanga matua
Executive summary
2. The Animal Welfare Act 1999 requires the University of Auckland to have an Animal Ethics Committee. It also requires one lay member of this committee to be appointed on the nomination of the council. The University makes the appointment once the nomination is received.
3. The governing body resolved its nomination of the current appointee, in May 2017, for three years. A new appointment is now necessary.
4. Elected members were invited to make suggestions for nomination.
5. The Governing Body will consider the nomination with the public excluded at today’s meeting, in order to protect personal privacy of individuals.

Ngā tūtohunga
Recommendation/s
That the Governing Body:

a) note that it will consider expressions of interest for nomination to the University of Auckland Animal Ethics Committee, after the public have been excluded.

Horopaki
Context
6. The Animal Welfare Act 1999 (the Act) requires all organisations which use live animals for research, testing and teaching to have both a Code of Ethical Conduct and an Animal Ethics Committee. The University of Auckland is a code holder organisation.
7. The Animal Ethics Committee comprises at least four members, one of which needs to be nominated by Auckland Council (section 101(8)). All are appointed by the chief executive of the code holder organisation (University of Auckland).
8. The requirements of the legislation in section 101 are:

“(8) One member must be a person appointed by the code holder on the nomination of a territorial authority or regional council.
(9) The person appointed under subsection (8) must not be —
(a) a person who is in the employ of, or is otherwise associated with, the code holder; or
(b) a person who is associated with the scientific community or an animal welfare agency.
(10) The appointed members of each animal ethics committee hold office for such terms and on such conditions as are specified in the code of ethical conduct.”
9. The Code of Ethical Conduct states that the council nominee represents the public interest.

10. The functions and powers of committee members, and the procedures that they must follow, are outlined in the Act, but their overall responsibility can be summarised as ensuring that no unnecessary harm or distress is caused to animals as a consequence of research or captivity.

11. A member of the committee is expected to:
   - review applications (reviews will not usually be assigned to the same members every month but may involve one or two reviews in a given month)
   - attend the committee meeting once a month (eleven per year) to discuss these applications (usually the morning of the last Friday of the month, for a duration of approximately three to four hours)
   - take part in formal monitoring of approved protocols on an occasional basis which may involve attending site visits (approximately 12 hours per year) to animal-holding facilities
   - review approved applications in conjunction with another member of the committee (up to two hours per review excluding preparation and travel time, with two to three reviews per member per year).

12. There is a meeting fee of $175 per half-day and a mileage allowance of 77 cents per kilometre.

13. There are legal implications for the university if no appointment is made, as the Act requires that a code holder must establish and maintain an animal ethics committee made up of at least four members.

Tātaritanga me ngā tohutohu
Analysis and advice

14. Further details of potential nominees are provided in the report in the confidential section.

Tauākī whakaaweawe āhuarangi
Climate impact statement

15. There are no climate impacts in making the nomination.

Ngā whakaaweawe me ngā tirohanga a te rōpū Kaunihera
Council group impacts and views

16. The legislation requires the council to make the nomination. There is no involvement, and no impact, on any of the group.

Ngā whakaaweawe ā-rohe me ngā tirohanga a te poari ā-rohe
Local impacts and local board views

17. This decision involves making an appointment to a university committee, which is a regional entity. Council has no formal engagement with the Animal Ethics Committee once the appointment is made.

Tauākī whakaaweawe Māori
Māori impact statement

18. There is a requirement that an application to use native animals must receive Department of Conservation approval, which includes consultation with Māori.

Ngā ritenga ā-pūtea
Financial implications

19. There are no financial implications for the council.
Ngā raru tūpono me ngā whakamaurutanga

Risks and mitigations

20. The council is required under the legislation to only make a nomination. The appointment itself is by the university. The council is not exposed to any risk by making a nomination.

Ngā koringa ā-muri

Next steps

21. Once the Governing Body decides a nomination, this will be confirmed with the nominee and the university.

Ngā tāpirihanga

Attachments

There are no attachments for this report.

Ngā kaihaina

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Shareholder comments on revised draft CCO Statements of Intent, 2020-2023 (Covering report)

File No.: CP2020/08380

Te take mō te pūrongo
Purpose of the report

1. To approve shareholder feedback on the revised draft Statements of Intent (SOI) 2020/2021 – 2022/2023 of the council-controlled organisations (CCOs).

2. To formally approve an extension of the deadline for submission of final SOIs by CCO Boards to 31 July 2020, in accordance with the Local Government Act 2002, Schedule 8, Clause 4.

Whakarāpopototanga matua
Executive summary

3. This is a late covering report for the above item. The comprehensive agenda report was not available when the agenda went to print and will be provided prior to the 25 June 2020 Governing Body meeting.

Ngā tūtohunga
Recommendation/s

The recommendations will be provided in the comprehensive agenda report.
Appointments to board of City Rail Link Limited

File No.: CP2020/08119

Te take mō te pūrongo
Purpose of the report
1. To provide information about the process for proposed appointments to the board of City Rail Link Limited.

Whakarāpopototanga matua
Executive summary
2. City Rail Link Limited (CRLL) is a company set up jointly between Auckland Council and the Crown with responsibility for building the City Rail Link. The company assumed responsibility for the project from Auckland Transport on 1 July 2017.
3. Council and Crown are jointly responsible for appointing the CRLL directors.
4. CRLL has a board of five directors, including the chair. Sir Brian Roche was reappointed on 2 April 2020. The terms of appointment of the four remaining directors on the Board all end of 30 June 2020.
6. In May 2019 councillors requested that City Rail Link Limited undertake a board performance review. This had been scheduled for April 2020, but due to the COVID-19 situation, did not take place. It is now expected to be undertaken later in 2020. When appointments are considered again when the terms of the directors expire, the results of this board performance review to be taken into account, and different skills will be brought onto the board, if required.
7. Crown will consider the appointments on 29 June 2020, taking into account council's decisions.

Ngā tūtohunga
Recommendation/s
That the Governing Body:

a) note that the terms of appointment of four directors on the City Rail Link Limited board expire on 30 June 2020

b) note that a separate report on the confidential agenda of the Governing Body meeting of 25 June 2020 proposes appointments to this board.

Horopaki
Context
8. Auckland Council is an equal partner with central government (Ministers of Finance and Transport) for the city rail link project, and a minority shareholder in the company established to deliver the project – City Rail Link Limited. However, as an almost equal shareholder (Council holds 20 fewer shares than Crown), Council is required to formally endorse board appointments prior to Crown decision-making.
9. The major parts of the City Rail Link project (stations, tunnelling and rail systems) are being delivered by an Alliance, which was established in 2019. The Alliance has two final major contracts to be incorporated into it during 2020 – the rail systems to be installed in the tunnel, and the works to link the western line to the city rail link tunnels at Mt Eden. In addition, the Alliance is currently itself securing major elements of the project, such as the tunnel boring machine.

10. Previous decisions mean that the terms of all four of the remaining directors on the CRLL Board (aside from Sir Brian Roche, as Chair) are due to expire on 30 June 2020. Decisions therefore need to be made about their reappointment, or otherwise.

Tātaritanga me ngā tohutohu
Analysis and advice

11. A board performance review was requested by councillors when considering CRLL appointments on 1 May 2019. This feedback was passed on to the Ministry of Transport and to City Rail Link Limited itself, and a board performance review was scheduled for April 2020. However, the performance assessment for the CRLL Board was delayed due to the COVID-19 outbreak, and is now intended to be completed later this year. This is particularly with a view to the kind of skills which will be required towards the later stages of the project, including testing, commissioning, and operationalising the railway.

12. It is now urgent to consider appointments to the City Rail Link Limited board, as the terms of the remaining directors expire on 30 June 2020. Appointments are recommended in a separate report on the confidential agenda of the 25 June 2020 Governing Body meeting.

Tauākī whakaaweawe āhuarangi
Climate impact statement

13. These appointments have no climate impacts.

Ngā whakaaweawe me ngā tirohanga a te rōpū Kaunihera
Council group impacts and views

14. Auckland Transport is involved in the project as a ‘delivery partner’. As a delivery partner it is included in several of the project governance and management structures which support the delivery of the project.

15. However, appointments to the City Rail Link Limited Board are ultimately a decision for the Crown and Auckland Council.

Ngā whakaaweawe ā-rohe me ngā tirohanga a te poari ā-rohe
Local impacts and local board views

16. Local board views have not been sought in relation to these appointments. We do not consider that the appointments have any specific local impacts.

Tauākī whakaaweawe Māori
Māori impact statement

17. City Rail Link Limited has an extensive programme of Māori engagement including a mana whenua forum. This forum has a number of roles including developing practical measures to give input to the design of the stations, input into construction environment management plans, working collaboratively around built heritage and archaeological matters, and undertaking kaitiaki responsibilities associated with the project.
Ngā ritenga ā-pūtea
Financial implications
18. There are no direct financial implications related to these proposed appointments. The directors are paid from within the total budget envelope.

Ngā raru tūpono me ngā whakamaurutanga
Risks and mitigations
19. The key risk for making these appointments is that directors may have conflicts of interest between their work on city rail link, and other companies and projects in which they have an interest. This risk is mitigated through conflict of interest declarations and active management of these conflicts.

Ngā koringa ā-muri
Next steps
20. Once council has made its decisions on these appointments, staff will advise Crown colleagues so that Cabinet can take into account the council's decisions.

Ngā tāpirihanga
Attachments
There are no attachments for this report.

Ngā kaihaina
Signatories

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<thead>
<tr>
<th>Author</th>
<th>Edward Siddle - Principal Advisor</th>
</tr>
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<tbody>
<tr>
<td>Authorisers</td>
<td>Alastair Cameron - Manager - CCO Governance &amp; External Partnerships</td>
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Board Appointments: Manukau Beautification Charitable Trust and COMET Auckland

File No.: CP2020/03661

Te take mō te pūrongo
Purpose of the report
1. To appoint two trustees to the board of Manukau Beautification Charitable Trust Auckland (MBCT) and two trustees to the board of COMET Auckland, both of which are council-controlled organisations (CCOs).

Whakarāpopototanga matua
Executive summary
2. The power to appoint trustees to MBCT’s board is vested in Auckland Council by the Deed of Trust that established MBCT as a CCO in 2001.
3. The power to appoint trustees to COMET Auckland’s board is vested in Auckland Council by the Deed of Trust (deed) that established COMET Auckland as a CCO in 2012.
4. A separate confidential report on this meeting agenda contains information and advice regarding recommended appointees to the MBCT board and COMET Auckland Board.

Ngā tūtohunga
Recommendation/s
That the Governing Body:

a) note that there is a confidential report on this meeting agenda with recommendations regarding the appointment of trustees to the board of Manukau Beautification Charitable Trust and the board of COMET Auckland.

b) note this report is confidential due to the personal information contained in it and the final appointment decisions will be made publicly available at the conclusion of the appointment process.

Horopaki
Context
5. Manukau Beautification Charitable Trust was established in 2001 under Manukau City Council, with the purpose of promoting, supporting and undertaking programmes and initiatives to beautify Manukau’s urban and rural environment. It provides graffiti removal services, undertakes mural projects and environmental education events to the six local board areas in south Auckland.

6. The trust deed requires MBCT to have no fewer than five trustees and no more than twelve, all appointed by Auckland Council. The power of appointment of all trustees to the board is vested in council as the settlor of MBCT’s deed. MBCT has six trustees in the current term (July 2019 to June 2022).

7. COMET Auckland is a CCO of Auckland Council and a charitable trust. Its role is to support education and skills across Auckland, contributing to the relevant social and economic goals in the Auckland Plan. The mission of COMET Auckland is driving systems change to make education and skills more effective and equitable across Auckland.
8. COMET’s trust deed calls for no fewer than seven and no more than twelve trustees. COMET Auckland currently has seven trustees. The power of appointment of all trustees to the board is vested in the council as the settlor of COMET Auckland’s deed.

Tātaritanga me ngā tohutohu

Analysis and advice

Manukau Beautification Charitable Trust

9. MBCT has undertaken a process to appoint further trustees. The rationale for introducing new members includes:
   - succession planning for natural attrition
   - a broader range of skills, along with business and social experience and more diverse perspectives
   - a commitment to representation to accurately reflect the community in which the Trust services
   - introducing more networking potential to the Trust and further reach into the community.

10. To facilitate the board recruitment, MBCT have engaged the services and expertise of a local human resources and recruitment company. Potential candidates were approached through existing networking pathways. A particular emphasis was placed on finding candidates who had a strong commitment to the community and a passion for the environment. In addition:
   - current and potential trustees completed an online questionnaire to ascertain core competency levels within the trust board
   - current trustees and potential trustees were also asked to comment and rate their commitment to serving the community, adhering to Te Tiriti o Waitangi principles and the congruence of their personal values against those of the MBCT
   - the potential candidates presented to the trust board a summary of their key attributes, experience and individual passions and areas of interest.

11. The MBCT trust board unanimously recommended the candidates presented in the confidential report and the board chair has written to the mayor seeking approval of the prospective candidates.

COMET Auckland

12. The COMET Auckland board chair has written to Council seeking approval to appoint two new trustees to the board.

13. COMET Auckland has undertaken a process to appoint further trustees. This process included:
   a) identifying skills, knowledge and experience, including current or future gaps on the board
   b) advertising the vacancies through ‘Seek Volunteering’, the Institute of Directors website and newsletter, social media and via COMET Auckland’s networks
   c) shortlisting and interviewing qualified candidates
   d) recommendation of preferred candidates to council.

14. The core skills COMET Auckland requires of all board members are strategic thinking, proven expertise and respected as a leader in their field, passion for education and skills in Auckland, especially for areas of high education need, strong networks with educators and/or business and/or local/national government in Auckland. They should also live and work in the Auckland Council area.
15. Across the board COMET Auckland also looks for diversity, including professional expertise, culture/ethnicity, gender, and age.

16. The particular essential skills COMET Auckland sought in this recruitment round, to balance the skills of existing board members, were expertise in finance and/or accounting. The desired skills and experience sought included strong connections and understanding of Auckland’s Māori communities and knowledge and connections in the early childhood or schooling sectors.

**Tauākī whakaaweawe āhuarangi**  
**Climate impact statement**

17. MBCT’s work promotes, supports and undertake programmes to beautify South Auckland. This includes programmes such as 'Eye on Nature' that aims to connect children and their families to nature and engaging them to create more sustainable solutions every day.

18. The decision to appoint a member to the COMET Auckland board does not have an impact on direct greenhouse gas emissions and the effects of climate change over the lifetime of the decision (appointments for an initial three-year term) is considered minimal.

**Ngā whakaaweawe me ngā tirohanga a te rōpū Kaunihera**  
**Council group impacts and views**

19. There are no significant impacts on other parts of the council group as a result of these appointments.

**Ngā whakaaweawe ā-rohe me ngā tirohanga a te poari ā-rohe**  
**Local impacts and local board views**

20. Appointments to CCO boards are the role of the governing body. Local board views are not sought on these matters. However, the services provided by MBCT are of particular benefit to the six local board areas that the trust works across. The board in its recruitment of trustees has taken this into account by conducting the recruitment locally.

**Tauākī whakaaweawe Māori**  
**Māori impact statement**

21. MBCT provides beautification services and environmental education programmes of benefit to all local groups across south Auckland.

22. The trust recognised the opportunity to bring in new skills, by paying particular attention to candidates with knowledge and respect for Te Tiriti o Waitangi principles.

23. COMET Auckland’s work is strongly focused on making access to education and skills more effective and equitable across Auckland. COMET takes a cross-sector approach to education and several areas of COMET’s work contribute to uplifting Māori wellbeing or enabling better outcomes for Māori.

24. COMET Auckland’s board vacancies offer an opportunity to contribute to the development of Māori capacity in governance. One of the desired qualifications sought through the appointment process was strong connections and understanding of Auckland’s Māori communities. This focus is expected to continue for COMET’s future board recruitment processes, to complement existing skills and knowledge on the board.

**Ngā ritenga ā-pūtea**  
**Financial implications**

25. There are no financial implications associated with this report.
Ngā raru tūpono me ngā whakamaurutanga
Risks and mitigations

26. There are risks associated with all board appointments, including:

   a) Reputational Risk: All candidates are appropriately screened to meet the skill requirements sought by MBCT and COMET Auckland. Recommended candidates have also completed the council’s director consent form prior to appointment, which requires them to confirm that there is nothing that would compromise their effectiveness as a board member.

   b) Reputational risk: Breach of privacy if confidential candidate information is released prior to final decisions of the committee. The risk is that fewer, and potentially less-qualified, candidates would be attracted to board service in the future. To mitigate this risk, staff will assure confidentiality during the board appointment programme.

   c) Governance risk: the risk of an unbalanced board where a loss of institutional knowledge impacts decision-making. Conversely, retaining board members for too long can mean that the board lack innovation and fresh thinking. There is a need to maintain an appropriate balance of new and longer-serving board members to avoid these problems and to retain institutional knowledge.

Ngā koringa ā-muri
Next steps

27. Following approval by the Governing Body, the CCO Governance and External Partnership staff will notify MBCT and COMET Auckland of the Governing Body’s decision.

28. The appointment decisions of the Governing Body will be made publicly available once the successful and unsuccessful candidates have been notified.

Ngā tāpirihanga
Attachments
There are no attachments for this report.

Ngā kaihaina
Signatories

<table>
<thead>
<tr>
<th>Author</th>
<th>Sarah Johnstone-Smith - Principal Advisor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Authorisers</td>
<td>Alastair Cameron - Manager - CCO Governance &amp; External Partnerships</td>
</tr>
<tr>
<td></td>
<td>Phil Wilson - Governance Director</td>
</tr>
<tr>
<td></td>
<td>Stephen Town - Chief Executive</td>
</tr>
</tbody>
</table>
Summary of Governing Body information memoranda and briefings (including the Forward Work Programme) - 25 June 2020

File No.: CP2020/05178

Te take mō te pūrongo

Purpose of the report
1. To note the progress on the forward work programme appended as Attachment A.
2. To receive a summary and provide a public record of memoranda or briefing papers that may have been held or been distributed to Governing Body members.

Whakarāpopototanga matua

Executive summary
3. This is a regular information-only report which aims to provide greater visibility of information circulated to Governing Body members via memoranda/briefings or other means, where no decisions are required.
4. The following workshops/briefings have taken place:

<table>
<thead>
<tr>
<th>Date</th>
<th>Workshop/Briefing</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Further feedback was presented to Local Government New Zealand in conjunction with the Auckland Zone meeting held on 13 March 2020</td>
</tr>
<tr>
<td>17/6/20</td>
<td>Annual Budget 2020/2021 Emergency Budget Mana Whenua Feedback session</td>
</tr>
</tbody>
</table>

5. These documents can be found on the Auckland Council website, at the following link: [http://infocouncil.aucklandcouncil.govt.nz/](http://infocouncil.aucklandcouncil.govt.nz/)
   - at the top left of the page, select meeting/Te hui “Governing Body” from the drop-down tab and click “View”;
   - under ‘Attachments’, select either the HTML or PDF version of the document entitled ‘Extra Attachments’.

6. Note that, unlike an agenda report, staff will not be present to answer questions about the items referred to in this summary. Governing Body members should direct any questions to the authors.

Ngā tūtohunga

Recommendation/s
That the Governing Body:

a) note the progress on the forward work programme appended as Attachment A of the agenda report

## Ngā tāpirihanga

### Attachments

<table>
<thead>
<tr>
<th>No.</th>
<th>Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Forward Work Programme</td>
</tr>
<tr>
<td>B</td>
<td>Workshop Notes: Local Government New Zealand Paper on Localism <em>(Under Separate Cover)</em></td>
</tr>
<tr>
<td>C</td>
<td>Workshop Notes: Annual Budget 2020/2021 Emergency Budget Mana Whenua Feedback session <em>(Under Separate Cover)</em></td>
</tr>
<tr>
<td>D</td>
<td>Further feedback to Local Government New Zealand on localism <em>(Under Separate Cover)</em></td>
</tr>
</tbody>
</table>

## Ngā kaihaina

### Signatories

<table>
<thead>
<tr>
<th>Author</th>
<th>Sarandra O'Toole - Kaiarataki Kapa Tohutohu Mana Whakahaere / Team Leader Governance Advisors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Authoriser</td>
<td>Stephen Town - Chief Executive</td>
</tr>
</tbody>
</table>
The Governing Body deals with strategy and policy decision-making that relates to the environmental, social, economic and cultural activities of Auckland as well as matters that are not the responsibility of another committee. The full terms of reference can be found here: [Auckland Council Governing Body Terms of Reference](#).

### Area of work and Lead Department

<table>
<thead>
<tr>
<th>Area of work and Lead Department</th>
<th>Reason for work</th>
<th>Committee role (decision and/or direction)</th>
<th>Expected timeframes Highlight the month(s) this is expected to come to committee in 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Americas Cup 2021</td>
<td>Locations, infrastructure and funding</td>
<td>Decisions to approve locations, infrastructure and funding</td>
<td>As and when required</td>
</tr>
<tr>
<td>Chief Executive’s Performance Objectives</td>
<td>The Appointments and Performance Review Committee has the delegation to recommend performance objectives; The Governing Body must then consider the recommendations and make a decision.</td>
<td>Decision to approve performance objectives</td>
<td></td>
</tr>
<tr>
<td>Appointment of Chief Executive</td>
<td>Statutory requirement</td>
<td>Decision around process to recruit a new chief executive; Decision to appoint a new chief executive</td>
<td></td>
</tr>
<tr>
<td>City Rail Link</td>
<td>Construction of the City Rail Link in the central city</td>
<td>Decisions to approve matter associated with City Rail Link; Decisions to note any matters raised by the Audit and Risk Committee about the project</td>
<td>As and when required</td>
</tr>
<tr>
<td>Review of council-controlled organisations</td>
<td>Overview of and decisions relating to any council-controlled organisations review including the implementation of any resulting changes to council-controlled organisations</td>
<td>Decision on appointment of a council-controlled organisations review panel; Consider draft report on the key issues, feedback from the community and stakeholders; Decision on final report and recommendations</td>
<td></td>
</tr>
</tbody>
</table>

**Progress to date:**
- Open Process Report and Restatement to Appoint an Acting Chief Executive and update on Chief Executive recruitment process February 2020
- Re-appointments to board of City Rail Link 25 June 2020
- Decision to appoint a new chief executive February 2020
- Decision to appoint a new chief executive June 2020 in confidential
- Decision on final report and recommendations
<table>
<thead>
<tr>
<th>Area of work and Lead Department</th>
<th>Reason for work</th>
<th>Committee role (decision and/or direction)</th>
<th>Expected timeframes</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td><strong>Progress to date:</strong></td>
<td>Highlight the month(s) this is expected to come to committee in 2020</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Decision to approve consultation documents, supporting information and process prior to consultation</td>
<td>Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Decision to adopt Emergency Budget</td>
<td>Adoption</td>
</tr>
<tr>
<td>Emergency Budget/Annual Budget</td>
<td>Statutory requirement</td>
<td>Decision on Emergency Budget and consultation given COVID-19 – 16 April 2020 in confidential and released on 7 May 2020</td>
<td></td>
</tr>
<tr>
<td>(Annual Plan)</td>
<td></td>
<td>Decisions on Emergency Budget and consultation 14 May 2020 Confidential</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Link to decision</td>
<td>Link to decision</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Link to decision 21 May 2020 released 26 June 2020</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Link to decision 25 May 2020 released 25 June 2020</td>
<td></td>
</tr>
<tr>
<td>10-year Budget (Long-term Plan)</td>
<td>Statutory requirement</td>
<td>Decision to approve consultation documents, supporting information and process prior to consultation</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Decision to adopt the 10-year Budget (Long-term Plan)</td>
<td></td>
</tr>
<tr>
<td>Annual Report</td>
<td>Statutory requirement</td>
<td>Decision to adopt the Annual Report</td>
<td></td>
</tr>
<tr>
<td>Committee Forward Work Programmes</td>
<td>Responsibility for oversight of work programmes of all committee of the Governing Body.</td>
<td>Decisions to note the forward work programmes</td>
<td></td>
</tr>
<tr>
<td>Review of Code of Conduct</td>
<td>The experience of working with the current Code of Conduct indicates that it could be further improved. In particular, it could be clearer about complaint, investigation and resolution processes, as well as available sanctions</td>
<td>Decision to adopt new Elected Members Code of Conduct</td>
<td></td>
</tr>
<tr>
<td>Terms of Reference</td>
<td>The Terms of Reference enables the governing Body to delegate to committees those power necessary for them to carry out their responsibilities to the most efficient and effective levels. Any changes to the Terms of Reference must be done by the Governing Body.</td>
<td>Decision to adopt the Terms of Reference, Decision to adopt changes to Terms of Reference</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Progress to date:</strong></td>
<td>As and when required</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Terms of Reference approved November 2019</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Terms of Reference amended to include working parties November 2019</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Terms of Reference amended to include the Emergency Committee March 2020</td>
<td></td>
</tr>
</tbody>
</table>

Summary of Governing Body information memoranda and briefings (including the Forward Work Programme) - 25 June 2020
<table>
<thead>
<tr>
<th>Area of work and Lead Department</th>
<th>Reason for work</th>
<th>Committee role (decision and/or direction)</th>
<th>Expected timeframes Highlight the month(s) this is expected to come to committee in 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Standing Orders</td>
<td>Statutory requirement under the Local Government Act 2002, Schedule 7, clause 27</td>
<td>Decision to amend standing orders</td>
<td>Jan</td>
</tr>
<tr>
<td>Tūpuna Maunga o Tāmaki Makaurau Operations Plan</td>
<td>Section 60 of Ngā Mana Whenua o Tāmaki Makaurau Collective Redress Act 2014 requires the Tūpuna Maunga o Tāmaki Makaurau Authority and Auckland Council to annually agree an operational plan as part of the annual or long-term plan process. This requires the council to consult on a summary of the Draft Tūpuna Maunga o Tāmaki Makaurau Operational Plan (the Draft Tūpuna Maunga Plan). The Governing Body is also required to adopt the final plan.</td>
<td>Decision to adopt Operations Plan and summary&lt;br&gt;&lt;br&gt;<strong>Progress to date:</strong>&lt;br&gt;Change in light of COVID-19 March 2020&lt;br&gt;<a href="#">Link to decision</a></td>
<td>Consultation documents</td>
</tr>
<tr>
<td>Health, Safety and Wellbeing</td>
<td>The Governing Body has the role of the person or organisation conducting a business or undertaking.</td>
<td>Decision to receive quarterly Health, Safety and Wellbeing report</td>
<td>Jan</td>
</tr>
<tr>
<td>Alcohol Control Bylaw Review</td>
<td>Legislative requirement to review the bylaw and policy after five years.</td>
<td>Decision to approve statement of proposal #&lt;br&gt;Decision to Make/Amend/Revoke the bylaw&lt;br&gt;* Public notification is required for bylaw reviews even if no change to the bylaw is recommended.</td>
<td>Proposal</td>
</tr>
<tr>
<td>Animal Management Bylaw Review</td>
<td>Legislative requirement to review the bylaw and policy after five years.</td>
<td>Decision to approve statement of proposal #&lt;br&gt;Decision to Make/Amend/Revoke the bylaw&lt;br&gt;* Public notification is required for bylaw reviews even if no change to the bylaw is recommended.</td>
<td>Options</td>
</tr>
<tr>
<td>Cemeteries and Crematoria Bylaw Review</td>
<td>Legislative requirement to review the bylaw and policy after five years.</td>
<td>Decision to approve statement of proposal #&lt;br&gt;Decision to Make/Amend/Revoke the bylaw&lt;br&gt;* Public notification is required for bylaw reviews even if no change to the bylaw is recommended.</td>
<td>Proposal</td>
</tr>
</tbody>
</table>
| Area of work and Lead Department | Reason for work | Committee role (decision and/or direction) | Expected timeframes
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Decision to approve statement of proposal</td>
<td>Highlight the month(s) this is expected to come to committee in 2020</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Decision to Make/Amend/Revoke the bylaw</td>
<td>Jan  Feb  Mar  Apr  May  Jun  Jul  Aug  Sep  Oct  Nov  Dec</td>
</tr>
<tr>
<td>Freedom Camping</td>
<td>Explore the need for and options for regulating freedom camping in Auckland Regulatory response may be required following completion of research and pilot</td>
<td>Decision to approve statement of proposal # Decision to Make/Amend/Revoke the bylaw</td>
<td>Options</td>
</tr>
<tr>
<td>Navigation Safety Bylaw Review</td>
<td>Legislative requirement to review the bylaw and policy after five years.</td>
<td>Decision to approve statement of proposal # Decision to Make/Amend/Revoke the bylaw</td>
<td>Options</td>
</tr>
<tr>
<td>Outdoor Fire Safety Bylaw Review</td>
<td>Legislative requirement to review the bylaw and policy after five years.</td>
<td>Decision to approve statement of proposal # Decision to Make/Amend/Revoke the bylaw</td>
<td>Options</td>
</tr>
<tr>
<td>Property Maintenance Nuisance Bylaw Review</td>
<td>Legislative requirement to review the bylaw and policy after five years.</td>
<td>Decision to approve statement of proposal # Decision to Make/Amend/Revoke the bylaw</td>
<td>Options</td>
</tr>
<tr>
<td>Signage Bylaw Review</td>
<td>Legislative requirement to review the bylaw and policy after five years.</td>
<td>Decision to approve statement of proposal # Decision to Make/Amend/Revoke the bylaw</td>
<td>Options</td>
</tr>
<tr>
<td>Trading and Events Bylaw Review</td>
<td>Legislative requirement to review the bylaw and policy after five years.</td>
<td>Decision to approve statement of proposal # Decision to Make/Amend/Revoke the bylaw</td>
<td>Options</td>
</tr>
<tr>
<td>Traffic Bylaw Review</td>
<td>Legislative requirement to review the bylaw and policy after five years.</td>
<td>Decision to approve statement of proposal # Decision to Make/Amend/Revoke the bylaw</td>
<td>Options</td>
</tr>
</tbody>
</table>

*options: proposal, public notification is required for bylaw reviews even if no change to the bylaw is recommended.*
<table>
<thead>
<tr>
<th>Area of work and Lead Department</th>
<th>Reason for work</th>
<th>Committee role (decision and/or direction)</th>
<th>Expected timeframes Highlight the month(s) this is expected to come to committee in 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mayoral Housing Taskforce Steering Group</td>
<td>Oversee the progress and implementation of the June 2017 Mayoral Housing Taskforce report.</td>
<td>Decision to setup, agree and approve membership of group Decision to receive six-monthly updates</td>
<td>Jan</td>
</tr>
<tr>
<td>Auckland Council Top Risk Register</td>
<td>The Audit and Risk Committee will refer the risk register to the Governing Body every quarter.</td>
<td>Decision to note the top risk register and risk heat map Decision to receive quarterly reports</td>
<td>Jan</td>
</tr>
<tr>
<td>Te Tiriti o Waitangi / Treaty of Waitangi</td>
<td>The Crown negotiates settlements with iwi on a confidential basis and from time to time invites Council to express its views. The Te Tiriti o Waitangi / Treaty of Waitangi Settlement Working party is accountable to the Governing Body and reports its findings to the Governing Body.</td>
<td>Decision to approve submissions to the Crown as and when required Decision to approve establishment and on-going implementation of co-management and other governance arrangements</td>
<td>Jan</td>
</tr>
<tr>
<td>Elected members expense policy</td>
<td>Responsibility to adopt expense policy rules for Remuneration Authority approval</td>
<td>Decision on elected members expense policy</td>
<td>Jan</td>
</tr>
</tbody>
</table>

Progress to date: Item deferred 26 March 2020
### Completed

<table>
<thead>
<tr>
<th>Lead Department</th>
<th>Area of work</th>
<th>Committee role (decision and/or direction)</th>
<th>Decision</th>
</tr>
</thead>
<tbody>
<tr>
<td>Environmental Services</td>
<td>Ark in the Park</td>
<td>Decision to appoint GB representatives to Ark in the Park.</td>
<td>Appointment of councillor representatives February 2020</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>[Link to decision]</td>
</tr>
<tr>
<td>Democracy Services</td>
<td>Local government elections Evaluation of 2019 election and preparation for 2022 election</td>
<td>Consider evaluation report of 2019 election Decision on submission to Justice Select Committee Inquiry into 2019 election Decision on voting system for the 2022 election and whether to establish Māori wards</td>
<td>Decision on evaluation and Māori wards February 2020</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>[Link to decision]</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Decision on submission in Inquiry into 2019 election February 2020</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>[Link to decision]</td>
</tr>
<tr>
<td>Community and Social Policy</td>
<td>Food Safety Information Bylaw Review Legislative requirement to review the bylaw and policy after five years.</td>
<td>Decision to approve statement of proposal # Decision to Make/Amend/Revoke the bylaw *public notification is required for bylaw reviews even if no change to the bylaw is recommended.</td>
<td>Adoption of Food Safety Information Bylaw Review 30 April 2020</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>[Link to decision]</td>
</tr>
</tbody>
</table>
Summary of Confidential Decisions and related information released into Open

File No.: CP2020/08016

Te take mō te pūrongo
Purpose of the report
1. To note confidential decisions and related information released into the public domain.

Whakarāpopototanga matua
Executive summary
2. This is a regular information-only report which aims to provide greater visibility of confidential decisions made which can now be released into the public domain.

3. The following decisions/documents are now publicly available:

<table>
<thead>
<tr>
<th>Date of Decision</th>
<th>Subject</th>
</tr>
</thead>
<tbody>
<tr>
<td>21/5/20</td>
<td>Emergency Committee Confidential Agenda</td>
</tr>
<tr>
<td>21/5/20</td>
<td>Emergency Committee Confidential Minutes</td>
</tr>
<tr>
<td>28/5/20</td>
<td>Adoption of consultation material: Emergency Budget 2020/2021 Minutes</td>
</tr>
<tr>
<td>28/5/20</td>
<td>Adoption of Consultation material: Emergency Budget Annual Budget 2020/2021 Report</td>
</tr>
</tbody>
</table>

4. The relevant decisions and documents for the above decisions can be found at the following link: https://ourauckland.auckcouncil.govt.nz/articles/news/2020/04/auckland-council-to-consult-on-emergency-budget/

5. Note that, unlike an agenda report, staff will not be present to answer questions about the items referred to in this summary. Emergency Committee members should direct any questions to the authors.

Ngā tūtohunga
Recommendation/s
That the Governing Body:

a) note the confidential decisions and related information that are now publicly available.
Ngā tāpirihanga

Attachments

There are no attachments for this report.

Ngā kaihaina

Signatories

<table>
<thead>
<tr>
<th>Author</th>
<th>Sarandra O’Toole - Kaiarataki Kapa Tohutohu Mana Whakahaere / Team Leader Governance Advisors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Authoriser</td>
<td>Stephen Town - Chief Executive</td>
</tr>
</tbody>
</table>
Exclusion of the Public: Local Government Official Information and Meetings Act 1987

That the Governing Body

a) exclude the public from the following part(s) of the proceedings of this meeting.

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 follows.

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

<table>
<thead>
<tr>
<th>C1</th>
<th>CONFIDENTIAL: Nomination to University of Auckland Animal Ethics Committee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reason for passing this resolution in relation to each matter</td>
<td>The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.</td>
</tr>
<tr>
<td>Particular interest(s) protected (where applicable)</td>
<td>s7(2)(a) - The withholding of the information is necessary to protect the privacy of natural persons, including that of a deceased person. In particular, a discussion about a nomination is likely to disclose personal details.</td>
</tr>
<tr>
<td>Ground(s) under section 48(1) for the passing of this resolution</td>
<td>s48(1)(a) - The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>C2</th>
<th>CONFIDENTIAL: Appointments to board of City Rail Link Limited</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reason for passing this resolution in relation to each matter</td>
<td>The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.</td>
</tr>
<tr>
<td>Particular interest(s) protected (where applicable)</td>
<td>s7(2)(a) - The withholding of the information is necessary to protect the privacy of natural persons, including that of a deceased person. In particular, the report contains personal information about proposed board appointees.</td>
</tr>
<tr>
<td>Ground(s) under section 48(1) for the passing of this resolution</td>
<td>s48(1)(a) - The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>C3</th>
<th>CONFIDENTIAL: Board Appointments - Manukau Beautification Charitable Trust and COMET Auckland</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reason for passing this resolution in relation to each matter</td>
<td>The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.</td>
</tr>
<tr>
<td>Particular interest(s) protected (where applicable)</td>
<td>s7(2)(a) - The withholding of the information is necessary to protect the privacy of natural persons, including that of a deceased person. In particular, the report contains private information about the candidates for the positions of trustees in Manukau Beautification Charitable Trust and COMET Auckland.</td>
</tr>
<tr>
<td>Ground(s) under section 48(1) for the passing of this resolution</td>
<td>s48(1)(a) - The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.</td>
</tr>
</tbody>
</table>