



If calling, please ask for Democratic Services

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## Finance, Risk and Assurance Committee

Tuesday 15 February 2022, 9.30am

Remotely, via Microsoft Teams

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### Members

Martin Matthews (Chair)

Cr Blakeley

Cr Hughes

Cr Kirk-Burnnand (Deputy Chair)

Cr Connelly

Cr Lamason

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

# Finance, Risk and Assurance Committee

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Tuesday 15 February 2022, 9.30am

Remotely, via Microsoft Teams

No.	Item	Report	Page
1.	Apologies		
2.	Conflict of interest declarations		
3.	Public participation		
4.	<a href="#">Confirmation of the Public minutes of the Finance, Risk and Assurance Committee meeting on 30 November 2021</a>	21.578	3
5.	<a href="#">Confirmation of the Public Excluded minutes of the Finance, Risk and Assurance Committee meeting on 30 November 2021</a>	PE21.579	7
6.	<a href="#">Update on progress of action items from previous Finance, Risk and Assurance Committee meetings – February 2022</a>	22.7	8
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<b>Exclusion of the Public</b>			
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<b>Public Excluded Business</b>			
14.	<a href="#">Cyber Security Roadmap Update – February 2022</a>	PE22.50	68



Please note these minutes remain unconfirmed until the Finance, Risk and Assurance Committee meeting on 15 February 2021.

Report 21.578

## Public minutes of the Finance, Risk and Assurance Committee meeting on 30 November 2021

All members participating remotely at 9.32am.

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### Members Present

Martin Matthews (Chair)  
Councillor Kirk-Burnnand (Deputy Chair) (from 9.38am)  
Councillor Blakeley  
Councillor Connelly  
Councillor Hughes  
Councillor Lamason (from 9.38am)

All members participated at this meeting remotely and counted for the purpose of quorum in accordance with clause 25B of Schedule 7 to the Local Government Act 2002.

### Public Business

#### 1 Apologies

Moved: Cr Connelly / Cr Hughes

That the Committee accepts the apology for lateness from Councillors Kirk-Burnnand and Lamason.

The motion was **carried**.

#### 2 Declarations of conflicts of interest

There were no declarations of conflicts of interest.

#### 3 Public participation

There was no public participation.

**4 Confirmation of the Public minutes of the Finance, Risk and Assurance Committee meeting on 12 October 2021 - Report 21.480**

Moved: Cr Blakely / Cr Hughes

That the Committee confirms the Public minutes of the Finance, Risk and Assurance Committee meeting on 12 October 2021- Report 21.480

The motion was **carried**.

**5 Confirmation of the Public Excluded minutes of the Finance, Risk and Assurance Committee meeting on 12 October 2021 - Report PE21.484**

Moved: Cr Blakeley / Cr Hughes

That the Committee confirms the Public minutes of the Finance, Risk and Assurance Committee meeting on 12 October 2021- Report 21.484

The motion was **carried**.

**6 Update on the progress of action items from previous Finance, Risk and Assurance Committee meetings – November 2021 – Report 21.509 [For information]**

Samantha Gain, General Manager, Corporate Services, spoke to the report and tabled an attachment – update on the progress of action items – November 2021.

Ms Gain advised that an oral update regarding the action item relating to the secure storage of information at Greater Wellington would be provided to the Committee when it considers the Cyber Security Roadmap update – Report PE21.551.

**7 Draft 2020/21 Annual Report– Report 21.529**

Alison Trustrum-Rainey, Chief Financial Officer and Zofia Miliszewska, Team Leader, Strategic and Corporate Planning, spoke to the report and introduced Clint Ramoo, Audit Director, Audit New Zealand.

Mr Ramoo provided the Committee an update on Audit New Zealand’s audit of the Draft 20/21 Annual Report. Mr Ramoo advised that the audit process is in its final stages and noted the responsiveness and support of officers in completing the audit.

Moved: Cr Blakeley / Cr Lamason

That the Committee:

- 1 Notes that the audit is yet to be completed and that changes to the Annual Report, for the year ended 30 June 2021, may be required once the audit process has been completed.
- 2 Recommends that Council:
  - a Adopts the Annual Report for the year ended 30 June 2021 (Attachment 1), subject to any changes required once the audit process has been completed, and

- b Authorises the Council Chair and Chief Executive to make minor changes that may arise as part of finalising the audited Annual Report for the year ended 30 June 2021.

The motion was **carried**.

**Noted:** The Committee requested that officers consider the presentation and accessibility of future Annual Reports, requesting that officers discuss the matter further with the Committee Chair and Deputy Chair, and report back to the Committee at a future meeting.

Councillors Lamason and Kirk-Burnnand arrived at 9.38am, during discussion on the above item.

**8 Quarterly Finance Update – Q1 2021/22 – Report 21.543** [For Information]

Alison Trustrum-Rainey, Chief Financial Officer, spoke to the report.

**9 Health, Safety and Wellbeing Update – Report 21.550** [For Information]

Julie Barber, Manager, Health and Safety, spoke to the report.

**10 Harbour Management -Risk and Compliance Update – Report 21.527** [For Information]

Grant Nalder, Harbour Master, spoke to the report.

**11 Business Assurance Update – Report 21.557** [For Information]

Samantha Gain, General Manager, Corporate Services, spoke to the report.

**12 Resolution to exclude the public – Report 21.552** [For Information]

Moved: Cr Lamason / Cr Blakeley

That the Committee excludes the public from the following parts of the proceedings of this meeting, namely:

Cyber Security Roadmap update October 2021 – Report PE21.551

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

<b>Cyber Security Roadmap update – Report PE21.551</b>	
<i>Reason/s for passing this resolution in relation to each matter</i>	<i>Ground/s under section 48(1) for the passing of this resolution</i>
The report contains information about Greater Wellington’s cyber security status. Release of this information exposes Greater Wellington to cyber-attack threats by making it easier for the public to know our cyber security status. It is necessary for Greater Wellington to	The public conduct of this part of the meeting is excluded as per section 7(2)(j) of the Act – to prevent the disclosure of use of official information for improper gain or improper advantage.

<p>exclude the information contained in this report from the public domain to protect our information assets and reduce our likelihood of cyber-attack. Greater Wellington has not been able to identify a public interest favouring disclosure of this particular information in public proceedings of the meeting that would override this risk.</p>	
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This resolution is made in reliance on section 48(1)(a) of the Act and the particular interest or interests protected by section 6 or section 7 of that Act or section 6 or section 7 or section 9 of the Official Information Act 1982, as the case may require, which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public.

The motion was **carried**.

The public part of the meeting closed at 11.10am

M Matthews

**Chair**

Date:



Please note these minutes remain unconfirmed until the Finance, Risk and Assurance Committee meeting on 15 February 2022.

The matters referred to in these minutes were considered by the Finance, Risk and Assurance Committee in Public Excluded business. These minutes do not require confidentiality and may be considered in the public part of the meeting.

Report PE21.579

## Public Excluded minutes of the Finance, Risk and Assurance Committee meeting on 30 November 2021

All members participating remotely at 11.10am.

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### Members Present

Martin Matthews (Chair)  
Councillor Kirk-Burnnand (Deputy Chair)  
Councillor Blakeley  
Councillor Connelly  
Councillor Hughes  
Councillor Lamason

All members participated at this meeting remotely and counted for the purpose of quorum in accordance with clause 25B of Schedule 7 to the Local Government Act 2002.

### Public excluded Business

#### 1 Cyber Security Update – Report PE21.551 [For Information]

Sue McLean, Chief Information Officer, spoke to the report and provided an oral update regarding the storage of private information.

The meeting closed at 11.22am.

M Matthews

**Chair**

Date:

**Finance, Risk and Assurance Committee**  
**15 February 2022**  
**Report 22.7**



**For Information**

**UPDATE ON PROGRESS OF ACTION ITEMS FROM PREVIOUS FINANCE, RISK AND ASSURANCE COMMITTEE MEETINGS – FEBRUARY 2022**

**Te take mō te pūrongo**

**Purpose**

1. To update the Finance, Risk and Assurance Committee (the Committee) on the progress of action items arising from previous Committee meetings.

**Te horopaki**

**Context**

2. Items raised at Committee meetings, that require actions from officers, are listed in the table of action items from previous Finance, Risk and Assurance Committee meetings ([Attachment 1](#) – Action items from previous Finance Risk and Assurance Committee meetings – February 2022). All action items include an outline of the current status and a brief comment.

**Ngā hua ahumoni**

**Financial implications**

3. There are no financial implications from this report, but there may be implications arising from the actions listed.

**Ngā tūāoma e whai ake nei**

**Next steps**

4. Completed items will be removed from the action items table for the next report. Items not completed will continue to be progressed and reported. Any new items will be added to the table following this Committee meeting and circulated to the relevant business group/s for action.



**Ngā āpitihanga**  
**Attachment**

<b>Number</b>	<b>Title</b>
1	Action items from previous Finance Risk and Assurance Committee meetings – February 2022

**Ngā kaiwaitohu**  
**Signatory**

Writer	Samantha Gain – General Manager, Corporate Services
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<b>He whakarāpopoto i ngā huritaonga Summary of considerations</b>
<b><i>Fit with Council's roles or with Committee's terms of reference</i></b> The action items are of an administrative nature and support the functioning of the Committee.
<b><i>Implications for Māori</i></b> There are no direct implications for Māori arising from this report.
<b><i>Contribution to Annual Plan / Long Term Plan / Other key strategies and policies</i></b> Action items contribute to Council's and Greater Wellington's related strategies, policies and plans to the extent identified in <b>Attachment 1</b> .
<b><i>Internal consultation</i></b> There was no internal consultation.
<b><i>Risks and impacts - legal / health and safety etc.</i></b> There are no known risks.

**Attachment 1 to Report 22.7**

**Action items from previous Finance, Risk and Assurance Committee Meetings – February 2022**

<b>Meeting date</b>	<b>Action</b>	<b>Status and comment</b>
30 November 2021	<p><b>Draft 2020/21 Annual Report – Report 21.529</b></p> <p><b>Noted:</b> The Committee requested that officers consider the presentation and accessibility of future Annual Reports, requesting that officers discuss the matter further with the Committee Chair and Deputy Chair, and report back to the Committee at a future meeting.</p>	<p><b>Status:</b> Under way</p> <p><b>Comment:</b> An initial discussion with the Committee Chair has been held, and this proposed as the subject of a future workshop with the Committee (to be scheduled).</p>

Finance, Risk and Assurance Committee  
15 February 2022  
Report 22.39



For Information

## AUDIT NEW ZEALAND MANAGEMENT REPORT – YEAR ENDING 30 JUNE 2021

### Te take mō te pūrongo

#### Purpose

1. To provide to the Finance, Risk and Audit Committee (the Committee) the June 2021 management report action items from Audit New Zealand (Audit NZ), the Council's external auditors.

### Te tāhū kōrero

#### Background

2. Audit NZ completes annual audit reviews as part of the 30 June financial year-end audits of Greater Wellington Regional Council (Greater Wellington).
3. [Attachment 1](#) - Audit NZ management report to the Council – 30 June 2021 (draft), sets out the audit findings, draws attention to areas where Greater Wellington is performing well and recommends areas for improvement.

### Te tātaritanga

#### Analysis

4. Greater Wellington management comments on the audit findings are included in the report at **Attachment 1**.
5. An action plan and progress in implementing the recommendations and associated actions will be reported back to the Committee on a quarterly basis.

### Ngā hua ahumoni

#### Financial implications

6. There are no financial implications arising from this report.

### Ngā tūāoma e whai ake nei

#### Next steps

7. Officers will report to the Committee on progress in implementing the actions to address Audit NZ recommendations at its meeting in May 2022.

**Ngā āpitihanga**  
**Attachments**

<b>Number</b>	<b>Title</b>
1	Audit NZ management report to the Council – 30 June 2021 (draft)

**Ngā kaiwaitohu**  
**Signatories**

Writer	Ashwin Pai – Financial Controller
Approvers	Alison Trustrum-Rainey - Chief Financial Officer Samantha Gain - General Manager, Corporate Services

<p><b>He whakarāpopoto i ngā huritaonga</b>  <b>Summary of considerations</b></p>
<p><b><i>Fit with Council’s roles or Committee’s terms of reference</i></b></p> <p>The Committee’s specific responsibilities include to “review the Council’s responses to any reports from the external auditors.”</p>
<p><b><i>Implications for Māori</i></b></p> <p>There are no known impacts for Māori.</p>
<p><b><i>Contribution to Annual Plan / Long term Plan / Other key strategies and policies</i></b></p> <p>External audit provides assurance that the policies, controls, processes and systems in place at the Council will enable efficient delivery of the Long Term Plan and Annual Report.</p>
<p><b><i>Internal consultation</i></b></p> <p>The Finance, Information Technology and Public Transport departments were consulted.</p>
<p><b><i>Risks and impacts: legal / health and safety etc.</i></b></p> <p>The Council’s management of relevant risks is addressed in the report.</p>

AUDIT NEW ZEALAND

Attachment 1 to Report 22/39  
Mana Arotake Aotearoa

# Report to the Council on the audit of the Greater Wellington Regional Council

For the year ended 30 June 2021

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## Key messages

We have completed the audit for the year ended 30 June 2021.

This report sets out our findings from the audit and draws attention to areas where the Greater Wellington Regional Council and Group (collectively referred to as the Regional Council or Group) are doing well and where we have made recommendations for improvement.

### Audit opinion

We issued a qualified audit opinion dated 23 December 2021. This meant that we are of the opinion that the financial statements are not free from material misstatements.

In December 2021, the Group received formal communication from Inland Revenue in respect of the tax treatment of the November 2016 Kaikōura earthquake insurance proceeds received by one of the Regional Council's subsidiary companies, CentrePort Limited. In the Regional Council's Group financial statements an additional income tax expense of \$23.5 million was recognised based on earlier discussions with Inland Revenue. The clarified position means that, subject to conditions, this additional income tax expense is not required. Under PBE IPSAS 14 *Events after the reporting date* this is considered an adjusting event and the financial statements of the Group should be adjusted to reflect the clarified taxation position. The Regional Council has not made the required adjustments to the Group financial statements for the reasons set out by management in section 2.2 of this report. The Group tax expense and deferred tax liability are therefore materially overstated, and the financial statements do not comply with generally accepted accounting practice in relation to this issue only.

Without further modifying our audit opinion, we included two emphasis of matter paragraphs in our audit report drawing attention to the disclosures relating to the Government's three water reform programme announcement and the uncertainties of completing operational port land resilience work arising from the Kaikōura earthquake.

Apart from the above-mentioned qualification, we are satisfied that the financial statements and performance information are free from material misstatement.

### Matters identified during the audit

#### Impact of the November 2016 earthquake – tax treatment of insurance proceeds

As noted above, the Regional Council did not adjust its Group financial statements for the impact of an adjusting event relating to the tax treatment of insurance proceeds. This resulted in our audit opinion being qualified.

#### CentrePort's revalued property, plant and equipment, including any adjustments required to reflect any remediation cost associated with damaged land

There continues to be a material uncertainty regarding the ultimate cost of land resilience work and, as a result, CentrePort's auditor included an emphasis of matter paragraph in their audit report

consistent with previous years. We have included a similar emphasis of matter in our audit report on the Regional Council's Group financial statements.

### **Asset revaluations**

PBE IPSAS 17 *Property, Plant and Equipment*, requires that valuations are carried out with sufficient regularity to ensure that the carrying amount does not differ materially from fair value. For asset classes not subject to a formal valuation for the year ended 30 June 2021, management assessed the appropriateness of fair values using an indexation valuation method. Our audit procedures confirmed that the carrying value of property, plant and equipment did not differ materially from fair value.

Refer to section 3 for further comments and recommendations.

### **Public Transport Operating Model (PTOM)**

The Regional Council continues to work on addressing implementation issues. An independent review of its implementation process has been commissioned and management is implementing the findings of the review.

Refer to section 3 for further comments and recommendations.

### **Impact of three waters reform**

The proposed reform programme is being progressed on a partnership based approach with the local government sector, alongside iwi/Māori as the Crown's Treaty Partner. The disclosures in the Annual Report note that, subsequent to year-end, the Government announced it will introduce legislation to establish four publicly owned water services entities to take over responsibilities for service delivery and infrastructure from local authorities from 1 July 2024. The impact of these reforms, once legislated, will mean that the Regional Council will no longer deliver bulk waters services.

Whilst there has been no material impact to the financial statements for the year ended 30 June 2021, in our opinion the disclosures in the Annual Report that outline the impact of the three waters reform on the Regional Council are important for readers to be aware of. Therefore, we included a paragraph in our audit report that draws the readers' attention to those disclosures.

### **Thank you**

We would like to thank the Council, management and staff for their positive engagement and assistance during the audit. The audit was undertaken over an extended period of time and we would like to thank you for the support involved.

Clint Ramoo

Appointed Auditor

Draft – 3 February 2022

# 1 Recommendations



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

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

## 1.1 New recommendations

The following table summarises our recommendations and their priority.

Recommendation	Reference	Priority
<p><b>Asset revaluations</b> – We recommend management table internally set materiality thresholds for approval by the Finance, Risk and Assurance Committee and adhere to thresholds when preparing the financial statements. Additionally, management must consider assessing fair value of property, plant and equipment against most recent actual or quoted costs as opposed to solely relying on index data.</p>	3	Necessary
<p><b>Public Transport Operating Model (PTOM)</b> – We recommend management continues to ensure appropriate service delivery monitoring processes are in place and appropriately documented. Management should also seek timely assurance from service organisations that their respective control environment is operating effectively.</p>	3	Necessary

Recommendation	Reference	Priority
<b>Redundant user accounts on the network</b> – A full review of network users accounts should be done, and redundant accounts deleted. Procedures should be established for regular reviews to ensure that user access to councils network and systems remains appropriate.	4.1	Necessary
<b>Ensure user testing and sign-off is recorded for all changes to systems before they are approved to go live</b> – A review should be performed of ICT Change Management processes, including ensuring all ongoing software changes and updates go through formalised and documented testing and user acceptance sign off before approval to go live.	4.2	Necessary

### 1.2 Status of previous recommendations

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

Priority	Priority			
	Urgent	Necessary	Beneficial	Total
Open	0	2	0	2
Implemented or closed	0	6	2	8
<b>Total</b>	<b>0</b>	<b>8</b>	4[SG1][SG2]	<b>10</b>

## 2 Our audit report

### 2.1 We issued a qualified audit opinion



We issued a qualified audit opinion on 23 December 2021.

This means we were of the opinion that the financial statements were materially misstated for the reasons set out in section 2.2.

Apart from the qualification, we were satisfied that the remainder of financial statements and statements of service performance present fairly the Regional Council's activities for the year and its financial position at the end of the year.

Due to their importance, our report also included two emphasis of matter paragraphs drawing the reader's attention to:

- The impact of the Government's three waters reform programme announcement; and
- The uncertainties of completing operational port land resilience work arising from the Kaikōura earthquake

### 2.2 Uncorrected misstatements

The financial statements are not free from material misstatements, including omissions. We have identified one material misstatement, noted below, which has resulted in a qualified audit opinion being issued.

During the audit, we have discussed with management any misstatements that we found, other than those which were clearly trivial. The misstatements that have not been corrected are listed below along with management's reasons for not adjusting these misstatements. We are of the opinion that the misstatement below, is material.

	Assets (\$000)	Liabilities (\$000)	Equity (\$000)	Financial performance (\$000)
	Dr (Cr)	Dr (Cr)	Dr (Cr)	Dr (Cr)
Overstatement of taxation expense and deferred tax liability (Post balance date event)		23,500		(23,500)
<b>Total Group</b>		<b>23,500</b>		<b>(23,500)</b>

### Explanation of uncorrected misstatements

Subsequent to balance date, the Regional Council’s subsidiary company, CentrePort Limited, has received formal communication from Inland Revenue that has substantially resolved the uncertainties associated with estimating the tax expense and deferred tax liability of the Group at 30 June 2021. The Group recognised an additional income tax expense of \$23.5 million based on discussion with Inland Revenue about the tax treatment of insurance proceeds relating to the 2016 Kaikōura earthquakes. The clarified position means that, subject to certain conditions, this additional income tax expense is not required. This has resulted in the group tax expense and deferred tax liability being overstated.

### Management explanation for not correcting the misstatement

- a) *It is the group taxation line which does not impact the reader’s understanding of Council or Group performance for the year.*
- b) *The subsidiaries have all adopted their Annual reports inclusive of the tax number and Council/Group will be out of step.*
- c) *Changing the numbers would take significant time for Regional Council to action and for Audit New Zealand to receive sufficient evidence. This would delay the adoption of the report well beyond the statutory deadline of 31 December 2021.*
- d) *The additional time to complete the Annual Report with changes also increase the risk of additional post balance date events resulting in further delays and changes to the report.*
- e) *Our preference is to deliver the report in a relevant and timely manner for the public.*

## 2.3 Uncorrected disclosure deficiencies

Detail of disclosure deficiency	Management explanation for not correcting
Assets under construction need to be disclosed for each class of asset. No such disclosure has been made in the financial statements.	Officers will ensure this is updated for the next year’s report. Advice of this correction was made too late in the process to make the correction this year.

## 2.4 Corrected misstatements

All other identified misstatements were corrected by management.

## 2.5 Quality and timeliness of information provided for audit



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

Management responded in a timely manner to our requests.

### 3 Matters raised in the Audit Plan



In our Audit Plan dated 11 October 2021, we identified the following matters as the main audit risks and issues:

Audit risk/issue	Outcome
<b>The risk of management override of internal controls</b>	
<p>There is an inherent risk in every organisation of fraud resulting from management override of internal controls.</p> <p>Management are in a unique position to perpetrate fraud because of their ability to manipulate accounting records and prepare fraudulent financial statements and service performance information by overriding controls that otherwise appear to be operating effectively.</p> <p>Auditing standards require us to treat this as a risk on every audit.</p>	<p>Our audit response to this risk included:</p> <ul style="list-style-type: none"> <li>• testing the appropriateness of selected journal entries;</li> <li>• reviewing accounting estimates for indications of bias;</li> <li>• reviewing performance measures where judgement is applied in determining the reported result; and</li> <li>• evaluating any unusual or one-off transactions, including those with related parties.</li> </ul> <p>There are no matters which we need to bring to your attention.</p>
<b>Impact of the November 2016 earthquake – tax treatment of insurance proceeds</b>	
<p>The November 2016 earthquakes caused damage to several Regional Council owned property and assets, particularly buildings and investment properties owned by the CentrePort Limited Group (CentrePort). A key area of focus affecting CentrePort’s financial statements relates to the judgements made in the allocation of proceeds from the insurance claims for tax purposes.</p> <p>Subsequent to balance date CentrePort received formal communication from Inland Revenue that has substantially resolved the uncertainties associated with estimating the tax expense and deferred tax liability of the Group at 30 June 2021.</p> <p>As disclosed in Note 34 of the financial statements, the Group recognised an additional income tax expense of \$23.5 million based on discussions with Inland</p>	<p>Our audit response to this risk included:</p> <ul style="list-style-type: none"> <li>• considering the impact on the financial statements for the year ended 30 June 2021 of the formal communication received from Inland Revenue (a factual review and a binding ruling) subsequent to balance date; and</li> <li>• ensuring disclosures in the financial statements comply with relevant accounting standards.</li> </ul> <p>Under the relevant accounting standard (PBE IPSAS 14 <i>Events after the Reporting Date</i>) the Inland Revenue communication is considered an adjusting event and the financial statements of the Group should be adjusted to reflect the clarified taxation position (i.e. the tax expense in respect of the insurance proceeds needed to be reversed in the Regional Council’s group financial statements for the year ending 30 June 2021).</p>



Audit risk/issue	Outcome
<p>Revenue about the tax treatment of insurance proceeds relating to the 2016 Kaikoura earthquakes. The clarified position means that, subject to conditions, this additional income tax expense is not required</p>	<p>For the reasons set out in section 2.2, management has elected not to make required adjustments in the Regional Council’s group financial statements. This resulted in a qualified audit opinion being issued.</p>
<p><b>CentrePort’s revalued property, plant and equipment, including any adjustments required to reflect any remediation costs associated damaged land</b></p>	
<p>PBE IPSAS 17 <i>Property, Plant and Equipment</i>, requires that valuations are carried out with sufficient regularity to ensure that the carrying amount does not differ materially from fair value.</p> <p>CentrePort periodically revalues its operational port freehold land. A valuation was performed by Colliers as at 30 June 2021 and assumes that CentrePort will erect a structural sea wall along the reclamation edge to ensure that all sites offer appropriate stability after the earthquake. The costs of doing so have been excluded from the valuation determined by Colliers.</p> <p>Therefore, to determine fair value for financial reporting purposes, CentrePort management have separately undertaken an exercise to estimate the cost of land remediation works (referred to by CentrePort as the “land resilience provision”), in order to reflect a fair value for the land in its current state.</p>	<p>CentrePort’s auditors have:</p> <ul style="list-style-type: none"> <li>• assessed relevant controls that CentrePort management has put in place for the valuation;</li> <li>• obtained an understanding of the underlying data and key assumptions;</li> <li>• evaluated the qualifications, competence and expertise of the external valuer used; and</li> <li>• reviewed the method of valuing the property, plant and equipment and assess if the applicable method used is in line with the financial reporting framework applied by the GWRC Group (PBE IPSAS);</li> <li>• ensured that changes to values and depreciation charges have been appropriately accounted for; and</li> <li>• assessed the presentation and disclosure of information related to the valuation in the financial statements.</li> </ul> <p>There continues to be a material uncertainty regarding the ultimate cost of operational port land resilience work and, as a result, CentrePort’s auditor included an emphasis of matter paragraph in their audit report consistent with previous years. We have included a similar emphasis of matter in our audit report on the Regional Council’s Group financial statements.</p>

Audit risk/issue	Outcome
<b>Asset revaluations</b>	
<p>PBE IPSAS 17, <i>Property, Plant and Equipment</i>, requires that valuations are carried out with sufficient regularity to ensure that the carrying amount does not differ materially from fair value.</p> <p>The Regional Council revalues its assets on a cyclical basis, with infrastructural assets revalued at least every five years, except operational port freehold land which is valued every three years.</p> <p>For asset classes which were not subject to a formal valuation this year, the Regional Council was required to assess whether fair value materially differs from fair value. If a significant variance occurred, the Regional Council was required to perform a full revaluation of the affected asset classes.</p> <p>The revaluation represents a risk to the Regional Council because it involves expert judgements, assumptions and is subject to inherent uncertainty.</p>	<p>For assets that were not revalued this year, we have reviewed the robustness of management’s assessments as to why there is no material difference between the fair value and the carrying value of these assets.</p> <p>To assess the robustness of any valuations that was carried out this year we have:</p> <ul style="list-style-type: none"> <li>• assessed any impacts arising due to Covid-19;</li> <li>• assessed relevant controls that management has put in place for the valuation;</li> <li>• obtained an understanding of the underlying data;</li> <li>• evaluated the qualifications, competence and expertise of the external valuer used;</li> <li>• reviewed the method of valuing the property, plant and equipment and assessed if the applicable method used is in line with the financial reporting framework, including the reasonableness of the assumptions used;</li> <li>• ensured changes to values and depreciation charges have been appropriately accounted for; and</li> <li>• assessed the presentation and disclosure of information related to the valuation in the financial statements.</li> </ul> <p>For asset classes that were not subject to a formal valuation as at balance date, management initially adopted an indexation valuation approach to assess whether the carrying value was subject to material movements. In doing so, management considered its internally set materiality threshold to determine if any movement was material. We note that management did not fully adhere to its materiality policy in case of Greater Wellington Rail Limited’s Rolling Stock and Infrastructure assets where the estimated fair value differed from the carrying value by more than the set threshold. However, the variance was still below</p>

Audit risk/issue	Outcome
	<p>our audit materiality and consequently no audit adjustment was proposed.</p> <p>As we were aware of some large replacement cost movements in the infrastructure asset sector, we challenged management’s ‘default use’ of the index valuation method in a non-valuation year. We requested further analysis to be done using observed actual cost information. The result of the analysis confirmed that management’s initial valuation approach was not materially different.</p> <p>We <b>recommend</b> management table internally set materiality thresholds for approval by the Finance, Risk and Assurance Committee and adhere to thresholds when preparing the financial statements. Additionally, management must consider assessing fair value of property, plant and equipment against most recent actual or quoted costs as opposed to solely relying on index data.</p> <p><b>Management comment:</b></p> <p><i>Officers note that the index valuation method was recommended by Audit NZ in prior years.</i></p> <p><i>Further when the initial assessment was provided to Audit NZ prior to the interim audit, Audit NZ did not challenge the assessment until quite late in the final audit stage.</i></p> <p><i>Going forward Officers undertake to assess fair value of property, plant and equipment against most recent information incorporating the revised audit guidance.</i></p>
<b>Public Transport Operating Model (PTOM)</b>	
<p>Following the restructure of the Public Transport Group during the year ended 30 June 2020 and a new management team put in place from March 2020, processes and controls in the PTOM have been bedded in.</p> <p>Transdev and Snapper are key service organisations operating the train and bus network on behalf of the Regional Council. Regular meetings with the operators are held, ranging from senior management updates through to</p>	<p>We have:</p> <ul style="list-style-type: none"> <li>• continued to engage with management on progress been made with the implementation of the recommendations from the post implementation review;</li> <li>• considered the impact of the review on how the Regional Council collates information and reports on the relevant performance measures applicable to public transport; and</li> <li>• considered how the Regional Council is applying the contract management</li> </ul>

Audit risk/issue	Outcome
<p>weekly operational meetings. Such meetings allowed the Regional Council to act timely and responded to changing requirements in an agile and coordinated approach.</p>	<p>principles used for the bus operations to other parts of its business.</p> <p>We <b>recommend</b> management continues to ensure appropriate service delivery monitoring processes are in place and appropriately documented. Management should also seek timely assurance from service organisations that their respective control environment is operating effectively.</p> <p><b>Management comment:</b></p> <p><i>Management is committed to the ongoing strengthening of our monitoring processes, which supplements the work we have already undertaken over the course of the last 12 or so months to significantly improve our monitoring capacity and capability, as well as our approach to relationship management with our partners. These improvements have resulted in us having a far more strategic, open and constructive dialogue with our partners, ensuring any issues are quickly addressed in a satisfactory manner.</i></p>
<p><b>Impact of three waters reform</b></p>	
<p>In July 2020, the Government launched the Three Waters Reform Programme – a three- year programme to reform local government three waters service delivery arrangements. Currently different councils own and operate the majority of the drinking water, wastewater and stormwater services across New Zealand. Following the Government announcement on the 27 October 2021 on Three Waters Reform, there is increased certainty with the proposal to transfer the three water delivery and infrastructure assets from the different Councils to four Water Service Entities (WSEs).</p>	<p>We have continued to monitor developments related to the three waters reform.</p> <p>We have reviewed the subsequent event disclosure made in the Group financial statements following the Government’s announcement on 27 October 2021 on the Three Waters Reform and are satisfied that this is reasonable.</p> <p>Due to this matter’s importance, we included an emphasis of matter paragraph in our audit report drawing the readers’ attention to the disclosures.</p>

## 4 Matters raised during the audit

### 4.1 Redundant user accounts on the network need review and removal

We recommend that a full review of network users accounts be done and redundant accounts deleted. Procedures should be established for regular reviews to ensure that user access to councils network and systems remains appropriate.

#### Background

As part of our Information Systems audit we noted that there are a high number of older user accounts on the network that are redundant. Some of these accounts are generic network logins that are no longer required by the business.

Redundant user accounts on the network raises the risk that these accounts may be used inappropriately.

We understand that ICT are not always being advised by managers across the Regional Council when user accounts are no longer required.

We understand that projects for improving organisational procedures for adding and removing users from the network are underway.

#### Management comment

*Accept this finding and agree there is a gap in the process, not just for permanent but also for contractors and consultants. We have put expiry dates on contractors and consultants so at least the account expires but for permanents this is not able to be the case. ICT have created automated forms for onboarding and will do so for offboarding. We hope that the implementation of increased capability within the TechOne system (Ngatahi) will create greater opportunities for non-human intervention notification of leavers*

### 4.2 Ensure user testing and sign-off is recorded for all changes to systems before they are approved to go live

We recommend that a review be performed of ICT Change Management processes, including ensuring all ongoing software changes and updates go through formalised and documented testing and user acceptance sign off before approval to go live.

#### Background

During our testing of the councils ICT Change Management controls, we were unable to consistently see evidence of user testing and sign-off to application changes before the changes were made live.

Lack of user testing and acceptance prior to changes going live raises the risk that software may not perform as expected after the update.

With the Regional Council moving to Technology One Software as a Service, procedures for managing changes and updates, including user testing and signoff are yet to be operationalised.

We understand that a project to implement new software for managing problems, incidents and change requests is underway.

**Management comment**

*The role of Test Lead has just been introduced to ICT and a test strategy only recently completed which will cover the gaps found in this report. A Project Master Test Plan and Master Test Strategy were created by the Test Lead in July 2021 and are being tested against inflight projects as we speak.*

*The document provides a high-level view of the testing approach to be undertaken for each Project. Full details of the testing to be carried out within each Test Phase will be provided in individual Test Plans.*

*The objectives of this Test Strategy document are to ensure that: -*

- *Planned test approach has been communicated to all the project stakeholders*
- *Agreed test phases and the people involved are informed*
- *To communicate the defect management and risk management process*

*The auditor has correctly identified that operationalisation of this process is to be fully signed off by ICT.*

## 5 Public sector audit



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

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

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

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

There were no matters to bring to your attention.

## 6 Group audit



The group comprises:

- WRC Holdings Limited;
- Greater Wellington Rail Limited; and
- CentrePort Group.

We have not identified any of the following during our audit for the year ended 30 June 2021:

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



## 7 Useful publications



Based on our knowledge of the Regional Council and Group, we have included some publications that members of the Council, members of the Finance, Risk and Assurance Committee and management may find useful.

Description	Where to find it
<b>Performance reporting</b>	
Public organisations are responsible for reporting their performance to Parliament and the public in a way that meaningfully reflects their organisation's aspirations and achievements. The Auditor-General published a discussion paper that explores five areas for improvement in performance reporting.	On the Office of the Auditor-General's website under publications.  Link: <a href="#">The problems, progress, and potential of performance reporting</a>
<b>Public accountability</b>	
Public accountability is about public organisations demonstrating to Parliament and the public their competence, reliability, and honesty in their use of public money and other public resources. This discussion paper explores how well New Zealand's public accountability system is working in practice.	On the Office of the Auditor-General's website under publications.  Link: <a href="#">Building a stronger public accountability system for New Zealanders</a>
<b>Covid-19 implications for financial reporting and audit in the public sector</b>	
Audit New Zealand Executive Director Steve Walker and Head of Accounting Robert Cox joined an online panel hosted by Victoria University of Wellington and the External Reporting Board. They discuss the effects of Covid-19 and the economic recovery on financial reporting and audit in the public sector.	On our website under good practice.  Link: <a href="#">Covid-19 page</a>  Link: <a href="#">Webinar</a>

Description	Where to find it
<b>Model financial statements</b>	
<p>Our model financial statements reflect best practice we have seen. They are a resource to assist in improving financial reporting. This includes:</p> <ul style="list-style-type: none"> <li>• significant accounting policies are alongside the notes to which they relate;</li> <li>• simplifying accounting policy language;</li> <li>• enhancing estimates and judgement disclosures; and</li> <li>• including colour, contents pages and subheadings to assist the reader in navigating the financial statements.</li> </ul>	<p>Link: <a href="#">Model Financial Statements</a></p>
<b>Tax matters</b>	
<p>As the leading provider of audit services to the public sector, we have an extensive knowledge of sector tax issues. These documents provide guidance and information on selected tax matters.</p>	<p>On our website under good practice Link: <a href="#">Tax Matters</a></p>
<b>Sensitive expenditure</b>	
<p>The Auditor-General’s good practice guide on sensitive expenditure provides practical guidance on specific types of sensitive expenditure, outlines the principles for making decisions about sensitive expenditure, and emphasises the importance of senior leaders “setting the tone from the top”. It also describes how organisations can take a good-practice approach to policies and procedures for managing sensitive expenditure.</p>	<p>On the Office of the Auditor-General’s website under good practice. Link: <a href="#">Sensitive expenditure</a></p>
<b>Conflicts of interest</b>	
<p>The Auditor-General has published guidance on conflicts of interest. A conflict of interest is when your duties or responsibilities to a public organisation could be affected by some other interest or duty that you have.</p> <p>The material includes a printable A3 poster, an animated video on predetermination and bias, gifts and hospitality, and personal dealings with a tenderer. There is also an interactive quiz.</p> <p>These can all be used as training resources for your own employees.</p>	<p>On the Office of the Auditor-General’s website under 2019 publications. Link: <a href="#">Conflicts of interest</a></p>

Description	Where to find it
<b>Procurement</b>	
<p>The OAG are continuing their multi-year work programme on procurement.</p> <p>They have published an article encouraging reflection on a series of questions about procurement practices and how processes and procedures can be strengthened.</p> <p>Whilst this is focused on local government, many of the questions are relevant to all types of public sector entities.</p>	<p>On the OAG’s website under publications.</p> <p>Links: <a href="#">Strategic suppliers: Understanding and managing the risks of service disruption</a></p> <p><a href="#">Getting the best from panels of suppliers</a></p> <p><a href="#">Local government procurement</a></p>

## Appendix 1: Status of previous recommendations

### Open recommendations

Recommendation	First raised	Status
<p><b>Risk and Assurance</b></p> <p>We recommended that the Regional Council revisit the effectiveness of the risk and assurance function as a fundamental process to support business decision making by:</p> <ul style="list-style-type: none"> <li>performing a fraud risk assessment;</li> <li>developing and formalising the assurance function in addressing the key risks facing the Regional Council;</li> <li>enhancing the Regional Council’s risk management approach by implementing an integrated entity-wide approach which incorporates strategic, operational and programme/project risks; and</li> <li>updating its risk management policy/framework so it aligns with an entity-wide risk approach.</li> </ul>	<p><b>2019</b></p>	<p><b>In progress</b> [SG3]</p> <p>We understand GWRC management have engaged PwC to assist in updating the risk management plan/framework during the year.</p> <p>The formal adoption of the document is still subject to approval by the Finance, Risk and Assurance Committee.</p>
<p><b>Procurement and Contract Management</b></p> <p>We recommended that the Regional Council:</p> <ul style="list-style-type: none"> <li>reviews its procurement and contract management processes to ensure there is sufficient central oversight over individual business unit practices; and</li> <li>ensures that its organisational procurement policy [SG4] and guidelines are finalised.</li> </ul>	<p><b>Interim 2019 and 2017</b></p>	<p><b>In progress</b></p> <p>The Finance, Risk and Assurance Committee has approved a business assurance plan which includes a review by PwC of procurement and contract management. We have been told that this review will include consideration of our first recommendation. [SG5]</p> <p><b>In progress</b></p> <p>In terms of contract management, we understand from management that the new ERP may address the recommendations made, but the scope is still being determined. The ERP is currently planned to be rolled out in the first quarter of 2022.</p>

**Implemented or closed recommendations**

Recommendation	First raised	Status
<p><b>Sensitive expenditure and fraud policy have not been updated</b></p> <p>The sensitive expenditure and fraud policies have not been updated or reviewed since 2014. The policies state the next review should have occurred by 31 December 2016; however no update or review was performed.</p>	2020	<p>The updated Fraud and Corruption policy was approved by ELT in February 2021.</p> <p>An updated Sensitive Expenditure Policy has been approved by the Chief Executive post balance date.</p>
<p><b>Unallocated receipts</b></p> <p>We recommend that unallocated receipts be actively monitored and allocated to the correct debtor account in a timely manner or refunded to the payer.</p> <p>As part of our testing of accounts receivable, we noted that there were several unallocated receipts included in the balance; one dating back as far as 2014.</p>	2020	<p>Our audit for the year ended 30 June 2021 has not identified any issues.</p> <p>Management had engaged a debt management specialist who was working on the debtor processing and collection backlog.</p> <p>A new position of Credit Controller was established to continue this work.</p>
<p><b>Capitalisation policy</b></p> <p>We noted that there was no formalised policy for the approval of capitalisation costs, nor was there a delegated authority list or guidance setting out the level of documentation to be maintained to support any costs that are capitalised.</p>	2020	<p>Our audit for the year ended 30 June 2021 has not identified any issues.</p> <p>A new Asset Accounting policy including a guideline on capitalisation was presented to ELT for approval in February 2021.</p>
<p><b>Accuracy of accruals</b></p> <p>During testing of expenditure accruals, we identified accruals which did not align with the amounts that were subsequently invoiced or paid. The underlying reason for this was because the accruals were based on purchase orders which were subject to changes. We also identified duplicates in the amounts being accrued.</p>	2020	<p>Our audit for the year ended 30 June 2021 has not identified any issues.</p>

Recommendation	First raised	Status
<p><b>Public transport performance measures</b></p> <p>To support the presentation of accurate and relevant information aligned with the business objectives of the Regional Council we recommended that management:</p> <ul style="list-style-type: none"> <li>• Ensure that the basis for preparing these measures are appropriately aligned, including establishing a consistent basis for extracting and using data from both the Snapper reporting portal and the RTI system.</li> <li>• Review the system and processes for preparing these measures with the aim of reducing manual calculations and process (as these are more time consuming and have a higher risk of error).</li> </ul> <p>Formally document the basis in which the performance measures related to bus services will be measured in the forthcoming years, including key data definitions.</p>	<b>2019</b>	<p>The systems and processes for preparing the measures were reviewed and documented as part of the 2021-2031 LTP development process. Management noted that some of the key data definitions relating to these performance measures need to be improved.</p> <p>Refer to Section 3 for PTOM related comments.</p>
<p><b>Transdev (Rail Revenue)</b></p> <p>We recommended that the Regional Council:</p> <ul style="list-style-type: none"> <li>• obtains formal feedback from Transdev on its progress against the recommendations made by PwC in previous years; and</li> <li>• continue with the annual assurance reviews over the farebox revenue process to provide comfort and assurance over the implemented Transdev systems and controls.</li> </ul>	<b>2018</b>	<p>Refer to Section 3 for PTOM related comments.</p>
<p><b>Snapper (Bus revenue)</b></p> <p>We recommended that management utilise Snapper’s data to develop tools and diagnostics to help assess the accuracy and completeness of bus fare revenue reported by Snapper to the Regional Council.</p>	<b>2019</b>	<p>Refer to Section 3 for PTOM related comments.</p>

Recommendation	First raised	Status
<p><b>Procurement and Contract Management</b></p> <p>We recommended that the Regional Council ensures that its organisational procurement policy and guidelines are finalised.</p>	<p><b>Interim 2019</b></p>	<p>The procurement policy and manual were approved at the August ELT [SG6] meeting. These documents are supported by guidance papers that are in the process of being developed.</p>

## Appendix 2: Disclosures

Area	Key messages
Our responsibilities in conducting the audit	<p>We carried out this audit on behalf of the Controller and Auditor-General. We are responsible for expressing an independent opinion on the financial statements and performance information and reporting that opinion to you. This responsibility arises from section 15 of the Public Audit Act 2001.</p> <p>The audit of the financial statements does not relieve management or the Regional Council of their responsibilities.</p> <p>Our Audit Engagement Letter contains a detailed explanation of the respective responsibilities of the auditor and the Council (as the Governing body of the Group).</p>
Auditing standards	<p>We carried out our audit in accordance with the Auditor-General's Auditing Standards. The audit cannot and should not be relied upon to detect all instances of misstatement, fraud, irregularity or inefficiency that are immaterial to your financial statements. The Council and management are responsible for implementing and maintaining your systems of controls for detecting these matters.</p>
Auditor independence	<p>We are independent of the Regional Council and Group in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: <i>International Code of Ethics for Assurance Practitioners</i>, issued by the New Zealand Auditing and Assurance Standards Board.</p> <p>In addition to our audit and our report on the disclosure requirements, we have audited the Regional Council's 2021-2031 long-term plan and performed a limited assurance engagement related to the Regional Council's debenture trust deed. We also performed agreed upon procedures in respect of Greater Wellington Regional Council – Wellington Metropolitan Rail special purpose financial statements. These engagements are compatible with those independence requirements.</p> <p>Other than these engagements, we have no relationship with or interests in the Regional Council or its subsidiaries and controlled entities.</p>



Area	Key messages
Fees	<p>The audit fee for the year is \$249,604, as detailed in our Audit Proposal Letter.</p> <p>The Regional Council’s annual report discloses the audit fees for the audit of the Council’s long-term plan and for reporting on the assurance engagement in respect of the Council’s debenture trust deed.</p>
Other relationships	<p>We are not aware of any situations where a spouse or close relative of a staff member involved in the audit occupies a position with the Regional Council or its subsidiaries that is significant to the audit.</p> <p>We are not aware of any situations where a staff member of Audit New Zealand has accepted a position of employment with the Regional Council or its subsidiaries during or since the end of the financial year.</p>

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**Finance Risk and Assurance Committee**  
**15 February 2022**  
**Report 22.43**



**For Information**

## **QUARTERLY FINANCE UPDATE – QUARTER TWO 2021/22**

### **Te take mō te pūrongo**

#### **Purpose**

1. To provide the Finance, Risk and Assurance Committee (the Committee) with Greater Wellington Regional Council's (Greater Wellington) financial reports for the quarter ended 31 December 2021.

### **Te tāhū kōrero**

#### **Background**

2. This report provides a summary of the financial performance of Greater Wellington's activities for the year to 31 December 2021. The year-to-date operating position is \$0.2 million unfavourable to budget.

### **Te tātaritanga**

#### **Analysis**

3. The finance report is for the second Quarter of the year ended 30 June 2022 (see [Attachment 1](#)). The key results are:
  - a Total Revenue was \$15.1 million less than budget. This was primarily related to Public Transport group (PT) due to reduced fare revenue from the August lockdown and the rise of working from home practices stemming from the lockdowns. Delays in projects (PT and Catchment Management group) have also impacted revenue received from Grants and Subsidies.
  - b Discussions are continuing to seek additional funding for the shortfall in fare revenue \$8 million due to COVID-19 level changes to fund more than the standard 51 percent.
  - c Total Expenditure was \$14.9 million lower than budget. \$6.9 million of this underspend was from Greater Wellington's Strategy group, with \$3.9 million – Regional Transport expenditure delays with Let's Get Wellington Moving and \$2.3 million relating to the Low Carbon Fund. \$6.8m was from Public Transport mainly due to OPEX project delays with the Electric Vehicle programme, electrification of bus and ferry fleet. \$3.5m was from Catchment with land management, biodiversity and biosecurity projects delayed due to Covid-19 restrictions.

- d This gave an operational deficit of \$14 million, \$0.2 million under budget. This is assessed to be primarily due to the impact of COVID-19 restrictions and associated impacts.
  - e Capital expenditure was underspent by \$31.2 million. Much of the underspend can be attributed to the impact of COVID-19 restrictions and resource constraints. Flood Protection group \$11.6 million under, with delays to Shovel Ready projects and RiverLink construction, design, and property purchases. \$10.5 million of the underspend relates to Water projects. The remaining underspend is made up of smaller variances across multiple business units.
4. It is expected that capital expenditure for the year will continue to be challenging given COVID-19 and associated impacts. Initial work before Christmas on the 22/23 Annual Plan had the business units forecasting a final 21/22 CAPEX of \$15 million under budget. This forecast would now seem optimistic with December CAPEX \$31 million behind a budget of \$51 million and the impact of the spread of the COVID-19 variant over the next quarter likely to delay CAPEX further.

**Ngā āpitihanga  
Attachment**

Number	Title
1	Financial Summary Report – 31 December 2021

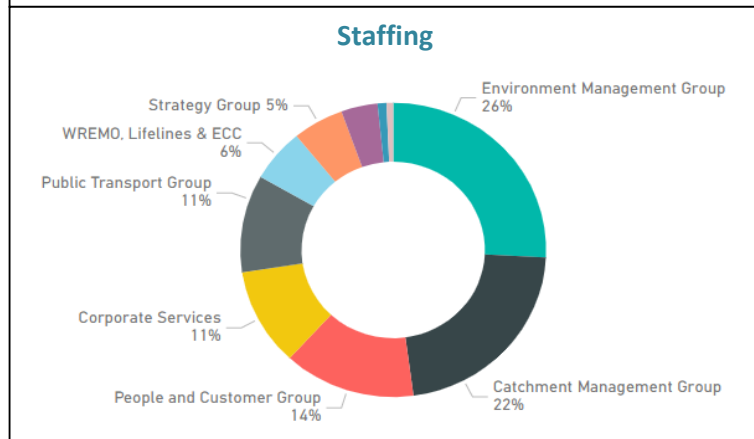
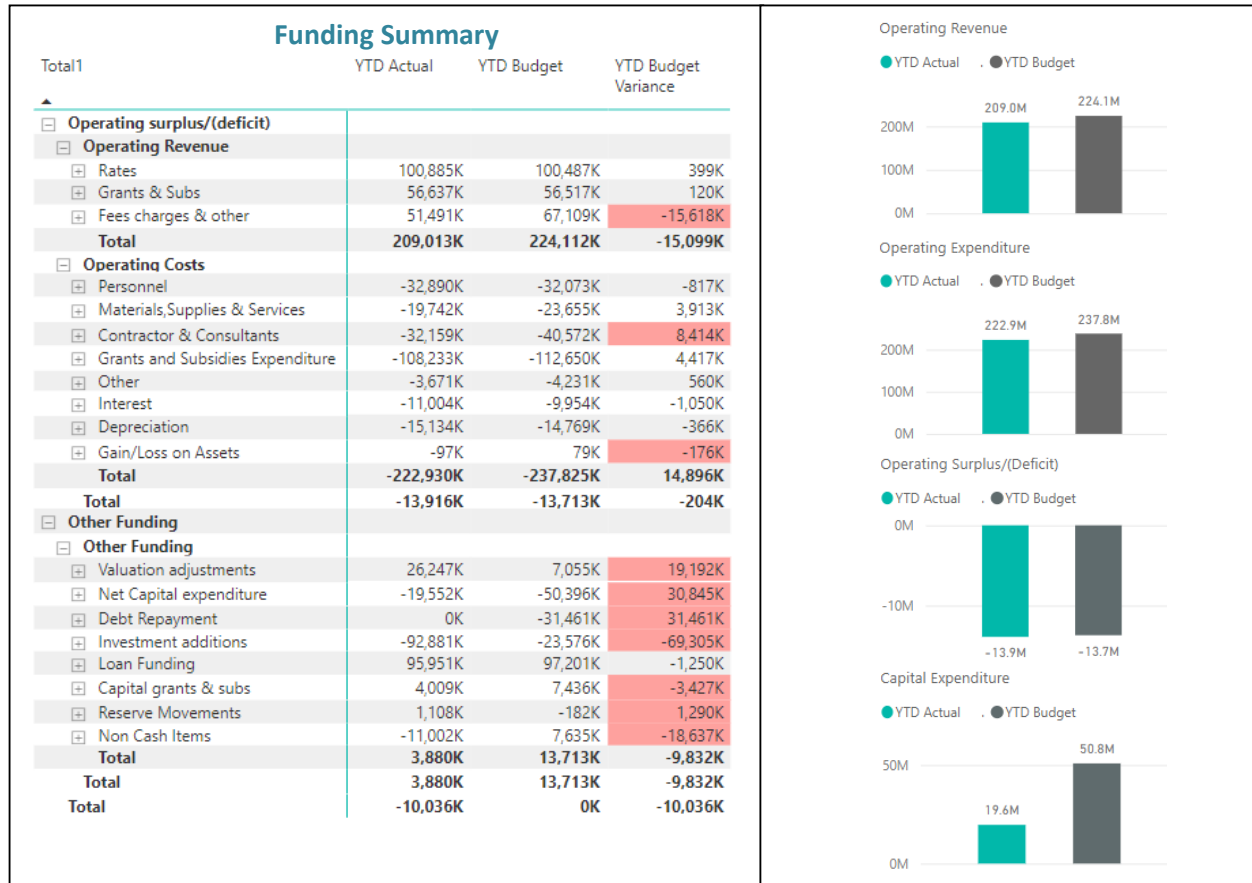
**Ngā kaiwaitohu  
Signatories**

Writers	Darryl Joyce – Acting Accounting Services Manager Ali Trustrum-Rainey – Chief Financial Officer
Approver	Samantha Gain – General Manager, Corporate Services

<p><b>He whakarāpopoto i ngā huritaonga</b>  <b>Summary of considerations</b></p>
<p><b><i>Fit with Council’s roles or with Committee’s terms of reference</i></b></p> <p>The Committee’s specific responsibilities include to “review the robustness of the organisation’s financial performance”.</p>
<p><b><i>Implications for Māori</i></b></p> <p>There are no known implications for Māori.</p>
<p><b><i>Contribution to Annual Plan / Long Term Plan / Other key strategies and policies</i></b></p> <p>The report reviews performance against the financial statements in Council’s Long Term Plan 2021/22.</p>
<p><b><i>Internal consultation</i></b></p> <p>All business groups contribute to Greater Wellington’s financial performance.</p>
<p><b><i>Risks and impacts - legal / health and safety etc.</i></b></p> <p>Material delays in meeting budgeted CAPEX expenditure will increase the risk that the levels of service outlined in the 21-22 Long Term Plan may not be meet or maintained.</p> <p>A secondary impact of delays in CAPEX will be lower debt servicing costs as budgeted loans are not drawn on to meet capital expenditure requirements.</p>

Financial Report – 31 December 2021

Council Financial Summary – 31 December 2021



## Attachment 1 to Report 22.43

### Financial Report – 31 December 2021

## Summary of Key Issues & Year End Financial Update

### Key Issues

- Delta variant Covid-19 restrictions have impacted revenue received, operational expenditure and capital expenditure across multiple business units since August.
- The August Covid-19 lockdown and changing behaviours in public transport use with the rise of working from home practices has caused a reduction in Public Transport Farebox revenue of \$8m. Discussions which were with Waka Kotahi are now with Central Government to fund more than the standard 51% of this short fall.
- Capital Expenditure YTD is well below budget (\$31.2m below the YTD budget of \$50.8m) and requires continued close monitoring especially with the potential for further delays from the impacts of the Omicron variant of COVID-19.

## Quarter Two Financial Update

- Total Revenue was \$15.1m less than budget,  
Mainly in PT due to August lockdown restrictions and changing behaviours in public transport use with the rise of working from home practices because of Covid19.
- Total Expenditure was \$14.9m lower than budget, mainly due to OPEX project delays in Public Transport, \$6.8m, Catchment, \$3.5m, and Let's Get Wellington Moving, \$3.9m and a slower than anticipated drawdown of the Low Carbon Acceleration Fund, \$2.3m.
- This gave an Operational Deficit of \$14m, \$0.2m worse than budget.
- Capital expenditure was underspent by \$31.2m. against a budget of \$51m,  
\$11.6m is due to delays in Shovel ready projects and RiverLink construction/design/property purchases, \$10.5m from Water is due to timing difference with GW and WWL but the full year variance is expected to reduce to \$3m below budget.

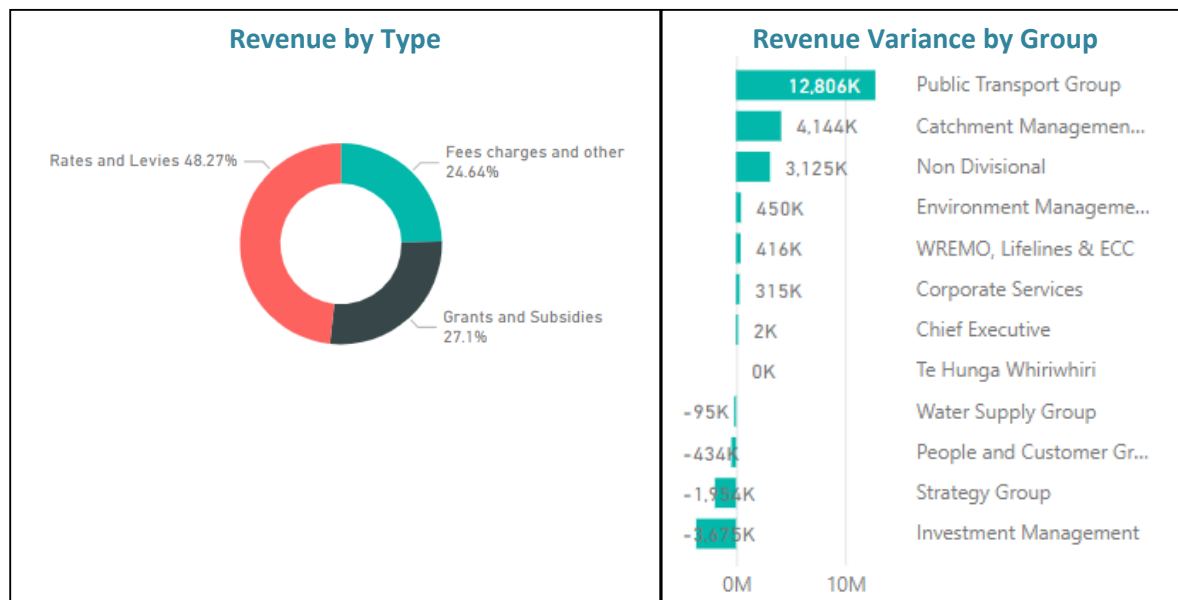
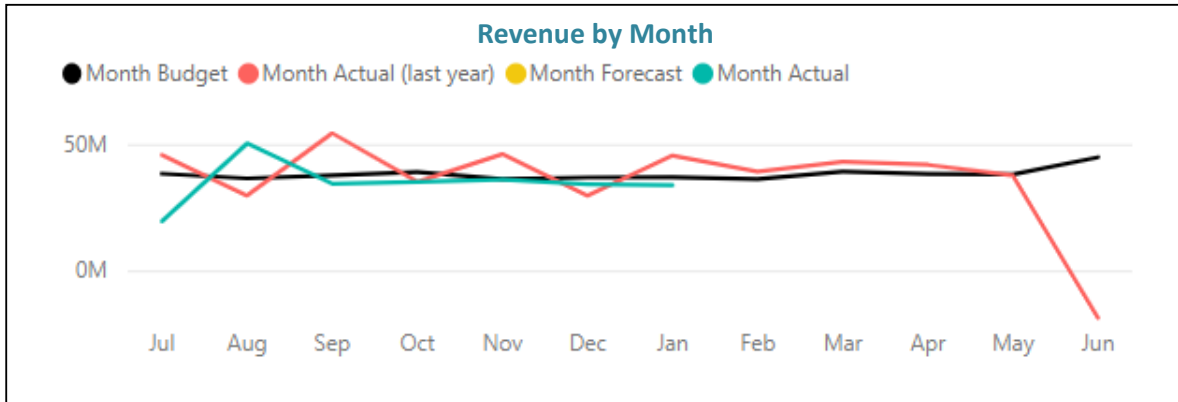
Financial Report – 31 December 2021

Operating Revenue

-209,013,248  
YTD Actual

-224,112,475  
YTD Budget

15,099,227  
YTD Budget Variance



Revenue Key Variances

**(\$12.8m) PT - Bus and Rail Fare Revenue (\$16.0m)** unfavourable due to the August lockdown restrictions and the rise of working from home practices stemming from the lockdowns. The budget was set at pre-covid patronage levels and with the change to new normal being flexible working.

**G&S Revenue: PT \$3.2m** favourable resulting from two offsets, **\$9.1m** of additional Waka Kotahi Bus and Rail Farebox funding\*\* offset by **(\$5.9m)** of delayed Waka Kotahi funding from delays in New Electric Vehicle Programme, timetable changes and timing variance in ERAA, Living Wage and Electric ferry infrastructure and other minor programmes which have an offset in costs.



**Attachment 1 to Report 22.43**

**Financial Report – 31 December 2021**

- a **G&S Revenue: Catchment (\$4.1m)** Flood Protection – **(\$2.7m)** unfavourable – timing of shovel ready project grants (delayed due to Covid-19 and procurement of contractors). The balance of the variance is in biodiversity and biosecurity projects which have also had delays due to Covid-19 restrictions.

\*\* Grants and Subsidies Revenue is calculated on an average of 51% of the net of Farebox Revenue and Cost. With less Farebox Revenue more cost is claimed (less to offset), hence more Grants and Subsidies revenue.

**Attachment 1 to Report 22.43**

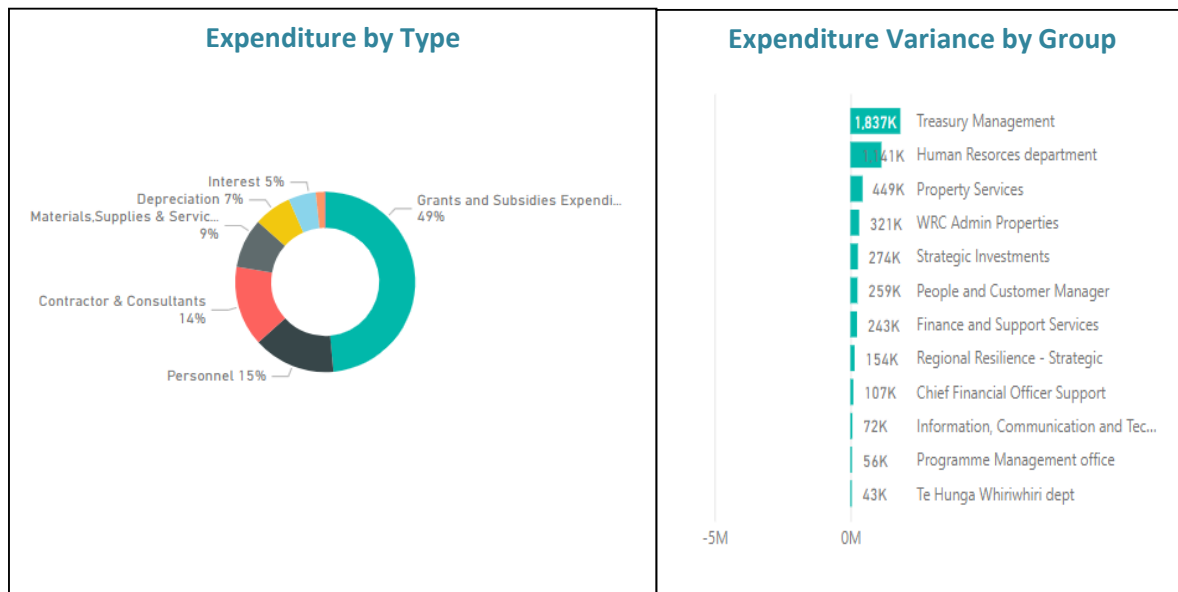
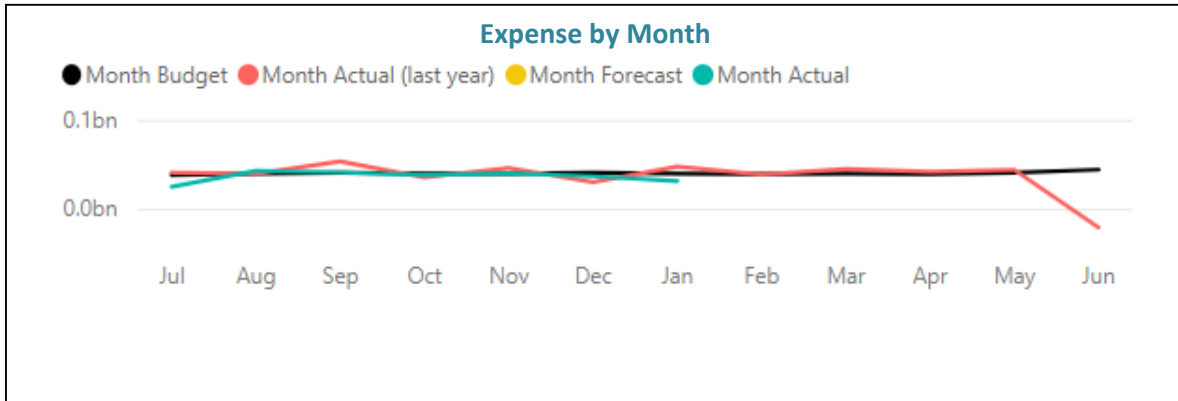
**Financial Report – 31 December 2021**

**Operating Expenditure**

222,942,885  
YTD Actual

237,825,149  
YTD Budget

-14,882,264  
YTD Budget Variance



**Expense Key Variances**

**\$6.9m Strategy** – \$4.4m favourable mainly due to delay in LGWM, \$2.3m – Low Carbon Fund has minimal drawn down.

**\$6.8m PT** – \$4.5m favourable mainly due to OPEX project delays with the EV programme, electrification of bus and ferry fleet and enhancements to timetable and services, \$1.5m favourable due to delays in RTI 2.0 and maintenance.

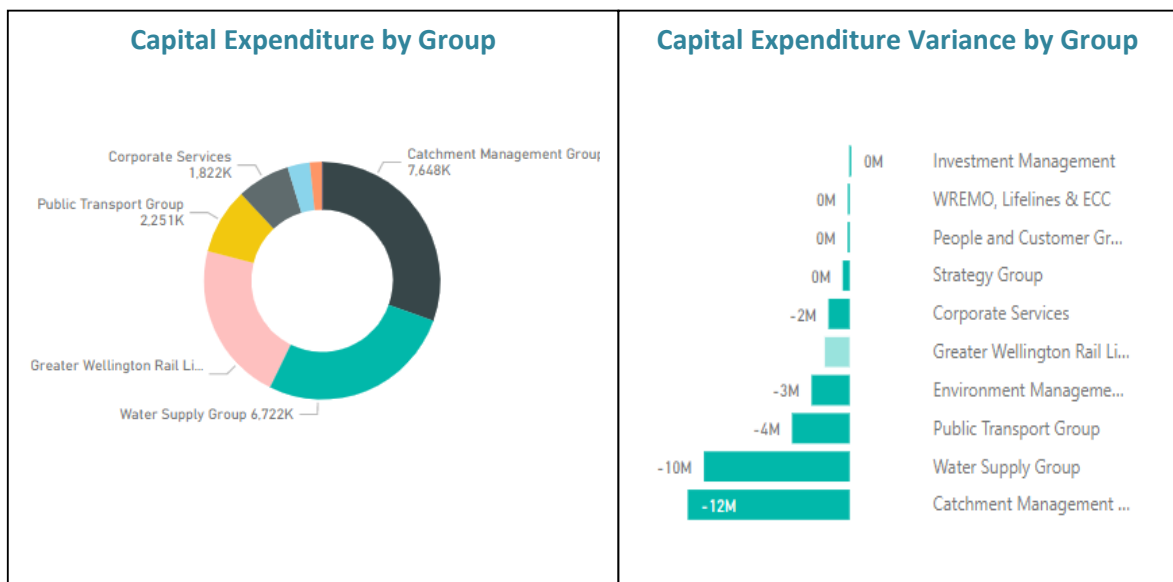
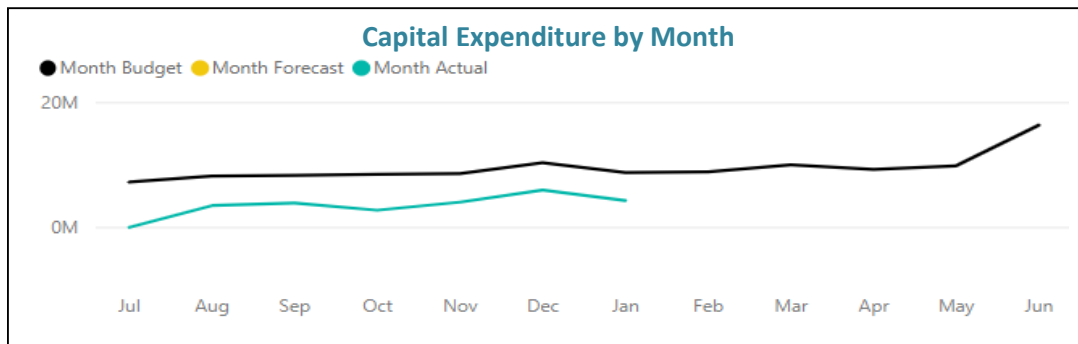
**\$3.5m Catchment** – favourable mainly due to delays in projects: \$1.1m in Hill Country Erosion programme (WRECI), \$0.7m in Pinehaven – timing of Q3 invoice, \$0.2m Predator Free Wellington, \$0.8m in the Wairarapa Moana MFE project.

**Attachment 1 to Report 22.43**

**Financial Report – 31 December 2021**

**Capital Expenditure**

19,631,222      50,810,678      -31,179,456  
 YTD Actual      YTD Budget      YTD Budget Variance



**Capital Expenditure Key Variances**

- \$11.6m Flood Protection** – from delays in multiple projects: **\$4.1m** in Shovel Ready and MFE projects from resourcing delays, **\$4.0m** in RiverLink due to delay of design/construction, **\$1.4m** in Kapiti FMP implementation due to Otaki FMP review not yet completed.
- \$10.5m Water** – **\$6.1m** relates to phasing differences between the GW budget and WWL’s. **\$3.1m** from consenting delays with the Silverstream Pipebridge Seismic Upgrade and **\$1.3m** relates to timing of minor projects and delays associated with Covid. Full year variance is expected to reduce to **\$3m** below budget.
- \$1.8m PT** – mainly due to Covid lockdown levels delaying the progress of the following projects: **\$1.0m** is on Rail Infrastructure, **\$0.6m** is on Matangi Heavy Maintenance, and **\$0.2m** is in Wairarapa Carriage Replacements.
- \$1.5m Corporate Services** – favourable on ICT capex, Masterton fit out and Cuba Street fit out.

**Attachment 1 to Report 22.43**

**Financial Report – 31 December 2021**

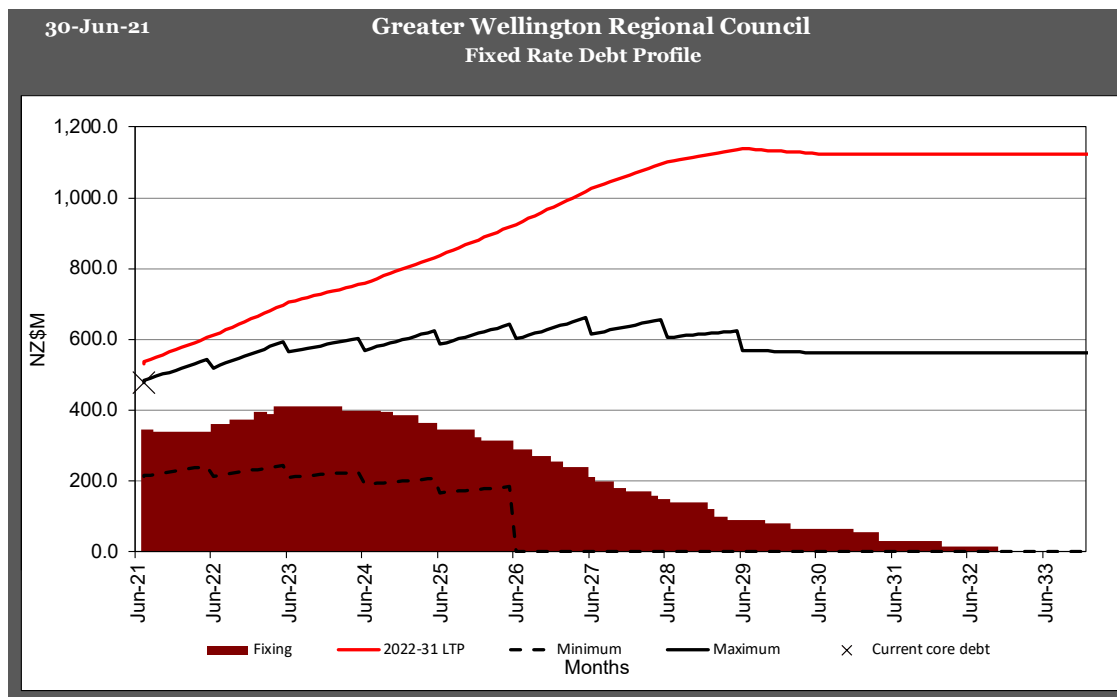
**\$2.7m**

**Environment** – **\$2.4m** mainly due to delays in Queen Elizabeth Park improvements including the Heritage Precinct and coastal retreat projects and **\$0.2m** from Science Collaborative Modelling project expenditure which was below budget due to timing.

Financial Report – 31 December 2021

Compliance with Treasury Risk Management Policy

Total Council Limit Compliance Analysis				Compliant						Compliant			
				Yes	No	actual %					Yes	No	actual %
Debt Interest Rate Policy Parameters - based on 2021-51 LTP proposed													
Current	40% - 90%			✓		68%	Counterparty credit exposure with New Zealand registered banks which have a credit rating of at least A-, long term, and A2 short term				✓		
year 1	40% - 90%			✓		59%	Other counterparty exposure within policy limits				✓		
year 2	35% - 85%			✓		58%	Maximum counterparty exposure with a NZ registered bank is within \$108 million limit				✓		
year 3	30% - 80%			✓		53%	The repricing of liquid financial investments are to occur within the following timebands						
year 4	25% - 75%			✓		41%							
year 5	20% - 70%			✓		31%	0 - 1 year	70% - 100%		✓		99%	
year 6	0% - 65%			✓		20%	1 - 5 years	0% - 30%		✓		1%	
year 7	0% - 60%			✓		14%	<b>Core Council External Borrowing Limits - Ratios</b>						
year 8	0% - 55%			✓		8%	Net Debt / Total Revenue < 300%				✓		compliant
year 9	0% - 50%			✓		6%	Net interest / Total Revenue < 20%				✓		compliant
year 10	0% - 50%			✓		3%	Net interest / Annual rates and levies < 30%				✓		compliant
year 11	0% - 50%			✓		1%	Liquidity > 110%				✓		121%
year 12	0% - 50%			✓		0%							
year 13	0% - 50%			✓		0%							
year 14	0% - 50%			✓		0%							
year 15	0% - 50%			✓		0%							
The maturity of total external debt to fall within the following timebands													
0 - 3 years	15% - 60%			✓		43%							
3 - 7 years	25% - 85%			✓		31%							
> 7 years	10% - 60%			✓		25%							



Finance Risk and Assurance Committee  
15 February 2022  
Report 22.42



For Information

## HEALTH SAFETY AND WELLBEING UPDATE – FEBRUARY 2022

### Te take mō te pūrongo

#### Purpose

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

### Te tāhū kōrero

#### Background

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

#### *HSW Fatal and Severe risk controls programme*

3. Fatal and Severe Risk (FSR) work programmes currently underway are transportation and driving, lone and remote working, and working on or over water. Progress on each is outlined below:

#### *Transportation and driving*

4. Key progress elements are:
  - a The newly appointed Greater Wellington fleet manager started in the role mid-January 2022
  - b FleetCoach online driver training is scheduled for implementation in mid-February, managed by the fleet manager.

#### *Lone and remote working*

5. Key progress elements are:
  - a All handsets are installed and operational in vehicles and additional training is underway to maximise use and efficiency
  - b Electronic whiteboards to record and track lone worker movements have been installed and are in use in three of the four base stations.

#### *Working on or over water*

6. The key progress elements are:
  - a The Working on or Over Water Standard, essential controls and toolkit guidance have been approved by the relevant General Managers and are now in the implementation stage.

### ***Wellbeing***

7. Supporting employee wellbeing throughout Covid-19 through regular messaging, communication, webinars and promotion continues to be a primary focus.
8. Our wellbeing plan is currently under review to better support managers and staff when Omicron becomes widespread in our region.

### ***Fatal and severe risk review***

9. A full review of our FSR risk register has commenced based on the recommendation in the PWC external assurance audit in 2021.
10. We have completed the scoping phase and have prioritised abusive and aggressive behaviour as the first risk to go through the process, based on recent physical assaults and an escalation in verbally aggressive behaviour towards Greater Wellington employees.

### ***Escalation in abusive and aggressive behaviour***

11. A park ranger was seriously assaulted by an illegal motorcycle rider in Queen Elizabeth Park between Christmas and New Year 2021.
12. This left him with significant bruising to the head torso and legs as well as ongoing psychological trauma.
13. The investigation is ongoing, with the initial review finding the ranger followed all protocols until he got out of his ute to check on the rider's wellbeing after he slid off his bike and hit the ranger's vehicle, at which point the ranger was viciously attacked by the rider.
14. The ranger has not been able to return to work since the attack and is receiving ongoing support from his manager, our preferred clinical psychologist and rehabilitation advisor. Our psychologist is also working with the wider parks teams to debrief the incident.
15. Police were involved and the offender is being charged with the assault.
16. In a separate incident a few days later a harbour ranger was physically and verbally assaulted when responding to an incident at the Mana Marina. This assault was of a more minor nature with no injuries reported. This led to Greater Wellington harbour ranger services being withdrawn at Mana Marina.
17. There has also been an escalation in the tone of verbal abuse from the public this summer.
18. A professional supervision pilot is underway for contact centre staff due to ongoing verbal abuse they are regularly exposed to. This pilot will also be extended to parks staff in the near future.

### ***HSW support in response to COVID 19***

19. The recent Covid-19 exposure risk assessment identified over 340 roles to date that require mandatory vaccination because their work puts them at greater risk of exposure, are covered a public health order or vaccination had been requested to work with third party organisations (e.g., KiwiRail).

20. Employees covered by the vaccine mandate have been advised in writing they have until 25 February 2022 to be fully vaccinated and provide evidence of this. The requirement for all new staff and contractors to be fully vaccinated was introduced from 1 January 2022.
21. We are currently surveying the vaccination status of the remainder staff to gain an understating of the number of vaccinated vs unvaccinated staff and how we protect everyone’s safety in Greater Wellington workplaces.
22. This information will also be used to assist the Executive Leadership Team (ELT) in deciding if we need to go out to consult on mandatory vaccination for all Greater Wellington employees.
23. At ELT’s request a vaccine pass mandate was introduced from 25 January 2022 for all contractors and visitors entering Greater Wellington premises to better protect the health and safety of Greater Wellington employees.
24. External legal advice has been sought to ensure our approach is robust and privacy obligations are met throughout the process.
25. The Crisis Management Team (CMT) has reconvened in response to the rapidly changing Omicron landscape and meets regularly to monitor information from central and local government agencies to provide up to date guidance for the business.
26. This includes the ‘Living with Covid’ information pack which includes how we work under the traffic light system and frequently updated as new information comes to hand.
27. The GW Omicron Management Plan has been endorsed by the Executive Leadership Team (ELT). This includes protocols on what to if employee tests positive in the workplace and the introduction of Rapid Antigen testing (RAT) and the use of P2 / KN95 masks in critical areas of the business.
28. We have secured 1000 RAT’s and 800 P2 masks due to arrive in early February 2022 with more on back order due in early March 2022. These will be allocated to employees in critical functions and full training in their use is being provided.

**Ngā āpitihanga  
Attachment**

Number	Title
1	HSW Performance Scorecard to December 2021

**Ngā kaiwaitohu  
Signatories**

Writer	Julie Barber, Manager Health Safety and Wellbeing
Approvers	Samantha Gain, GM Corporate Services Donna Hickey, GM People and Customer

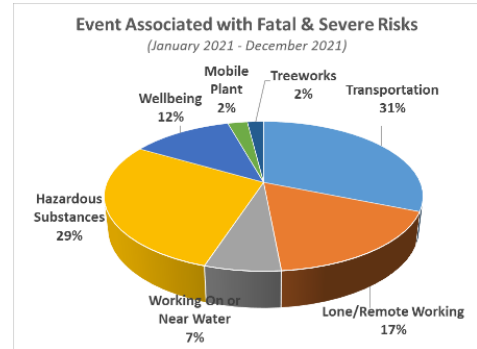
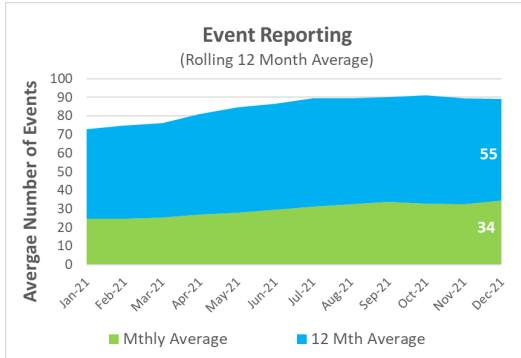


<p><b>He whakarāpopoto i ngā huritaonga</b>  <b>Summary of considerations</b></p>
<p><b><i>Fit with Council’s roles or with Committee’s terms of reference</i></b></p> <p>This report assures the Committee that Greater Wellington’s legal obligations under the Health and Safety at Work Act 2015 are maintained and met.</p>
<p><b><i>Implications for Māori</i></b></p> <p>There are no known implications for Māori.</p>
<p><b><i>Contribution to Annual Plan / Long Term Plan / Other key strategies and policies</i></b></p> <p>The HSW Policy and Wellbeing Strategy are included in Greater Wellington’s Annual Plan 2020/21.</p>
<p><b><i>Internal consultation</i></b></p> <p>No internal consultation was required</p>
<p><b><i>Risks and impacts - legal / health and safety etc.</i></b></p> <p>The HSW risks and treatment are outlined in paragraphs 3 to 9 inclusive.</p>

**Attachment 1 to Report 22.**

**Health, Safety and Wellbeing Performance Scorecard to end December 2021**

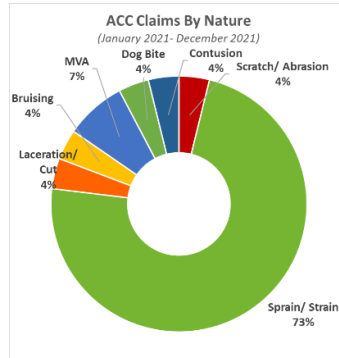
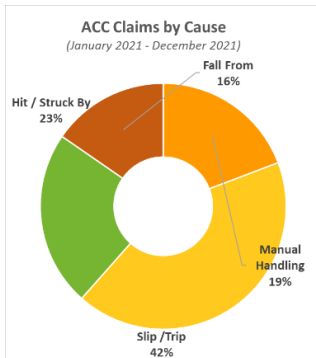
**Event reporting**



**New / emerging trends**

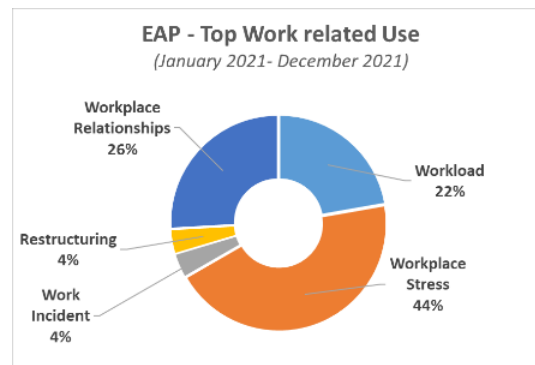
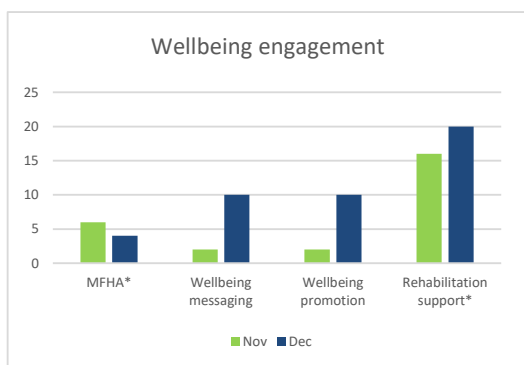
- Seasonal anti-social behaviour in parks
- Verbally aggressive / threatening behaviour and physical assaults
- Vehicle near miss event and collisions resulting in minor damage

**ACC work injury claims**



Work injury claims last 12 months	
Total claims	26
Lost time claims	8
Total days lost	609
Includes 3 longer term claims following surgery, 2 concussion following MVA, the remainder of LT injuries resulted from minor events with less than 7 days lost	

**Wellbeing**



\*Mental health first aid \* Work, non-work and illness rehabilitation

EAP – Employee Assistance Programme



**Attachment 1 to Report 22.****Health, Safety and Wellbeing Performance Scorecard to end December 2021****High Consequence Events: September - October 2021**

<b>Dept</b>	<b>Event type</b>	<b>Event description</b>	<b>Corrective action</b>
Parks	Abusive/ Aggressive behaviour	A QEP park ranger was suddenly and severely physically assaulted by an illegal motorcycle rider, after he was requested to leave the park. The ranger was punched and kicked several times resulting serious bruising to the head, neck and lower limbs through being	Police called and apprehended the offender (the offender is known to police, and was riding a stolen motorcycle) Medical assistance sought and 6 days off work given Ongoing mental wellbeing support for the ranger is being provided by GW's preferred clinical psychologist, who will also provide a debrief and support sessions for wider parks staff in the next few weeks The investigation and learnings from this event is ongoing
Harbours	Abusive/ Aggressive behaviour	A summer harbour ranger was verbally and physically assaulted (slap around the head) by a member of the public who refused to move their car from the Mana Marina boat ramp when asked repeatedly to do so	Police called and the offender apprehended for a mental wellbeing assessment (the offender is known to police) No injuries and the ranger was able to carry on with normal duties



**Finance, Risk and Assurance Committee**  
**15 February 2022**  
**Report 22.47**



**For Information**

## **QUARTERLY RISK UPDATE – FEBRUARY 2022**

### **Te take mō te pūrongo**

#### **Purpose**

1. To update the Finance, Risk and Assurance Committee (the Committee) on progress with adopting the new approach to risk, outlined in report Quarterly Risk Update – Quarter One 2021/22 - Report 21.438.

### **Te horopaki**

#### **Context**

2. Greater Wellington is developing a new approach to management of risks (uncertainties). Work on a new framework is proceeding well and has good engagement from across the business.
3. Less emphasis is being placed on Quantate risk reporting while work is undertaken on the new approach. Risks are still considered and reported to the Chief Executive through the quarterly review process, but no Quarter Two Quantate report has been produced for the quarter to 31 December 2021.

### **Te tātaritanga**

#### **Analysis**

4. The new approach to risk management has been socialised with the Committee through workshops and a further workshop will take place following the meeting.
5. The Committee's role is in oversight of the framework, and assuring itself as to its effectiveness. The Committee is invited to discuss how it might do this in the future, for example through workshops focusing on particular areas of risk/uncertainty and readiness for dealing with them should they materialise.

### **Ngā tūāoma e whai ake nei**

#### **Next Steps**

6. Officers will consider any comments from the Committee and report back if applicable.

### **Ngā kaiwaitohu**

#### **Signatories**

Writer	Samantha Gain – General Manager, Corporate Services
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<b>He whakarāpopoto i ngā huritaonga</b> <b>Summary of considerations</b>
<p><b><i>Fit with Committee’s terms of reference</i></b></p> <p>The Committee has a specific responsibility to “review the effectiveness of Greater Wellington’s identification and management of risks faced by Council and the organisation. This review includes whether Greater Wellington is taking effective action to mitigate significant risks”</p>
<p><b><i>Implications for Māori</i></b></p> <p>There are no known impacts for Māori arising from this report.</p>
<p><b><i>Contribution to Annual Plan / Long Term Plan / Other key strategies and policies</i></b></p> <p>Risk management is about considering impediments to achieving Greater Wellington’s objectives in the Long Term Plan, with policies and processes designed to support delivery of these and act as controls. The risk management policy and risk management framework support the risk management function at Great Wellington.</p>
<p><b><i>Internal consultation</i></b></p> <p>All business groups contribute to Greater Wellington’s risk register, with that contribution reflected under the specific risks and controls stated.</p>
<p><b><i>Risks and impacts: legal / health and safety etc.</i></b></p> <p>This report is focused on the identification and management of risks to Council and Greater Wellington.</p>

**Finance, Risk and Assurance Committee**  
**15 February 2022**  
**Report 22.32**



**For Information**

## **HARBOUR MANAGEMENT – RISK AND COMPLIANCE UPDATE – FEBRUARY 2022**

### **Te take mō te pūrongo**

#### **Purpose**

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

### **Te tātaritanga**

#### **Analysis**

##### ***Shelly Bay wharves***

2. The further information sought on possible ownership has indicated it may lie beyond the parties currently involved. This work is on-going.

##### ***Channel Risk Assessment***

3. The first stakeholder meeting was held in November between Greater Wellington Regional Council (Greater Wellington), ferry masters and CentrePort marine. There was positive discussions and an agreement to consider two options around some of the significant points in the risk assessment: a controlled navigation zone or modification of the recommended routes.
4. We intend to have two working groups consider the most significant two options and how they might be implemented. Other stakeholder engagement will continue as Covid-related settings allow.
5. Another recommendation in the report is to consider relocating or removing the Falcon Shoal navigation pile. This would allow for simplifying the recommended tracks and providing better separation between inward and outward routes. This would require dredging to remove a small mound to the west of the current pile. Consideration of this option is in progress.

##### ***Sunken/Derelict vessels***

###### ***Sealion***

6. The vessel is berthed at Glasgow wharf, with a caretaker on board.

7. From discussion between CentrePort and the owner there may be further deterioration in the vessel's condition. If the vessel sinks there will be significant cost to re-floating and removing that the owner is not going to be able to cover.
8. We are actively talking to CentrePort and the owner over options for the vessel.

#### ***Mana bridge jumping***

9. We have provided Police with three serious accident scenarios and asked them to consider how they would investigate these: specifically which agencies they may involve in an investigation. Working with Police, we may also try to bring in a coroner in a pre-emptive role to provide feedback on these scenarios, given their formal role in investigating deaths.
10. Our summer contractor was assaulted at the Mana boat ramp in early January while there in support of the security guard. The Police were called, the perpetrator arrested, and Police enquiries have followed.
11. Another incident followed, although no assault took place. We consulted with the security company who confirmed increased abuse and insults of their security guards, and a reluctance by staff to work in that location.
12. Based on this information and the risk to staff and contractors we made the decision to end guard services and regular patrols to the area on 22 January 2022. This was publicised and met with a range of responses from the community, although a strong level of support.
13. The incidents have stemmed from non-boating vehicles being parked on the launching area and the behaviour of some groups and individuals, rather than our ongoing interactions with users in separating swimmers and boats (which appears to have been working well).
14. We are keeping in contact with the security company, however until there is a change in behaviours of some in the community we do not see any option to resume the guard service in the near future.

#### ***Wave measuring buoys***

15. NIWA has provided a report comparing a year's data between the two wave buoy locations. We will consider their report before making a decision on the placement of the second buoy. The buoy should be placed in February 2022.

#### ***Navigation issues***

##### ***Aratere gearbox issues***

16. These were resolved early January and the *Aratere* is back to normal operation.

##### ***Vessel Valentine***

17. Further to the Harbour Management – Risk and Compliance Update – November 2021 (Report 21.527), KiwiRail's additional freight vessel, the *Valentine* arrived in late December.
18. Familiarisation work was undertaken in late December 2021 and early January 2022. There was a high degree of flexibility and co-operation extended by all parties including

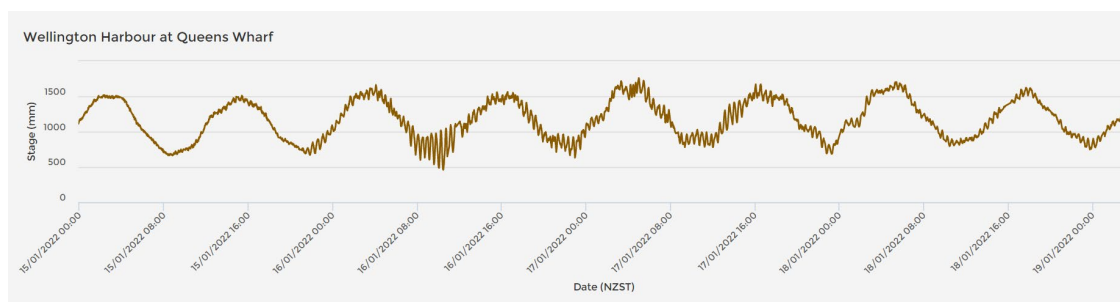
Greater Wellington, CentrePort and Maritime NZ to assist in getting the vessel and masters certified.

19. The ship and crew are now certified, carrying freight when operating.

*Tonga Volcanic eruption and tsunami*

20. The Volcanic eruption on 14 January 2022 triggered a tsunami warning for New Zealand. The initial advice was possible surges and strong currents around the north and east coasts of the North Island.

21. On Sunday 16 January 2022 surges were noted on the tide gauge (image below). The Acting Marine Manager and Deputy Harbourmaster were in frequent contact with the ferries and monitoring shipping movements to minimise risk. The resulting surging carried risk implications for vessel berthing, manoeuvring and loading and unloading of the ferries. The periods of surges came and went over the next few days – occurring at 0.5m about every 15 minutes at its peak.



*Covid risk*

22. We are looking into contingencies for the operation of our Wellington Harbour Radio (Beacon Hill) service with the looming prospect of widespread Covid-19 Omicron. We are considering options for what may be needed if staff are impacted by illness – which could result in a decrease in service. We remain in close contact with CentrePort around this.

**Ngā hua ahumoni  
Financial implications**

23. The disposal of derelict or uninsured vessels will present unplanned expenditure from our operating budget.
24. Recommendations arising from the channel risk assessment may have a variety of financial implications for both CentrePort and Greater Wellington. We will look into options for mitigating any financial impacts.
25. Planning is in place for dredging work in the harbour around March/April 2022. There may be an opportunity to address the recommendation discussed in paragraph 5 of this report.



**Ngā kaiwaitohu**  
**Signatories**

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

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

**Finance, Risk and Assurance Committee**  
**15 February 2022**  
**Report 22.51**



**For Decision**

**RESOLUTION TO EXCLUDE THE PUBLIC**

That the Committee excludes the public from the following parts of the proceedings of this meeting, namely:—

Cyber Security Roadmap Update – February 2022 – Report PE22.51

The general subject of each matter to be considered while the public is excluded, the reasons 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 (the Act) for the passing of this resolution are as follows:

Cyber Security Roadmap Update -February 2022 – Report PE21.50	
<i>Reason for passing this resolution in relation to each matter</i>	<i>Ground(s) under section 48(1) for the passing of this resolution</i>
<p>The report contains information about Greater Wellington’s cyber security status. Release of this information exposes Greater Wellington to cyber-attack threats by making it easier for the public to know our cyber security status. It is necessary for Greater Wellington to exclude the information contained in this report from the public domain to protect our information assets and reduce our likelihood of cyber-attack.</p> <p>Greater Wellington has not been able to identify a public interest favouring disclosure of this particular information in public proceedings of the meeting that would override this risk.</p>	<p>The public conduct of this part of the meeting is excluded as per section 7(2)(j) of the Act – to prevent the disclosure of use of official information for improper gain or improper advantage.</p>

This resolution is made in reliance on section 48(1)(a) of the Act and the particular interest or interests protected by section 6 or section 7 of that Act or section 6 or section 7 or section 9 of the Official Information Act 1982, as the case may require, which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public.