



If calling, please ask for Democratic Services

Finance, Risk and Assurance Committee

Tuesday 28 November 2023, 9.30am

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

Quorum: Three Members

Members

Independent Chair

Martin Matthews (Chair)

Councillors

David Bassett (Deputy Chair)

Chris Kirk Burnnand

Yadana Saw

Ros Connelly

Hikitia Ropata

Simon Woolf

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

Finance, Risk and Assurance Committee

1 Purpose

Oversee, review, and report on Greater Wellington's discharge of its responsibilities in the areas of financial management; risk management; statutory reporting; internal and external audit and assurance; and monitoring of compliance with laws and regulations (including health and safety).

2 Specific responsibilities

- 2.1 Apply Council's Te Tiriti o Waitangi principles when conducting the Committee's business and making decisions.
- 2.2 Review and monitor performance under Council's Financial Strategy (adopted under section 101A of the Local Government Act 2002).
- 2.3 Review the effectiveness of Greater Wellington's financial management and performance, including proposed changes, with a particular focus on the effectiveness of Greater Wellington's:
 - a Financial management policies and frameworks for, and the robustness of, the organisation's financial performance
 - b Accounting policies and principles.
- 2.4 Review the effectiveness of Greater Wellington's risk management process, including overseeing changes to the risk management policy and approach, with a particular focus on:
 - a Providing guidance to Council on the appetite for risk
 - b Whether Greater Wellington is taking effective action to mitigate significant risks, including cyber security and climate change.
- 2.5 Review Greater Wellington's systems to manage legislative compliance (including health and safety), significant projects, and work programmes.
- 2.6 Review and monitor Greater Wellington's compliance with regulatory requirements.
- 2.7 Review Greater Wellington's health, safety and wellbeing management system to obtain assurance that the organisation is identifying and managing risks in accordance with the Health and Safety at Work Act 2015.
- 2.8 Approve the internal assurance programme, review the results of internal assurance work, and review the effectiveness of actions to address audit recommendations from Greater Wellington's internal auditors.
- 2.9 Receive, at the start of each external audit, the terms of engagement with the external auditor, including the nature and scope of the audit, timetable and fees.
- 2.10 Review any external audit reports and Greater Wellington's actions on significant issues and audit recommendations raised in these reports.
- 2.11 Review annually the appropriateness of Council's insurance.

- 2.12 Recommend to Council changes to improve the effectiveness of Greater Wellington's policies and frameworks for financial management, assurance, and risk management.
- 2.13 Review:
- a The draft Annual Report to ensure it complies with statutory requirements and provides a sound basis for the public accountability of Council's and Greater Wellington's performance and position for each financial year
 - b Any proposed formal announcements relating to Council's financial performance.
- 2.14 Recommend the Annual Report for adoption by Council.

3 Delegations

The Committee has the authority to approve:

- a The internal assurance programme; in particular, whether Greater Wellington's approach to maintaining an effective internal control framework is sound and effective
- b Submissions to external organisations on matters pertaining directly to the Committee's purpose.

4 Members and Chair

- 4.1 Six Councillors.
- 4.2 One external member, appointed by Council, who has the necessary independence, expertise, and knowledge of local government relevant to the Committee's purpose and responsibilities.
- 4.3 Where Council appoints the external member under section 4.2, Council shall also appoint that member as the Chair.

5 Quorum

Three Committee members.

Finance, Risk and Assurance Committee

Tuesday 28 November 2023, 9.30am

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

No.	Item	Report	Page
1.	Apologies		
2.	Conflict of interest declarations		
3.	Public participation		
4.	Confirmation of Public minutes of the Finance, Risk and Assurance Committee meeting on 17 October 2023	23.540	5
5.	Forward work programme	23.566	8
6.	Quarterly Finance update – Quarter One	23.595	13
7.	Financial Policies and Delegations update	23.579	28
8.	Financial Strategy update	23.612	48
9.	Risk and Assurance update	23.622	53
10.	Health, Safety and Wellbeing Update	23.614	113
11.	Harbour Management – Risk and Compliance update – August 2023	23.555	119
12.	Update on progress of action items from previous Finance, Risk and Assurance Committee meetings	23.559	124



Please note these minutes remain unconfirmed until the Finance, Risk and Assurance Committee meeting on 28 November 2023

Report 23.540

Public minutes of the Finance, Risk and Assurance Committee meeting on Tuesday 17 October 2023

Taumata Kōrero – Council Chamber, Greater Wellington Regional Council
100 Cuba Street, Te Aro, Wellington, at 9.32am

Members Present

Martin Matthews (Chair)
Councillor Bassett (Deputy Chair)
Councillor Connelly
Councillor Ropata
Councillor Saw (from 9.33am)
Councillor Woolf

Councillors Connelly, Ropata and Woolf participated at the meeting remotely, via MS Teams, and counted for quorum in accordance with clause 25B of Schedule 7 to the Local Government Act 2002.

Karakia timatanga

The Committee Chair invited Ali Trustrum-Rainey, Group Manager, Finance and Risk, to open the meeting with a karakia timatanga.

Public Business

1 Apologies

Moved: Martin Matthews / Cr Bassett

That the Committee accepts the apology for absence from Councillor Kirk-Burnnand.

The motion was **carried**.

Councillor Saw arrived at 9.33am during the above item.

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 15 August 2023 – Report 23.395

Moved: Cr Bassett / Martin Matthews

That the Committee confirms the Public minutes of the Finance, Risk and Assurance Committee meeting on 15 August 2023 – Report 23.395.

The motion was **carried**.

5 Confirmation of the Public Excluded minutes of the Finance, Risk and Assurance Committee meeting on 15 August 2023 – Report PE23.396

Moved: Martin Matthews / Cr Saw

That the Committee confirms the Public Excluded minutes of the Finance, Risk and Assurance Committee meeting on 15 August 2023 – Report PE23.396.

The motion was **carried**.

6 Draft 2022/23 Annual Report – Report 23.529

Zofia Miliszewska, Head of Strategy and Performance, and Ashwin Pai, Financial Controller, spoke to the report, Clint Ramoo, Audit Director, NZ Audit and Ali Trustrum-Rainey, Group Manager, Finance and Risk, spoke to the report.

Moved: Cr Bassett / Cr Ropata

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 2023, may be required once the audit process has been completed.
- 2 Agrees that the draft 2022/23 Annual Report provides a suitable representation of the performance of Greater Wellington for the year ended June 2023.
- 3 Recommends that Council adopt the 2022/23 Annual Report, subject to any changes required once the audit process has been completed.

The motion was **carried**.

Noted: The Committee:

- requested more narrative be included around the devaluation of land in revaluation to RiverLink to reflect the social, economic and environmental benefits resulting from this land.
- discussed a need for storytelling when creating the annual report.
- that Democratic Services explore the opportunity for regular committee time with Audit NZ.

7 Adoption of Public Benefit Entity International Public Sector Accounting Standards 41: Financial Instruments – Report 23.333

Ashwin Pai, Financial Controller, spoke to the report.

Moved: Martin Matthews / Cr Bassett

That the Committee:

- 1 Endorses the use of the new accounting policy on the recognition and measurement of financial instruments.

The motion was **carried**.

Karakia whakamutunga

The Committee Chair invited Ali Trustrum-Rainey, Group Manager, Finance and Risk, to close the meeting with a karakia whakamutunga.

The public meeting closed at 10.38am.

M Matthews

Chair

Date:

Finance Risk and Assurance Committee
28 November 2023
Report 23.566



For Decision

FORWARD WORK PROGRAMME

Te take mō te pūrongo

Purpose

1. To advise the Finance, Risk and Assurance Committee (the Committee) of the Forward Work Programme ([Attachment 1](#)).

He tūtohu

Recommendation

- 1 That the Committee **endorses** the Forward Work Programme (Attachment 1).

Te horopaki

Context

2. Staff have compiled regular reports for the year and other upcoming items into a Forward Work Programme for the Committee to consider.
3. At each meeting, the work programme will be reviewed and adjusted based on progress, added information, and changing priorities.

Te tātaritanga

Analysis

4. The Forward Work Programme contains the regular and planned upcoming reports for the Committee meetings for the forward 12 months.
5. The Forward Work Programme is scheduled to be presented for each Committee meeting.
6. The Forward Work Programme and associated planning ensures the Committee meets its terms of reference. This includes the review and monitoring of performance under Council's Financial Strategy and to oversee, review, and report on Greater Wellington's discharge of its responsibilities in the areas of financial management; risk management; statutory reporting including the Annual Plan and Long Term Plan; internal and external audit and assurance; and monitoring of compliance with laws and regulations (including health and safety).

Ngā hua ahumoni
Financial implications

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

Ngā Take e hāngai ana te iwi Māori
Implications for Māori

8. There are no known implications for Māori.

Ngā tikanga whakatau
Decision-making process

9. The matters requiring decision in this report were considered by officers against the decision-making requirements of Part 6 of the Local Government Act 2002.

Te hiranga
Significance

10. Officers considered the significance (as defined by Part 6 of the Local Government Act 2002) of the matters for decision, taking into consideration Council's *Significance and Engagement Policy* and Greater Wellington's *Decision-making Guidelines*. Officers consider that the matter is of low significance due to its administrative nature.

Te whakatūtakitaki
Engagement

11. Due to the low significance of the matter for decision, no engagement was considered necessary.

Ngā tūāoma e whai ake nei
Next steps

12. Once the Committee endorses the programme, officers will implement the reporting.

Ngā āpitihanga
Attachment

Number	Title
1	Forward Work Programme as of November 2023

Ngā kaiwaitohu
Signatory

Approver	Ali Trustrum-Rainey – Group Manager Finance and Risk
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He whakarāpopoto i ngā huritaonga Summary of considerations
<i>Fit with Council's roles or with Committee's terms of reference</i> The Forward Work Programme is designed to cover the key items in the Committee Terms of Reference.
<i>Contribution to Annual Plan / Long Term Plan / Other key strategies and policies</i> The Committee terms of reference includes the review and monitor performance under Council's Financial Strategy and to oversee, review, and report on Greater Wellington's discharge of its responsibilities in the areas of financial management; risk management; statutory reporting including the Annual Plan and Long Term Plan; internal and external audit and assurance; and monitoring of compliance with laws and regulations (including health and safety).
<i>Internal consultation</i> Regular report writers to the Committee were consulted.
<i>Risks and impacts - legal / health and safety etc.</i> There are no known risks for this report.

28 November 2023

Report 23.566

FRAC Work Programme 2023/24

Focus areas	November 2023	February 2024	May 2024	August 2024
Overall meeting focus				
Financial Management	Q1 report	Q2 report	Q3 report	Q4 draft report
		Fraud data analytics report	Fraud Maturity Assessment report	
	Financial Policies review	Treasury Policy update (for approval and recommendation to Council to approve)		
Risk Management	Health Safety and Wellbeing	Health Safety and Wellbeing	Health Safety and Wellbeing	Health Safety and Wellbeing
	Harbours Management – Risk and Compliance	Harbours Management – Risk and Compliance	Harbours Management – Risk and Compliance	Harbours Management – Risk and Compliance
	Risk workshop (see below)	Risk workshop (see below)	Risk workshop (see below)	Risk workshop (see below)
	Risk review and update including legal compliance	Risk review and update	Risk review and update	Risk review and update
		Cyber Security Update	Climate Change	Cyber Security Update
				Interest Risk Management and Position
				Insurance Review
				Risk Appetite review

Focus areas	November 2023	February 2024	May 2024	August 2024
Business Assurance	<ol style="list-style-type: none"> Assurance update Progress update on Fleet management internal audit Report on Snapper Revenue Collection 	<ol style="list-style-type: none"> Assurance update Report on fleet management Progress update on Core Financial controls 	<ol style="list-style-type: none"> Assurance update Report on core financial controls Progress update on indirect taxes Proposed assurance plan for 2024-27 	<ol style="list-style-type: none"> Assurance update Report on indirect taxes Endorsed assurance plan for 2024-27
		Paycode review (Post Ngātahi implementation assurance of construction of payroll system)		Agree programme
Reporting and Accounting	Draft financial Strategy for the LTP (for information)	Audit report to Council on the Annual Report	Audit Report to Council on the LTP (consultation document)	Audit Report to Council on the LTP
				Fair Value Assessment of Property Plant and Equipment
				Audit Plans
Workshops TBD	<ol style="list-style-type: none"> Risk Deep Dive - Climate Change Risk Update Risk Deep Dive – Validity of planning assumptions (Assets) Risk Appetite statement 	<ol style="list-style-type: none"> Risk Deep Dive - Integrity of the network with a focus on: Kiwirail - network investment backlog and the Wellington Railway Station – earthquake risk and impact on public transport 	<ol style="list-style-type: none"> Risk Deep Dive - Environment compliance assessment 	<ol style="list-style-type: none"> Risk Deep Dive - Waste water non-compliance & density housing on flood plains
Out of cycle items: - Annual Report - Affordable water reforms				

Finance Risk and Assurance Committee
28 November 2023
Report 23.595



For Decision

QUARTERLY FINANCE UPDATE – QUARTER ONE

Te take mō te pūrongo

Purpose

1. To advise the Finance, Risk and Assurance Committee (the Committee) of Greater Wellington Regional Council's (Greater Wellington) financial reports for the quarter ended 30 September 2023 which has been included as [Attachment 1](#).

He tūtohu

Recommendations

That the Committee:

- 1 **Accepts** the financial report for the first quarter ended 30 September 2023, including Attachment 1.

Te tātaritanga

Analysis

Key results

2. The result to September 2023 is a (\$14.4 million) operating deficit. Greater Wellington had budgeted for an operating deficit of (\$5.4 million), resulting in \$9.0 million unfavourable variance.
3. Total operating revenue was \$18.0 million lower than budget. Materially driven by:
 - a Reduced fare revenue of \$14.0 million, due to providing half-price fares for public transport through July and August 2023 without Waka Kotahi subsidy (estimated to be \$7.1 million) and change in travel behaviour since the patronage level assumptions were set, \$6.7 million. Discussions are ongoing with Waka Kotahi to obtain additional support.
 - b Lower grants and subsidies revenue of \$4.2 million due to slow start with capital and operational projects within Metlink. Partially offsetting this is grants and subsidies expenditure which is under by \$1.4 million due to deferrals of the electric vehicle (EV) bus programme.
4. Total Expenditure was \$9.0 million lower than budget. This was driven by:
 - a Consultants, contractors, and suppliers underspent by \$9.5 million due to timing and deferrals in multiple operating expenditure (OPEX) projects across Metlink, Environment and Strategy (Let's Get Wellington Moving).

- b Finance costs are up \$1.8 million due to increased interest rates. This is partially offset by additional investment revenue of \$1.4 million leaving a net negative impact of \$0.4 million in total.
- 5. Capital Expenditure is 36% behind budget mostly due to Riverlink work being heavily scheduled for the second half of the financial year when the alliance partner has come on board and other project delays caused by the winter weather.

Ngā hua ahumoni
Financial implications

- 6. This report reviews performance against the financial statements in Council’s 2023/24 Annual Plan and any re-budgets that council has approved.

Ngā Take e hāngai ana te iwi Māori
Implications for Māori

- 7. Improving outcomes for mana whenua and Māori is one of the overarching strategic priorities in the Greater Wellington’s 2021-31 Long Term Plan, and therefore is inherently reported within the financial results.

Ngā tikanga whakatau
Decision-making process

- 8. The matters requiring decision in this report were considered by officers against the decision-making requirements of Part 6 of the Local Government Act 2002.

Te hiranga
Significance

- 9. Officers considered the significance (as defined by Part 6 of the Local Government Act 2002) of the matters for decision, taking into account Council’s *Significance and Engagement Policy* and Greater Wellington’s *Decision-making Guidelines*. Officers consider that the matters outlined in the report are of low significance because of their administrative nature.

Te whakatūtakitaki
Engagement

- 10. Because of the low significance no external engagement is necessary.

Ngā tūāoma e whai ake nei
Next steps

- 11. The Quarter 2 report will be presented to the Committee in February 2024.

Ngā āpitihanga

Attachment

Number	Title
1	Financial Report Q1 2023-24

Ngā kaiwaitohu

Signatories

Writer	Darryl Joyce – Manager Accounting Services
Approver	Alison Trustrum-Rainey – Kaiwhakahaere Matua, Pūtea me ngā Tūraru Group Manager Finance and Risk

He whakarāpopoto i ngā huritaonga Summary of considerations
<i>Fit with Council's roles or with Committee's terms of reference</i> The Committee's specific responsibilities include to "review the robustness of the organisation's financial performance".
<i>Contribution to Annual Plan / Long Term Plan / Other key strategies and policies</i> The report reviews performance against the financial statements in Council's 22/23 Annual Plan.
<i>Internal consultation</i> All business groups contribute to Greater Wellington's financial performance.
<i>Risks and impacts - legal / health and safety etc.</i> There are no risks arising from this report.

FRAC Report (Q1)

This report provides year to date financials for period ending 30 September 2023 with comparisons to the budget set in the 2023-24 Annual Plan and includes re-budgets approved by Council.

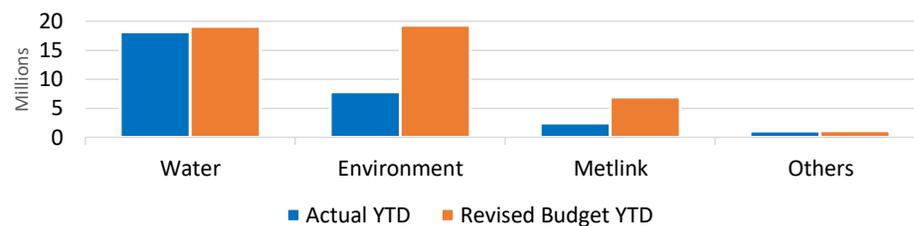
Summarised Profit and Loss as at September 2023

Summarised Profit and Loss as at September 2023

	Year to date			Variance	Full Year Revised Budget \$000s
	Actual \$000s	Revised Budget \$000s	\$000s		
Operating Revenue					
Rates and Levies	66,091	65,905	185	0%	263,622
Grants and Subsidies	35,477	39,635	(4,158)	-10%	157,953
Other Revenue	24,125	38,194	(14,069)	-37%	162,189
Total Operating Revenue	125,693	143,735	(18,042)	-13%	583,764
Operating Expenditure					
Personnel	20,417	20,426	(09)	0%	83,878
Grants and Subsidies	61,574	62,941	(1,367)	-2%	252,152
Consultants, Contractors and Suppliers	38,320	47,802	(9,482)	-20%	183,769
Finance Costs	11,462	9,659	1,804	19%	42,252
Depreciation	8,327	8,328	(01)	0%	33,181
Total Operating Expenditure	140,100	149,156	(9,056)	-6%	595,232
Operating Surplus/(Deficit) before other items	(14,407)	(5,421)	(8,986)	166%	(11,468)
Fair Value Movements	-	-	-	0%	-
Operating Surplus/(Deficit)	(14,407)	(5,421)	(8,986)	166%	(11,468)
Capital Expenditure	29,585	46,451	(16,866)	-36%	188,993

** Revised budget is budget set in the 2023-24 Annual Plan plus re-budgets approved by Council

Capital Expenditure by Group



Quarter 1 FRAC Report for 2023/24 Financial Year

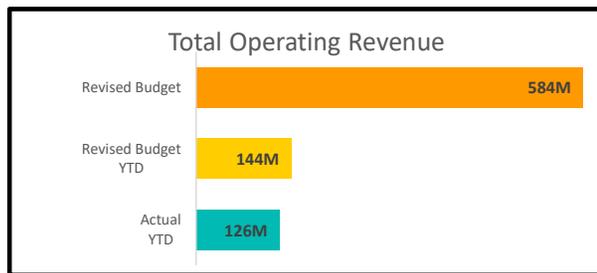
The result to September 2023 is a (\$14.4m) operating deficit. GWRC had budgeted for an operating deficit of (\$5.4m), resulting in (\$9.0m) unfavourable variance mainly derived by:

- Reduced fare revenue of (\$14.1m), due to providing half-price fares for public transport through July and August without Waka Kotahi subsidy (estimated to be \$7.1m) and change in travel behaviour since the patronage level assumptions were set, (\$6.7m). Discussions are ongoing with Waka Kotahi to obtain additional support.
- Lower grants and subsidies revenue of (\$4.2m) due to slow start with capital and operational projects within Metlink. These are offset by underspent in multiple OPEX projects across Metlink, Environment and Strategy (LGWM) of \$10.9m.
- Finance costs are up (\$1.8m) due to increased interest rates. This is partially offset by additional investment revenue of \$1.4m leaving a net negative impact of (\$0.4m) in total.
- Capital Expenditure is 36% behind budget mostly due to Riverlink work being heavily scheduled for the second half of the financial year when the alliance partner has come on board and other project delays caused by the winter weather.

Other Items of Interest:

- Council is fully compliant with the Treasury Risk Management Policy as of 30 September 2023.
- Green loans relating to 2022/23 Riverlink capital expenditure to the value of \$14m have been drawn down in 2023/24. The Riverlink project qualifies for green loans at a favourable loan rate from the LGFA as it supports climate change adaptation.
- Council currently has external debt of \$898m up from a starting balance of \$775m on 1 July 2023, of which \$96m is pre-funded debt.
- Council currently holds investments (excluding subsidiaries) of \$338m up from a starting balance of \$247m on 1 July 2023. This includes water contingency investments of \$50m, and pre-funding of \$96m.

Key Variance Commentary

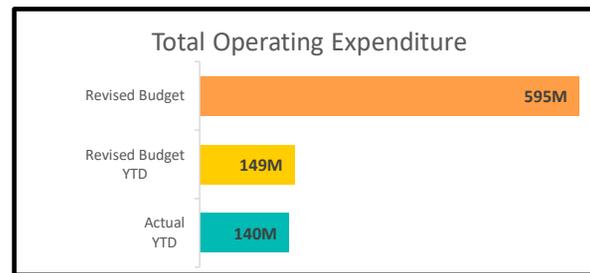


Metlink PT –

Council approved half-price fares for public transport through July and August without Waka Kotahi support has reduced farebox **(estimated \$7.1m)**

The balance of the reduced fare box is contributed to a change in travel behaviours since the patronage level assumptions were set. **(\$6.7m)**

A slow start with capital and operational projects within Metlink. **(\$4.2m)**



Metlink PT –

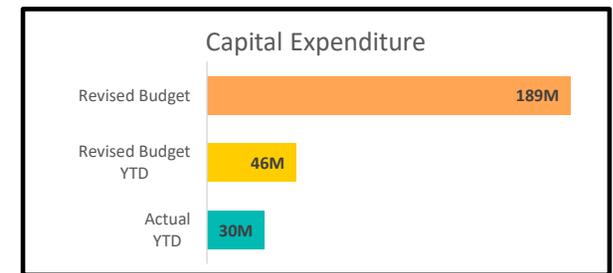
Underspent in deferrals of the EV bus programme, bus fleet and regional shelter projects. **\$5.5m**

Environment –

Timing of Pinehaven, river maintenance, and numerous monitoring programmes. **\$1.9m**

Strategy –

Contractor & Consultants is underspent driven by Let’s Get Wellington Moving. **\$3.0m**



Metlink PT –

National Ticketing Solution Transition is still being finalised. There is possibility of this project to be classified as operating instead of capital **(\$2.3m)**

Environment –

RiverLink implementation is behind budget due to work heavily scheduled for the second half of the financial year when the alliance partner comes on board. This will be re-assessed in November forecast **(\$9.7m)**

Environment September 2023

Favourable:  Caution:  Unfavourable: 

Environment Group

September 2023

	Year to Date				Full Year Budget
	Actual	Budget	Variance	% Variance	
Operational Revenue					
Rates	21,484,246	21,484,618	(371)	0%	85,938,471
Grants & Subs	1,856,484	983,112	873,372	89%	3,159,630
Fees Charges & Other	6,732,937	7,670,707	(937,770)	-12%	34,860,996
Total Operating Revenue	30,073,668	30,138,437	(64,770)	0%	123,959,097
Operational Expenditure					
Personnel	8,250,177	8,434,881	(184,704)	-2%	36,048,062
Materials, Supplies & Services	2,950,632	3,426,601	(475,969)	-14%	12,393,428
Contractor & Consultants	5,902,930	7,810,735	(1,907,805)	-24%	28,295,048
Grants & Subsidies Expenditure	48,897	28,497	20,400	72%	113,986
Other	2,087,445	1,605,044	482,401	30%	4,918,986
Interest	2,398,312	2,432,306	(33,995)	-1%	11,122,925
Total Operating Expenditure	21,638,392	23,738,063	(2,099,672)	-9%	92,892,436
Overheads	5,872,782	5,915,067	(42,285)	-1%	23,491,131
Operational Surplus/(Deficit)	2,562,494	485,307	2,077,187	428%	7,575,531
Net Capital Expenditure	7,850,899	19,308,106	(11,457,207)	-59%	77,506,635

Operating Revenue is **on budget** due to:

- Reduced consent application and Land & Environment Plan revenue offset by additional MPI revenue for 1 Billion Tree (1BT) and Hill Country Erosion projects and MfE revenue for various Jobs for Nature (JfN) projects.

Operating Expenditure is **favourable \$2m** due to:

- Contractor & Consultants are \$1.9m behind budget because of timing of Pinehaven (\$0.9m), river maintenance, Environment Restoration expenditure and numerous monitoring programmes.
- Other was \$0.5m over budget due to Akura internal purchases for planting programmes, partly offset by savings in materials and contractors.



Capital Expenditure is **underspent by \$11.5m** due to:

- RiverLink implementation is \$9.7m behind budget, work is heavily scheduled for the second half of the financial year. This will be re-assessed in November forecast.
- Kapiti FMP implementation is \$0.3m behind budget - Otaki FMP review & modelling delays, property purchase delays
- Te Kauru FMP Implementation is \$0.5m behind budget – River Road works scheduled to begin in 2nd half of the financial year.



Capex Projects by Direct Expenditure for Environment Group September 2023

Project Name	Year to Date			Full Year Budget
	Actual	Budget	Variance %	
RiverLink Implementation	5,283,109	14,941,372	-64.64%	59,765,483
RiverLink Property Purchase	1,585,177	1,707,813	-7.18%	6,831,253
Te Kauru Catchment	28,720	514,498	-94.42%	2,058,000
ES Network Capex	145,350	355,710	-59.14%	1,422,842
Waikanae River	6,339	179,595	-96.47%	718,381

Metlink September 2023

Favourable: ● Caution: ● Unfavourable: ●

Metlink

September 2023

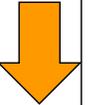
	Year to Date				Full Year Budget
	Actual	Budget	Variance	% Variance	
Operational Revenue					
Rates	28,230,892	28,230,892	00	0%	113,009,367
Grants & Subs	32,932,195	37,890,335	(4,958,139)	-13%	151,614,978
Fees Charges & Other	14,077,560	28,789,987	(14,712,427)	-51%	115,159,948
Total Operating Revenue	75,240,647	94,911,213	(19,670,566)	-21%	379,784,292
Operational Expenditure					
Personnel	3,207,147	2,874,874	332,272	12%	11,499,497
Materials, Supplies & Services	2,091,923	3,439,426	(1,347,502)	-39%	13,358,581
Contractor & Consultants	5,328,009	8,765,968	(3,437,958)	-39%	35,089,469
Grants & Subsidies Expenditure	60,475,172	61,162,452	(687,280)	-1%	245,037,517
Other	-	6,189	(6,189)	-100%	26,374
Interest	3,447,585	3,260,600	186,986	6%	13,466,092
Total Operating Expenditure	74,549,837	79,509,508	(4,959,671)	-6%	318,477,530
Overheads	4,266,316	4,301,915	(35,599)	-1%	17,065,267
Operational Surplus/(Deficit)	(3,575,506)	11,099,790	(14,675,296)	-132%	44,241,495
Net Capital Expenditure	2,473,598	6,928,871	(4,455,273)	-64%	30,715,485
Investment in Greater Wellington Rail	2,915,159	6,506,822	(3,591,663)	-55%	26,027,289

Top Capex Projects by Direct Expenditure for Metlink September 2023

Project Name	Year to Date			Full Year Budget
	Actual	Budget	Variance %	
AI - Fixed Asset Maintenance CAPEX	1,941,145	3,699,463	-48%	14,797,852
AI - Rolling Stock Capex	1,074,029	3,260,014	-67%	13,040,055
AI - Fixed Asset Maintenance CAPEX	1,841,130	3,080,765	-40%	12,323,059
GWRC Tickting/Transition	160,379	2,500,000	-177%	13,000,000

Operating Revenue unfavourable \$19.7m due to:

- Grants and Subsidies - Revenue is \$4.9m lower than budget due to slow spend in operational and capital projects.
- Fees and Charges are below budget due to providing half price fares for public transport in Jul & Aug (Estimated to be \$7.1m) without Waka Kotahi support. Additionally (\$6.7m) is due to a change in travel behaviour post Covid against the assumption set pre Covid Forecast set in 2020.



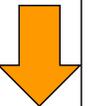
Operating Expenditure is favourable \$5.0m due to:

- Personnel expenditure is unfavourable due to additional FTE that were approved mid budgetary cycle and financed through under-spend in other cost centre expenses.
- Materials & supplies is favourable driven by delays in bus fleet and Regional shelter projects
- Grants and Subsidies and Contractors & Consultants expenditure is favourable mainly due to deferrals of the EV bus programme.



Capital Expenditure and Investment in Rail is underspent \$8.4m due to:

- National Ticketing Solution (\$2.3m) Transition is still being finalised and is likely to be project Opex instead of Capex.
- The Rolling Stock heavy maintenance (\$2.2m) is forecasted to accelerate during the summer period. The remaining variance is due to the winter period delays and is expected to recover in the summer periods.



Water Supply September 2023

Favourable:  Caution:  Unfavourable: 

Water Supply

September 2023

	Year to Date				Full Year Budget
	Actual	Budget	Variance	% Variance	
Operational Revenue					
Rates	13,284,910	13,284,910	00	0%	53,139,640
Fees Charges & Other	803,304	864,460	(61,155)	-7%	3,171,478
Total Operating Revenue	14,088,214	14,149,370	(61,155)	0%	56,311,118
Operational Expenditure					
Materials, Supplies & Services	2,610,852	2,359,580	251,272	11%	9,370,243
Contractor & Consultants	6,512,621	6,499,219	13,402	0%	25,996,877
Other	-	691	(691)	-100%	1,630
Interest	2,649,258	2,592,374	56,885	2%	11,760,615
Total Operating Expenditure	11,772,731	11,451,864	320,867	3%	47,129,365
Overheads	551,673	558,755	(7,082)	-1%	2,206,693
Operational Surplus/(Deficit)	1,763,810	2,138,751	(374,940)	-18%	6,975,060
Net Capital Expenditure	18,166,227	19,096,935	(930,709)	-5%	76,387,741

Operating Revenue is **on budget**

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

- Materials, Supplies & Services due to increased costs for insurance \$136k and electricity \$167k.



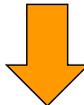
Top Capex Projects by Direct Expenditure for Water Supply

September 2023

Project Name	Year to Date			Full Year Budget	Project Type
	Actual	Budget	Variance %		
Relocate Kaitoke Main on SS Bridge	4,031,000	7,462,500	-45.98%	29,850,000	Capital - New
TM WTP Capacity Optimisation	8,724,000	7,189,737	21.34%	28,758,948	Capital - New
Kaitoke Flume Bridge	3,628,000	2,625,000	38.21%	10,500,000	Capital - New
WWL - various other capex projects	1,783,227	1,819,698	-2.00%	7,279,000	Capital - New

Capital Expenditure is **underspent by \$0.9m** due to:

- Sliverstream Pipe Bridge project is behind schedule due to some tasks being re-scheduled.
- TM WTP capacity upgrade cost have increased due to scope adjustments, seismic requirements. A briefing paper was presented related to this.



People & Customer September 2023

Favourable:  Caution:  Unfavourable: 

People & Customer

September 2023

	Year to Date				Full Year Budget
	Actual	Budget	Variance	% Variance	
Operational Revenue					
Fees Charges & Other	43,547	70,905	(27,358)	-39%	283,621
Total Operating Revenue	43,547	70,905	(27,358)	-39%	283,621
Operational Expenditure					
Personnel	2,637,112	2,715,138	(78,026)	-3%	10,860,552
Materials, Supplies & Services	404,764	547,456	(142,692)	-26%	2,054,079
Contractor & Consultants	156,673	147,938	8,735	6%	591,777
Other	326,773	253,119	73,654	29%	1,012,476
Interest	139	786	(646)	-82%	72,901
Total Operating Expenditure	3,525,461	3,664,437	(138,976)	-4%	14,591,785
Overheads	(3,495,352)	(3,595,710)	100,358	-3%	(13,981,411)
Operational Surplus/(Deficit)	13,438	2,179	11,259	517%	(326,753)
Net Capital Expenditure	650,248	585,165	65,083	11%	2,340,661

Operating Revenue is **\$27k unfavourable** to budget due to lower KESAW (PIKO) internal charges than budgeted.

Operating Expenditure is **favourable by \$0.1m** due to:

- Personnel costs \$0.1m lower than budgeted, with some roles still vacant across the group.
- Materials, Supplies & Services are favourable by \$0.1m driven by Customer Engagement with some advertisement yet to launch



Capital Projects by Direct Expenditure for People & Customer

September 2023

Project Name	Year to Date			Full Year Budget
	Actual	Budget	Variance %	
Website Development	-	18,750	-100.00%	75,000
Vehicle Purchases	650,248	566,415	14.80%	2,265,661

Capital Expenditure is **\$0.1m overspent** due to:

- Vehicle purchases. We expect this variance to reduce in the coming months



Strategy September 2023

Favourable:  Caution:  Unfavourable: 

Strategy

September 2023

	Year to Date				Full Year Budget
	Actual	Budget	Variance	% Variance	
Operational Revenue					
Rates	3,442,501	3,442,501	00	0%	13,770,006
Grants & Subs	687,878	692,893	(5,016)	-1%	2,818,762
Fees Charges & Other	739,369	652,674	86,695	13%	3,545,694
Total Operating Revenue	4,869,748	4,788,068	81,679	2%	20,134,462
Operational Expenditure					
Personnel	1,726,028	1,792,479	(66,451)	-4%	7,035,312
Materials, Supplies & Services	448,168	490,403	(42,235)	-9%	2,098,975
Contractor & Consultants	4,548,349	7,426,541	(2,878,191)	-39%	30,040,633
Grants & Subsidies Expenditure	1,147,665	1,167,635	(19,971)	-2%	4,670,542
Other	398,202	403,987	(5,785)	-1%	1,615,948
Interest	292,941	295,739	(2,798)	-1%	1,684,453
Total Operating Expenditure	8,561,353	11,576,784	(3,015,431)	-26%	47,145,863
Overheads	295,315	301,846	(6,531)	-2%	1,181,261
Operational Surplus/(Deficit)	(3,986,921)	(7,090,562)	3,103,641	-44%	(28,192,662)
Net Capital Expenditure	39,126	50,000	(10,875)	-22%	215,000

Capex Project for Strategy

September 2023

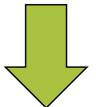
Project Name	Year to Date			Full Year Budget
	Actual	Budget	Variance %	
Transport Model	39,126	50,000	-21.75%	200,000

Operating Revenue is **\$0.1m favourable** to budget driven by additional LGWM revenue offsetting OPEX.



Operating Expenditure is **favourable \$3.0m** due to:

- Contractor & Consultants is underspent by \$3.0m driven by Let's Get Wellington Moving.



Capital Expenditure is on budget :

- The Transport Model is Strategy's only capital project, currently tracking according to budget.

Corporate Services September 2023

Favourable:  Caution:  Unfavourable: 

Corporate Services

September 2023

	Year to Date				Full Year Budget
	Actual	Budget	Variance	% Variance	
Operational Revenue					
Rates	472,094	246,587	225,507	91%	986,350
Grants & Subs	-	90,000	(90,000)	-100%	360,000
Fees Charges & Other	276,191	242,723	33,468	14%	970,892
Total Operating Revenue	748,285	579,311	168,975	29%	2,317,242
Operational Expenditure					
Personnel	3,006,333	3,152,461	(146,128)	-5%	12,609,843
Materials, Supplies & Services	3,033,340	2,523,819	509,521	20%	10,095,269
Contractor & Consultants	1,795,173	2,182,790	(387,617)	-18%	8,789,007
Other	46,109	49,091	(2,982)	-6%	196,365
Interest	360,778	365,897	(5,120)	-1%	1,526,441
Total Operating Expenditure	8,241,732	8,274,058	(32,326)	0%	33,216,925
Overheads	(7,586,979)	(7,587,490)	510	0%	(30,347,917)
Warm Wellington	(226,370)	(226,370)	00	0%	(916,800)
Operational Surplus/(Deficit)	(132,837)	(333,628)	200,791	-60%	(1,468,566)
Net Capital Expenditure	404,571	481,552	(76,981)	-16%	1,827,803

Capex Projects by Direct Expenditure for Corporate Services

September 2023

Project Name	Year to Date			Full Year Budget
	Actual	Budget	Variance %	
EUS Hardware	266,511	231,552	15.10%	827,802
Office Upgrades (CAPEX)	138,060	250,000	-44.78%	1,000,000

Operating Revenue is **\$0.2m favourable** due to:

- Rates \$0.2m favourable, driven by rates penalties

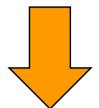


Operating Expenditure is on budget

- Personnel \$0.1m favourable, due to some vacant positions in the group.
- Materials, Supplies & Services \$0.5m unfavourable, driven by a wash-up of rental insurance payment relating to the last financial year.
- Contractors & Consultants 0.4m favourable with some initiatives in the ICT space budgeted not yet kicked off.

Capital Expenditure is **\$0.1m underspent** due to:

- Property upgrades below budget for the month of July



Te Hunga Whiriwhiri September 2023

Favourable:  Caution:  Unfavourable: 

Te Hunga Whiriwhiri

September 2023

	Year to Date				Full Year Budget
	Actual	Budget	Variance	% Variance	
Operational Revenue					
Rates	1,279,951	1,270,509	9,443	1%	5,082,035
Fees Charges & Other	88,116	-	88,116	0%	-
Total Operating Revenue	1,368,067	1,270,509	97,559	8%	5,082,035
Operational Expenditure					
Personnel	509,020	581,146	(72,126)	-12%	2,324,583
Materials, Supplies & Services	10,992	3,550	7,443	210%	14,198
Contractor & Consultants	1,470,289	1,459,619	10,670	1%	2,081,449
Other	8,185	2,852	5,332	187%	11,409
Total Operating Expenditure	1,998,485	2,047,166	(48,681)	-2%	4,431,639
Overheads	238,849	246,701	(7,852)	-3%	955,396
Operational Surplus/(Deficit)	(869,267)	(1,023,358)	154,091	-15%	(305,000)

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

- Fees Charges & Other, with internal revenue from the Environment Group for Mauri Tūhono. This will get offset during the year in the OPEX line.



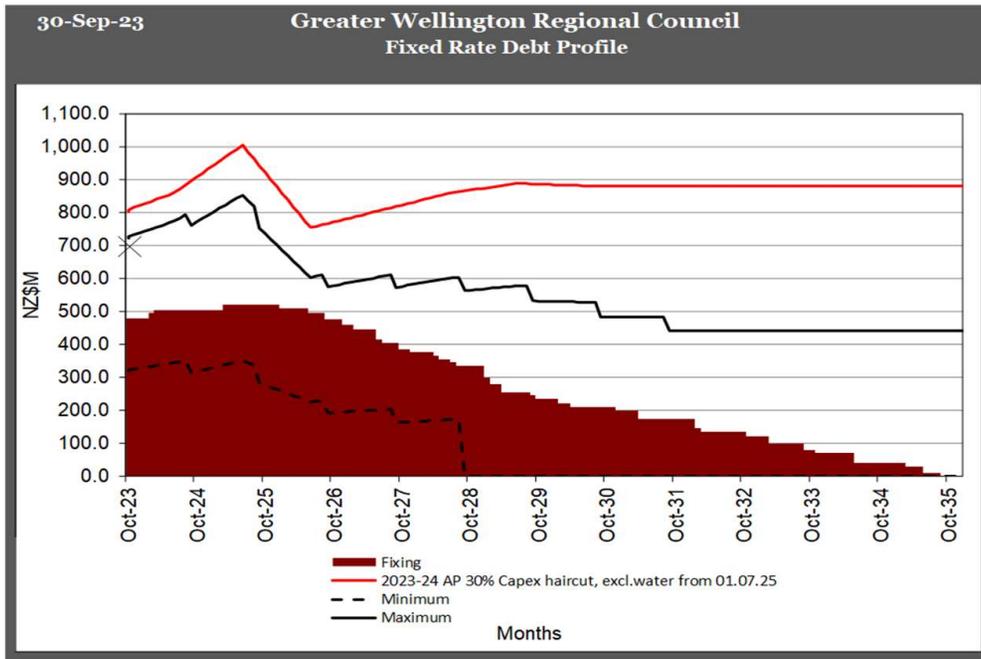
Operating Expenditure is on budget

- Personnel costs, is \$0.1m favourable with several FTE vacancies in the group.

Capital Expenditure:

Note - There is no budgeted capital expenditure.

Compliance with Treasury Risk Management Policy September 2023



	Compliant	
	Yes	No actual %
Counterparty credit exposure with New Zealand registered banks which have a credit rating of at least A-, long term, and A2 short term	✓	
Other counterparty exposure within policy limits	✓	
Maximum counterparty exposure with a NZ registered bank is within \$157 million limit	✓	
The repricing of liquid financial investments are to occur within the following timebands		
0 - 1 year	70% - 100%	✓ 100%
1 - 5 years	0% - 30%	✓ 0%
Core Council External Borrowing Limits - Ratios		
Net Debt / Total Revenue < 290%	✓	108.8%
Net interest / Total Revenue < 20%	✓	5.6%
Net interest / Annual rates and levies < 30%	✓	11.0%
Liquidity > 110%	✓	124%

Total Council Limit Compliance Analysis 30 September 2023			Compliant	
			Yes	No actual %
Debt Interest Rate Policy Parameters - based on 2021-51 LTP less 35% haircut				
Current	40% - 90%	✓	61%	
year 1	40% - 90%	✓	56%	
year 2	35% - 85%	✓	55%	
year 3	30% - 80%	✓	62%	
year 4	25% - 75%	✓	49%	
year 5	20% - 70%	✓	39%	
year 6	0% - 65%	✓	28%	
year 7	0% - 60%	✓	24%	
year 8	0% - 55%	✓	20%	
year 9	0% - 50%	✓	15%	
year 10	0% - 50%	✓	9%	
year 11	0% - 50%	✓	5%	
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%	✓	33%	
3 - 7 years	25% - 85%	✓	43%	
> 7 years	10% - 60%	✓	24%	



**Finance, Risk and Assurance Committee
28 November 2023
Report 23.579**

For Information

FINANCIAL POLICIES AND DELEGATIONS UPDATE

Te take mō te pūrongo

Purpose

1. To inform the Finance, Risk and Assurance Committee (the Committee) on the outcomes of the recent changes to the internal financial policies and financial delegations.

Te tāhū kōrero

Background

2. In July 2023, a revised suite of internal financial policies (the Financial Policies Handbook), and a new financial delegation's structure began following the executive leadership team's (ELT) approval in June 2023.
3. On 15 August 2023, the Committee was informed of the changes to the policies and the delegations (*Review of Financial Delegations - Report 23.327*). This report outlined the challenges faced and the changes made. Following this, the Committee have requested an update on the effects of these changes.

Te tātaritanga

Analysis

The Financial Policies

4. When the policies were launched, they were met with both praise and criticism as well as a range of attempts to interpret the guidelines or find contradictions. This is common behaviour with a new policy. To address the challenges, we made ourselves accessible, attaching a human face to the policies. This created known points of contact for anyone with questions, complaints, or seeking advice.
5. Face-to-face engagement with staff to discuss the policies, ask questions and give feedback was the most effective way to implement and encourage use of the policies, so meetings were held across the region:
 - Two all staff Q&A sessions held at the Upper Hutt office.
 - Three days in Masterton (including one workshop) – mix of invited meetings for field staff, meetings for officer staff (particularly business support), and all of office Q&A.
 - Team Leaders meeting

- Executive Assistants group meeting
 - Business Support team meetings
 - HR team meeting
 - Strategy Group managers meeting
 - Events team meeting
 - Finance team meeting
6. A set of one-pagers ([Attachment 1](#) – note: the link at the end of this attachment is accessible by internal staff only) was circulated around and used at a range of Q&A meetings to help communicate the importance of the policies.

Feedback from staff

7. A survey was sent out to a range of groups for anyone willing to have their say, to help us understand the impacts of the new financial policies ([Attachment 2](#)). The results:
- 92% were aware of the new financial policies.
 - 78% have seen (opened, skim read, studied etc.) the '*Financial Policies Handbook*'.
 - Staffs understanding of financial policies increased from an average of 2.6 out of 5, to an average of 3.53 out of 5.
 - 64% said these policies have improved decision-making for expenditure.
 - 59% said they feel these policies have helped them in their job, 27% unsure, and only 5% felt they do not help them.
 - From the questions regarding the education and awareness campaign, it is obvious that face-to-face interactions work the best and were appreciated the most.
 - Only 30% said they have had 'education sessions' about other Greater Wellington policies.
 - Only 3% said they aren't sure where to access a copy of the Handbook.

Noticeable changes we're seeing:

8. Staff are seeking more advice and discussing matters with the Finance team more often. This enables the Finance team to guide and advise staff to do right thing the first time. This helps prevent the need for future follow-ups. People asking when they are not sure, is essential to improvement.
9. Once staff were able to understand why some parts of policies were the way they were, they become more focused to do the right thing and are more open to discussing the policies. We have observed the term 'as per the policy' is much more frequent in emails and enquiries.
10. Another observation is that more staff, particularly those in the Business Support team, are more likely to decline requests, such as catering or accommodation because they are using the policies as tools. They are also using the policies to educate others when the request does not meet the requirements for expenditure.

Key challenges still being faced:

11. “Do I have budget? Yes! Approved.” appears to still be the leading consideration managers are using in their decision-making process. We believe that there is a need for further education and improvement in applying the principles of the *Sensitive Expenditure Policy*, and for more caution to be exercised with mindful consideration in the use of public funds.
12. The coding of expenditure and the need for correct descriptions also require further attention. Without precise information, reporting on expenditure categories becomes challenging, impeding the tracking of budget utilisation. Accurate identification, encompassing coding and detailed descriptions, is crucial for clarifying what should or should not be expensed individually, versus through a procurement process. This ensures that expenses are justified and capable of withstanding public scrutiny.

Financial Delegations

13. A ‘role-based’ approach was chosen as it generated a more ‘fit-for-purpose’ structure, offering a more efficient and effective approval process for each group which have different budgets deliverables.
14. It is too early yet to measure the success of the changes made, however, our financial system, Ngātahi has provided us with some observations:
 - Metlink Public Transport appear to be the significant benefactors from the revised structure. This is because they have a substantial budget and extensive expenditure requirements. Their average expenditure approval is in the millions, which can in many cases, now be signed off by the Group Manager Metlink.
 - More expenditure is being approved by those who fully understand the nature of the expense and its requirements. This is reducing the burden and the risk management at a higher level.
15. The education and awareness with the delegations has prompted some managers to question the delegations of some of their team, having them paused until they were able to train them and have confidence that they understood policy and processes. This is important to improving the safeguard mechanism of the one up approval process.

Ngā hua ahumoni

Financial implications

16. There are no known financial implications arising from this report.

Ngā Take e hāngai ana te iwi Māori

Implications for Māori

17. There are no known impacts for Māori arising from this report.

Ngā tūāoma e whai ake nei

Next steps

18. We will continue to monitor the effectiveness of the policies and delegations and the safeguard mechanisms. If issues are found, we will look to a solution to mitigate or resolve them.
19. The next suite of internal financial policies is in progress which will be ready in time to be effective from 1 July 2024. They are:
 - Sensitive Expenditure Policy
 - Treasury Risk Management Policy
 - Fraud and Corruption Policy
 - Asset Accounting Policy
 - Koha Policy (led by Te Hunga Whiriwhiri)
20. The external facing financial policies are also being reviewed and will be approved alongside the 2024-34 Long-Term Plan. They are:
 - Revenue and Financing Policy
 - Rate Remission Policy
 - Fees and Charges Policy

Ngā āpitihanga

Attachments

Number	Title
1	Policy one-pagers
2	Financial Policy Survey Results

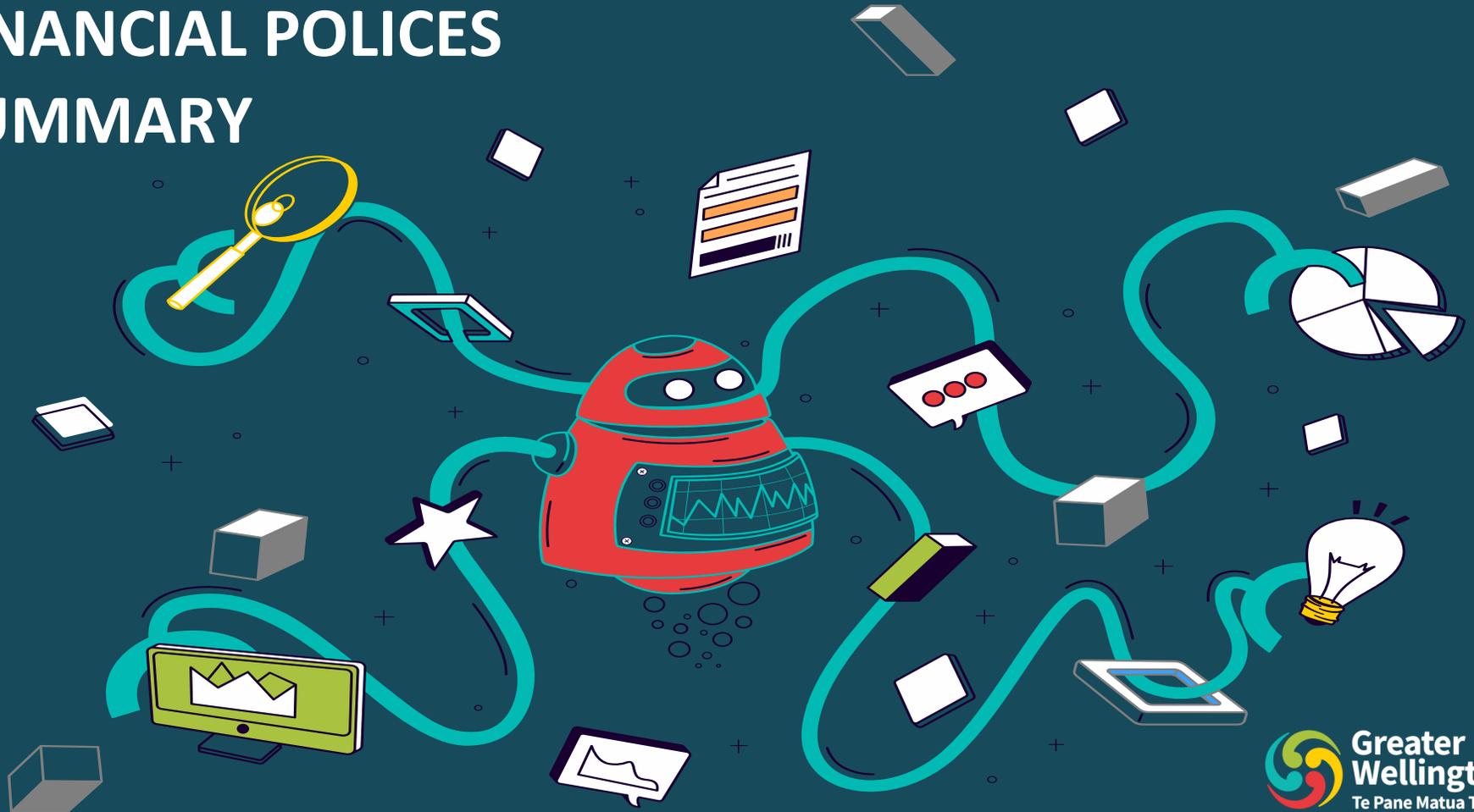
Ngā kaiwaitohu

Signatories

Writer	Kyn Drake – Project Manager, Financial Policies
Approver	Alison Trustrum-Rainey – Group Manager, Finance and Risk

He whakarāpopoto i ngā huritaonga Summary of considerations
<i>Fit with Council's roles or with Committee's terms of reference</i> The Committee has the specific responsibility to "Review the effectiveness of Greater Wellington's financial management and performance, including proposed changes, with a particular focus on the effectiveness of Greater Wellington's financial management policies and frameworks for, and the robustness of, the organisation's financial performance."
<i>Contribution to Annual Plan / Long Term Plan / Other key strategies and policies</i> The internal financial policies and delegations guide staff to manage expenditure the right way, being accountable for the funds collected to implement the Long Term Plan and/or Annual Plan
<i>Internal consultation</i> Internal engagement was run as part of the education and awareness campaign.
<i>Risks and impacts - legal / health and safety etc.</i> No impacts identified.

FINANCIAL POLICES SUMMARY





SENSITIVE EXPENDITURE POLICY

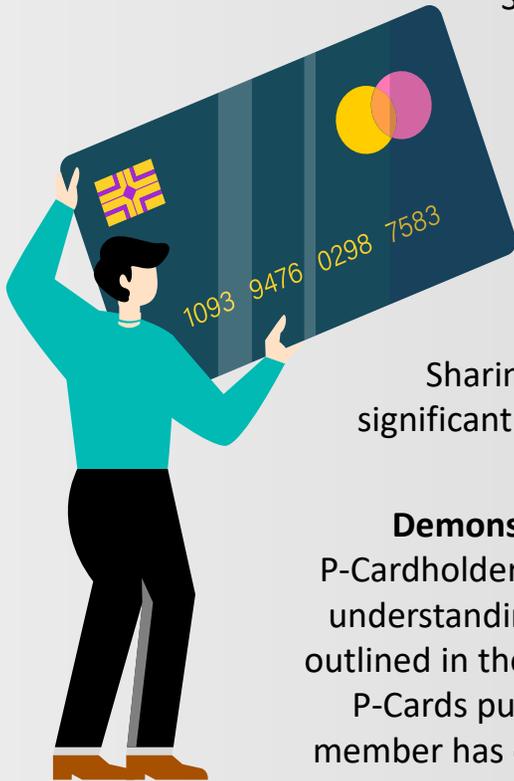
Staff need to consider the sensitive expenditure principles better to make sure they are spending public funds appropriately.



Expenditure decisions must adhere to the following principles.

- They must have a justifiable business purpose that is consistent with GW's objectives.
- Impartiality must be preserved. Impartiality in this context, means decisions are based on objective criteria, rather than based on any sort of bias, preference, or improper reason.
- They must be made with integrity. Integrity is about exercising power in a way that is true to GW's values, purposes, and duties for which that power is entrusted to, or held by, someone. It is about consistently behaving in keeping with agreed or accepted moral and ethical standards.
- They must be moderate and conservative, having regard to the circumstances, when viewed from the standpoint of the public and given the circumstances of the spending. It includes considering whether the justifiable business purpose could be achieved at a lower cost.
- They must be made transparently. Transparency in this context means being open about the spending and willing to explain any spending decisions or have them reviewed.
- They must be made with proper authority. This means that the person approving the spending has the appropriate financial delegation to do so, for the type and amount of spending and follows correct procedures.
- The expenditure must be appropriate. Appropriateness is considered both in perception and in reality, considering the individual transaction and the total amount of sensitive expenditure in the area.

P-CARD POLICY



Returning your P-card

Staff must hand their P-Card back to finance the day they resign, NOT on their last day of work.

Limit Increases

P-Card limit increase requests must be approved by the CE

Card Sharing

Sharing P-Cards is prohibited. This is significant 'Term & Condition' from the bank.

Demonstrating Responsibility

P-Cardholders who demonstrate a poor understanding of P-Card requirements outlined in the guidelines, may have their P-Cards put on pause until the staff member has completed further training.

Eligible for a P-Card

Only GW staff (FTE or Fixed-Term) are permitted to have a P-Card. No contractors/consultants are allowed.

Itemized Receipts

Receipts need to be itemized. At time of purchase, be sure to ask for more than just the EFTPOS receipt. Also, do **not include alcohol** on a receipt, even if it has been paid separately.

Procurement

P-Card should not replace GW procurement methods. Card users should plan ahead to utilize GW procurement methods.

P-Card vs Fleet Cards

P-Card should not be used for Fleet purchases. Fleet cards are available (in vehicles) for fleet related expenditure.

TRAVEL POLICY

Booking Travel/Accommodation

Staff must use GW's TMC. Contact 'Business Support' to arrange all travel and accommodation needs. Travel should not be booked on P-Cards or personal credit cards.

Extended Travel

Adding time on to business travel is permitted, if a manager approves it and it adds no additional cost to the rate payer

Food Allowance / Per-Diem

A new option is available for staff who travel on business for 2 days or more. A per-diem up to \$120 per day.

Accommodation Cap

Accommodation is capped at \$200 per night. If exceeding this, sufficient rationale must be provided.

Considering Travel

Staff need to give better consideration for if/how they travel, supporting GW's Carbon Reduction Policy. The use of bikes, public transport and other shared forms of transport over private modes is encouraged.

Travel

Travel within the Wellington Region between offices is considered BAU, therefore allowances for food, accommodation or travel are not permitted. Travel and accommodation approval for expenses must meet specific requirements.

International Travel

Must be pre-approved in writing by the CE

Rewards (Airpoints)

Staff are prohibited from collecting rewards such as airpoints as they are a personal benefit.



OUT OF REGION DEPLOYMENT POLICY

Deployment

This is a new Policy to help better equip staff that may be requested to assist in cases of emergency outside of the GW region. The Policy pulls together the key areas of information from other policies that staff on deployment need to understand.

Sensitive Expenditure

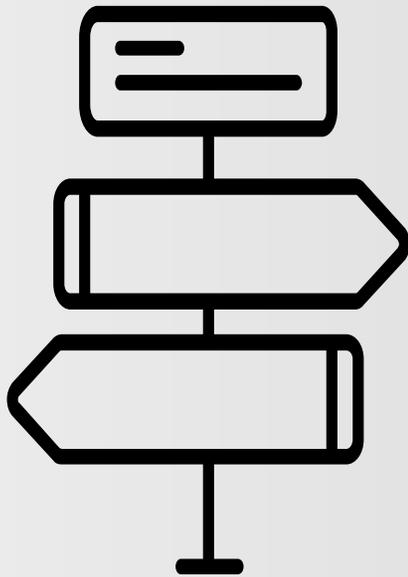
Any expense incurred while deployed must still meet the requirements of the Sensitive Expenditure Policy and have sufficient descriptions in expense claims. No claims will be approved for items that are deemed to be of personal benefit.

P-Card

The ECC should provide everything a deployed officer requires, where they do not, a P-Card can be used but itemized receipts are required for claims.

Business Resilience

Staff using this policy should liaise with the Business Resilience Team throughout their deployment assignment.



HOSPITALITY AND ENTERTAINMENT POLICY

NO Alcohol can be expensed to the rate payer.

Only the CE can approve alcohol for GW events, such as the Christmas function. BYO is permitted with manager approval.

Gift Cards or Prezzie Cards

These must be pre approved in writing by a GM, regardless of value. The approval attached in Ngatahi.

Fringe Benefit Tax

Managers must be aware of any 'Fringe Benefit Tax' implications before approving staff rewards/gifts or financial contributions.

Catering / Food

Catering internal meetings/functions is no permitted. Meetings must exceed 5 hours or have external parties to allow catering.

Staff Leaving / Recognition Events

All tier level have same expenditure allowance. The total expenditure allowed has been decreased

Food Allowance / Per-Diem

A new option is available for staff who travel on business for 2 days or more. A per-diem up to \$120 per day.
(Also refer Travel Policy)



VEHICLE POLICY

Infringements

Staff are 100% liable for any infringements they cause and must pay the received fine.

Fleetcoach

All drivers are expected to complete training before operating any GW vehicles.

E-Road App

All drivers should have the E-road app and do the safety inspection of the vehicle before they drive it.



E-Road GPS

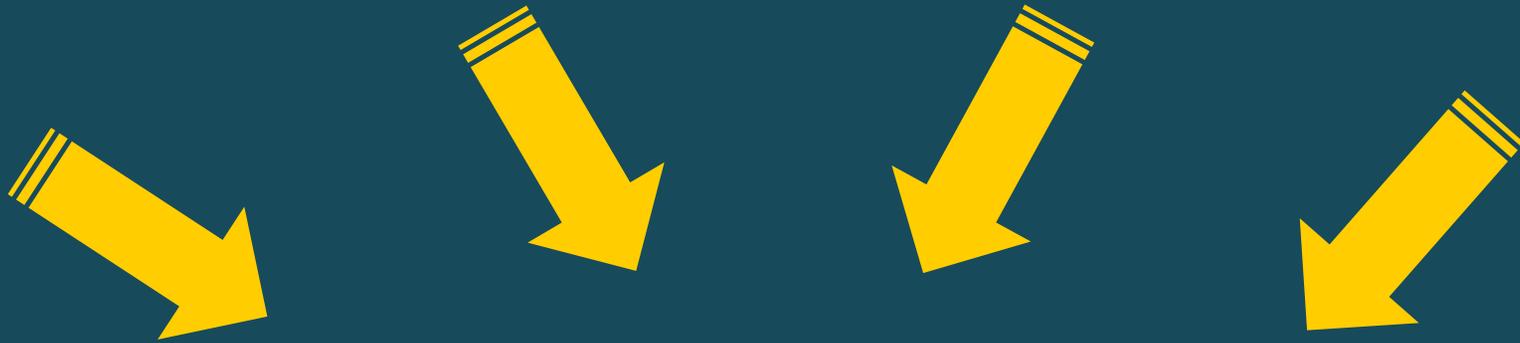
All vehicles are monitored by the E-Road GPS. The GPS will record driving information that can/will be shared with management if safety is of concern.

Electrification

GW is transitioning its fleet to electric (some field vehicles are the exception due to their needs)

Obey the laws

Staff are expected to obey all laws that apply (particularly to the conditions of the license they hold). Drivers are to be conscious of the fact GW vehicles are branded, and therefore have a duty to uphold GW's reputation

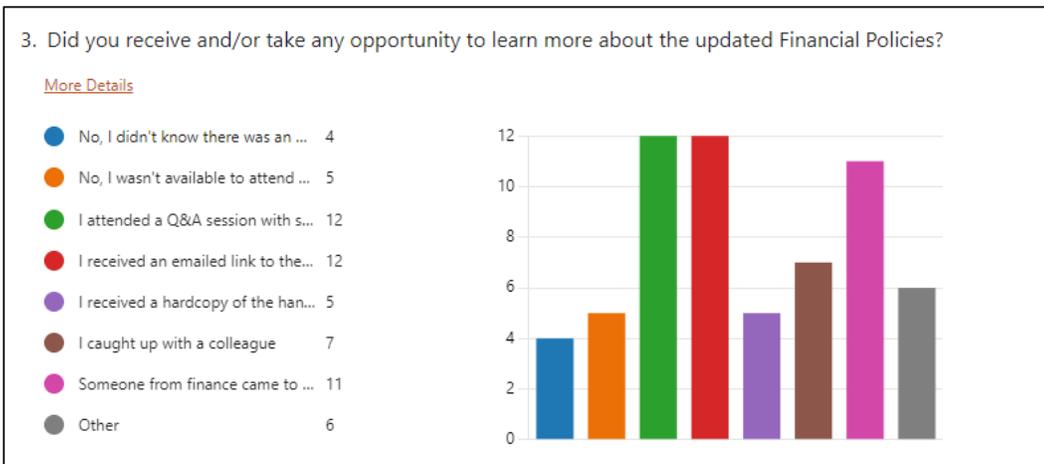
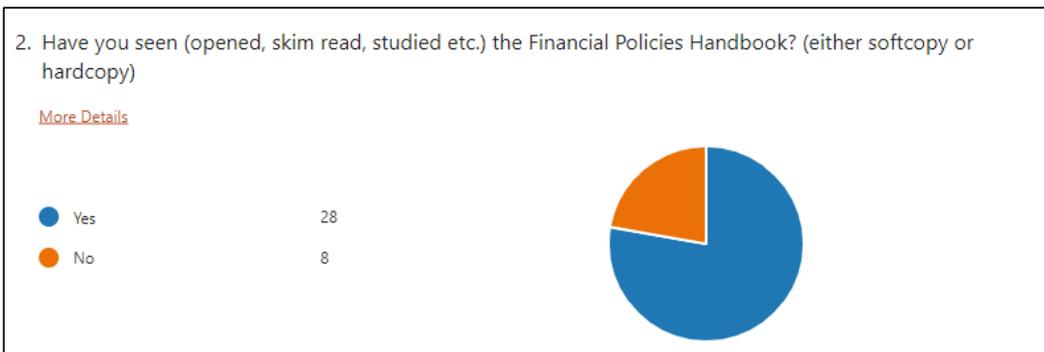
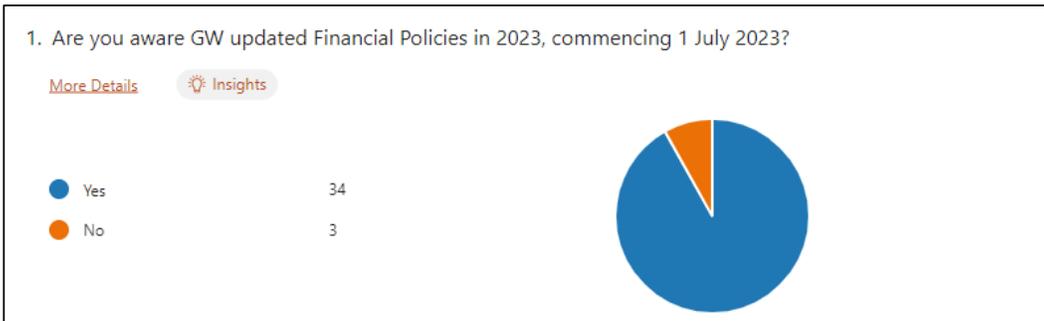


Financial Policy Handbook

On He Kete under Policies Processes and Procedures

Financial Policy Survey Results

This survey was to help understand the impacts of the recent changes to the policies. The answers can help work towards improving these to better protect staff and the organization, as well as improve efficiencies and resolve issues.

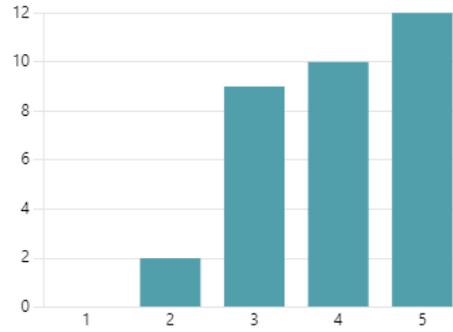


4. Do you feel the Policy Handbook improved your accessibility and assurance that you had all the current policies?

[More Details](#)

[Insights](#)

3.97
Average Rating



5. Have you had any 'education session' for any other GW policies and their application in your role (E.g. HR Policies, Health and Safety Policies etc.)

[More Details](#)

[Insights](#)

● Yes	11
● No	21
● Other	3

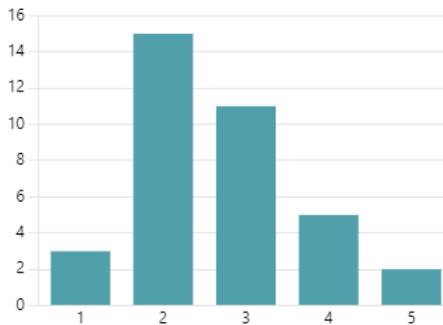


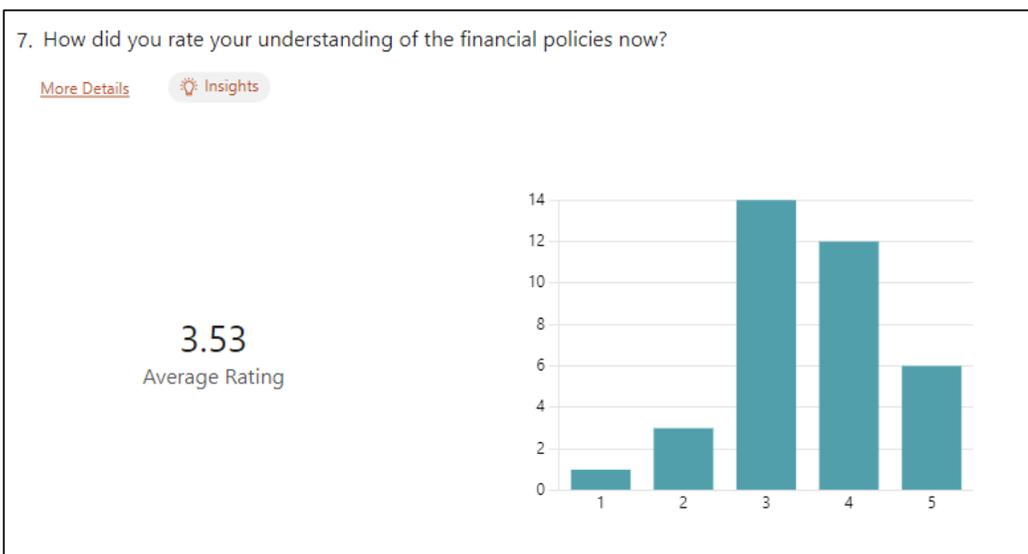
6. Prior to the release of the new handbook, how did you rate your understanding of the (old) financial policies?

[More Details](#)

[Insights](#)

2.67
Average Rating





9. What do you think is a key challenge for getting people to follow policies?

- Awareness
- Making people understand that it is part of their roles and not something I might get around to
- Staff being made aware and taking the time to read the policies.
- Total accountability & Transparency for individuals using GW moneys.
- Leaders also need to live by example. We need SME's to also encourage everyone to look into the policy. We also need to stop double standards, meaning that the policy does apply to everyone.
- Communicating that there has been change. Getting the understanding of how these policies apply to them.
- Knowing where to find the policy and using it regularly.
- new system of approval for p-card to be followed.
- too many of them feels like there is too much to know and fear of tripping up by mistake.
- Disseminating a lot of information to staff when they arrive
- Accessing the document - knowing what policy it covers
- Easy access and digestibility

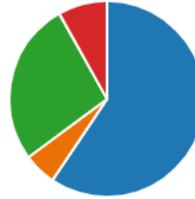
- change in procedure, change in autonomy of staff.
- Knowing that they exist and actually taking the time to review them before undertaking any activities! I think the major issue is people skip the step of referring to the policies before they do anything as they don't know they exist or haven't had it drilled into them to check them, or they are not that easy to find (a huge improvement has been having all the financial policies together in the ONE document!)
- People not having a sufficient understanding of policy
- Awareness of policies and their value.
- Developing individual and team specific understanding and responsibilities, i.e., breaking through broader detail to what is directly relevant, digestible, and applicable for respective roles. Plus having effective mechanisms/levers to ensure maintain currency of knowledge.
- Still ambiguous in some spots. I have an assigned category delegation level of 'H' and for example the Hospitality & Entertainment Policy says "Managers with financial delegation to approve business related entertainment expenditure...". My DFA is for operating in my area of responsibility and nobody had a straight answer to say if I could approve a necessary catering event. So it feels like there is still a disconnect between DFA definition and understanding against the Financial Policies.
- People don't like reading and some do not like being reminded that the policies may have changed. They like the status quo.
- To understand the importance of financial policies and the consequences of breaching financial policies
- New employees, depending on their role, should be required to undertake key policy training. I.e. a budget manager should have to have completed a 2-hour course on the finance policy etc.
- First understanding that there are policies, but more importantly approvers in Ngatahi should have to have a good understanding of the policy before they are given approval rights. It should be part of their induction into their roles.
- Culture - there is a historic culture that needs to change to ensure staff continue to follow to new policies
- ignorance
- Getting them to read it, then understand it, then ask questions if don't understand it!
- They are used to how they had been operating before
- Getting staff to make the effort to understand the policies and how it applies to them
- Soft launching changes/updates - Hard launching to directly affected areas is best practice. Then there is flexibility about a whole of business hard launch or the relevant teams can help with 'education'
- Please realizing the importance and having visibility of it
- That new staff are educated on policies as part of their induction. Get Team Leaders to hold sessions with their Teams to go over policies.
- I have heard feedback that managers need to be more diligent with what they are approving
- Sometimes ignorance is bliss and no one likes change, I think this hold people back from finding out more. More specifically, sometimes it hard to match the situation that you're thinking of with the right part of the policy. That said, the handy shortened version is actually very clear

- Having them written in a format that is easily understood by people outside of the finance/strategy sector

10. Do you feel the policies have helped you in your job?

[More Details](#)

Yes	22
No	2
Maybe	10
Other	3

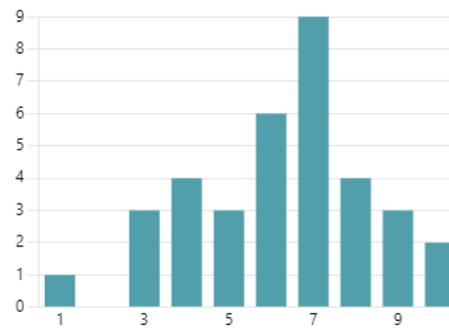


11. How do you feel the "education and awareness campaign" for the new policies went?
(this followed the approval of the policies to ensure people were aware they had been updated and knew what key changes would impact them)
1 = Crap 10 = Great

[More Details](#)

[Insights](#)

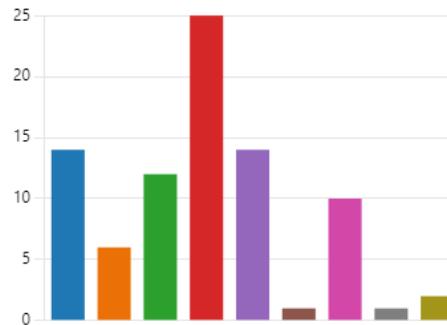
6.26
Average Rating



12. What ways have helped you learn more about financial policies and how they influence your job?

[More Details](#)

We had team meetings to discu...	14
I emailed someone in Finance t...	6
We had a Q&A meeting with so...	12
I read the policies (or parts) that...	25
I saw emails announcing the ne...	14
I couldn't find help or didn't kno...	1
I spoke to my manager or collea...	10
I felt I already had a good under...	1
Other	2



13. What is the one thing about the policies or implementation that you don't like or would want changed?

- Managers don't appear to be aware of the change
- Policies fine, it's peoples attitudes need changing
- getting a cash advance for travel - puts people at increased risk and is less transparent
- I'd recommend doing a kind of 'employee 101' with at least the links to all those things, I don't know, a page on the intranet with all the useful links, something to make super easy to access and search through
- I think some 'finance 101' sessions that cover the policies should be mandatory for all staff to attend - whether new to a role or in it for a long time and regardless of whether you have financial delegations or not - everyone needs to at the very least be comfortable navigating the policies
- I would love to have the time to keep up with the policies with GW, however the current workload ensures I don't have time. Better resourcing would enable more time to be kept up to date with policies.
- Analytics over p-card, expense claim use to ensure people are actually following policy
- There is a big emphasis on managers to know the policies before approving, however in most cases they are not aware of the new policies or taken the time to understand it and then it falls on the transaction team to challenge and request any changes.
- I have found that the \$25 for breakfast allowance is less than a cooked breakfast and a coffee. Considering that when i get a dinner for \$35-\$40, my preference would be a daily meal allowance of \$?? - this is then easily managed to stay within.
- lock down expenditure specifics rather than leaving them open to 'interpretation'
- More drop in sessions in depots More Q&A sessions
- I think some work could be put into explaining them in a way other teams could understand in an actionable way. E.g its not super clear if we can... do catering or not? There are a lot of grey areas that groups like staff networks will need extra support on.

14. Do you know how to access a copy of the Handbook? (soft copy link, or hardcopy etc.)

[More Details](#)

- Yes, I saved the links to my favor... 8
- Yes, I can find it on He Kete 11
- Yes, I know where a hardcopy is 9
- No, but I know who to ask to ge... 7
- No idea 1



15. Do you have any comments you would like to add?

- Lack of engagement from managers about the policy and we should be applying it.
- Keep up the good work Kyn
- needs more awareness and a simple guide with the key points highlighted

Attachment 2 to Report 23.579
November 2023

- It would be good to have an assurance a plan within the Document. As assurance within the Manager or Team leader understand of the policy (specially for new employees).
- I found the in-person session incredible valuable in explaining and promoting updated policies. Having someone to champion for them goes a long way!
- Keep up the great work updating these policies and well done on bringing them all together into one document!
- The one pagers for each policy are a very good tool for reference/education
- Should be compulsory for all GW staff to attend meetings about the finance policies.
- Great work in updating the policies and creating a handbook!
- Well done for putting the hand book together....job well done
- It really is a pleasure to work in such an inclusive environment but I do feel some things esp. policies should be clear and specific. I think it's possible to achieve both.
- Kyn gave Reception staff a very good lecture about this financial policy. Another discussion would be beneficial. Many thanks
- I think this is a GREAT project and a huge step up, but I think as with most policies, they are still written in a way that makes them inaccessible to staff who don't work in finance/strategy spaces.



**Finance, Risk and Assurance Committee
28 November 2023
Report 23.612**

For Information

FINANCIAL STRATEGY UPDATE

Te take mō te pūrongo

Purpose

1. To inform the Finance, Risk and Assurance Committee (the Committee) on the progress of developing the 2024 Financial Strategy.

Te tāhū kōrero

Background

2. The Financial Strategy is currently being prepared to support the Long-Term Plan (LTP). It is a public facing statutory requirement.
3. Greater Wellington is required to prepare and adopt a Financial Strategy under section 101 of the Local Government Act 2002 (the Act).
4. The Financial Strategy facilitates prudent financial management by providing a guide to consider proposals for funding and expenditure against and provides context making transparent the overall effects of those proposals on Greater Wellington's services, rates, debt, and investments.
5. From a funding perspective, Greater Wellington utilises a range of revenue sources which enables the organisation to reduce or minimise the funding burden on ratepayers as well as ensuring funding is more resilient to unforeseen events.

Te tātaritanga

Analysis

6. The objective of the Financial Strategy is to take a sustainable approach to service delivery and financial management. This means focusing on ensuring our levels of service and activities are financed and funded to generate and protect community outcomes and promote long-term community well-being.
7. The LTP Committee have developed the four guiding principles for the strategy:
 1. *Using debt to fund projects that provide intergenerational benefits*
 2. *Who should pay based, where possible, on the distribution of benefits*
 3. *Consider fairness along with the ability of ratepayers to pay*
 4. *Prudent financial management focused on achieving our strategic priorities*

8. Greater Wellington is undertaking close to a billion dollars of capital expenditure over the course of the LTP period, including the following key investments:
 - a Recloaking Papatuanuku (Planting 700 ha, incl. previously grazed land)
 - b Public Transport CBD Layover
 - c RiverLink - Te Wai Takamori o Te Awa Kairangi
 - d Flood Protection and Control Works
 - e Johnsonville Transport Hub
 - f Porirua Interchange
 - g Public Transport National Ticketing Solution (Implementation)
 - h Real Time Information infrastructure (Replacement)
 - i The Lower North Island Rail Integrated Mobility project.
9. Some additional information in the strategy that has not been previously included is:
 - a The cost of collecting rates and the impacts of future collection requirements
 - b Guidance on the use of surplus revenue from both general rates and targeted rates as per the guidance of the (updated) Treasury Risk Management Policy.
 - c Targeted returns from equity investments
 - d The suite of reserves and more emphasis on their use
10. The strategy also highlights the challenges and costs of insurance. Insurance is an important strategy which involves transferring risk to an external insurer, however insurance costs are increasing, with climate change impacting on insurers abilities to predict losses, which has seen returns plummet to levels below 'low risk' investments such as bonds.
11. Material damage insurance is unaffordable and Greater Wellington is looking to increase the levels of self-insurance over the 10 years of the plan.
12. Greater Wellington's approach to insurance is to focus on the effects of low probability, high impact events. Greater Wellington does not insure all assets because it is unlikely all assets would simultaneously be affected by an unplanned event.

Financial Information in the Strategy

13. The financial Strategy includes a range of expenditure information, such as rates increases, revenue forecasts, operating expenditure and capital expenditure key areas of spend, use of reserves etc.
14. Populating this information into the strategy can only be done after the business has completed their planning and budget prioritisation processes and input into the budget model. This enables detailed funding modelling and the production of the prospective financial statements and financial data for the strategy and the LTP.

Challenges for the financial strategy

15. At this stage, the Affordable Waters reform is acting on assumptions with the change of government and their campaigning statements, therefore the strategy currently includes Bulk Water Supply and Water Levies until otherwise directed by the National Transition Unit.
16. The challenges and opportunities section of the strategy outlines the projected scenarios for the Wellington Region. Greater Wellington has to balance expenditure decisions and priorities that will allow for the region to thrive with an ageing population, increased climate change related events, economic turbulence and supporting Mana Whenua and Māori.
17. On-going government led changes to the local government sector have caused stresses and no confirmed direction for change or financial support. As we plan our LTPs and supporting information, these changes to government and legislation are being implemented where possible, but they are yet to improve the ratepayers ability to afford the much needed investment in critical infrastructure.

Ngā hua ahumoni

Financial implications

18. There are no known financial implications arising from this report.

Ngā Take e hāngai ana te iwi Māori

Implications for Māori

19. There are no known impacts for Māori arising from this report.

Te whakatūtakitaki

Engagement

20. No external engagement is necessary at this stage. The final draft will be included with the LTP for public engagement in early 2024.

Ngā tūāoma e whai ake nei

Next steps

21. The draft strategy is currently awaiting budget information before it can be finalised. Once the budget model numbers are completed and the policy populated to reflect that information, a final draft version will be taken to the LTP Committee for approval as part of the LTP consultation in late-March 2024.
22. The strategy is being prepared alongside other policies that support the LTP:
 - a Revenue and Financing Policy
 - b Rate Remission Policy
 - c Fees and Charges Policy

**Ngā kaiwaitohu
Signatories**

Writer	Kyn Drake – Project Manager, Financial Policies
Approver	Alison Trustrum-Rainey – Group Manager, Finance and Risk

<p style="text-align: center;">He whakarāpopoto i ngā huritaonga Summary of considerations</p>
<p><i>Fit with Council’s roles or with Committee’s terms of reference</i></p> <p>The Committee’s specific responsibilities include to “review the robustness of the organisation’s financial performance”.</p>
<p><i>Contribution to Annual Plan / Long Term Plan / Other key strategies and policies</i></p> <p>This report updates the development of a statutory strategy that supports the LTP.</p>
<p><i>Internal consultation</i></p> <p>The strategy is developed with input from the Treasurer, Asset Manager, Finance, Risk Manager and the LTP project team.</p>
<p><i>Risks and impacts - legal / health and safety etc.</i></p> <p>There are no risks arising from this report.</p>

Finance, Risk and Assurance Committee
28 November 2023
Report 23.622



For Information

RISK AND ASSURANCE UPDATE

Te take mō te pūrongo

Purpose

1. To provide the Finance, Risk and Assurance Committee (Committee) with an update on:
 - a developments with respect to risk management.
 - b the three-year assurance plan.

Te tāhū kōrero

Background

Risk Management

2. The latest Executive Leadership Team (ELT) risk dashboard, and the results of workshops undertaken to unpack one page uncertainty statements, have been included in [Attachment 1](#).
3. Since the previous update, we have:
 - a Developed further one page uncertainty statements with 21 of the 22 uncertainties now being defined.
 - b Stood up the new quarterly group risk reporting approach, an example of these dashboards has been included in **Attachment 1** for your perusal.
 - c We will be having the second risk appetite workshop with the Committee in November. This workshop will allow the Committee to input into the ELT support risk categories which will form the basis of the risk appetite statements.

Business Assurance action points

4. Updates against the current assurance plan have been included in [Attachment 2](#).
5. Since the previous update to the Committee (*Risk and Assurance update – Report 23.358*) the end-to-end fleet management review is also underway, and we expect to have the finalised audit report available at the 2024 February committee meeting.
6. PWC also completed the revenue collection control review which has been made available to the committee. This review is undertaken annually and will form part of the assurance programme from 2024 onwards.

Te tātaritanga Analysis

Risk Management

7. A further five one-page statements have been developed for the uncertainties:
 - a Effectiveness of planning
 - b Capability and capacity of people
 - c Effectiveness of Technology
 - d Impact on the Environment
 - e Appropriateness of services & delivery design
8. The attached paper (**Attachment 1**) provides the Committee with the:
 - a Current ELT risk dashboard, heat-mapped to reflect the perspective of the ELT.
 - b Results of workshops undertaken to unpack the one-page uncertainty statements listed above.
 - c An example of the new quarterly group risk dashboards.

Updated risk appetite statement

9. We currently have a second workshop scheduled with the Committee in November 2023.
10. At this workshop we will look to obtain feedback from the Committee on the ELT supported risk categories which will form the basis of the risk appetite statements.
11. We will then look to present and walkthrough, a completed risk appetite statement at a committee workshop in February 2024. Before seeking formal endorsement of our completed risk appetite statements from the Committee in August 2024.

Business Assurance arrangements

12. The assurance plan, through to 2024, is set out as a 'plan on a page' in **Attachment 2**. We have provided a progress update on the plan.
13. The end-to-end fleet management review is underway, and we expect to have the finalised audit report available at the 2024 February committee meeting.
14. PWC also completed the revenue collection control review which has been made available to the committee. This review is undertaken annually and will form part of the assurance programme from 2024 onwards.
15. We will begin planning for the "Core Financial Controls" in January 2024 which is scheduled for completion in Quarter 3 2024.
16. We have closed two recommendations since the last FRAC meeting. Further details on open actions can be found in **Attachment 2**.

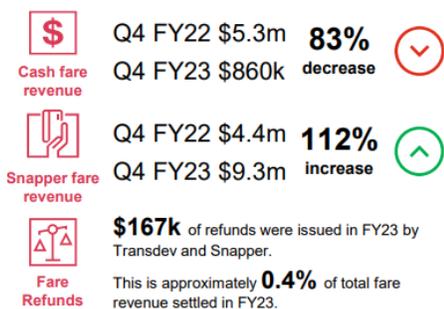
Treaty of Waitangi audit

17. PWC have completed Greater Wellington’s inaugural Te Tiriti o Waitangi audit. The report was presented to the Council in November 2023. The report will be included as part of the Risk & Assurance update to the Committee in February 2024.

Revenue collection controls review

18. PWC have undertaken an internal audit of our revenue collection through Snapper (bus & rail) and cash collected by Transdev (rail).
19. This review is undertaken annually to provide confidence to management that revenue controls are effective, and for Audit New Zealand to support their external audit procedures.

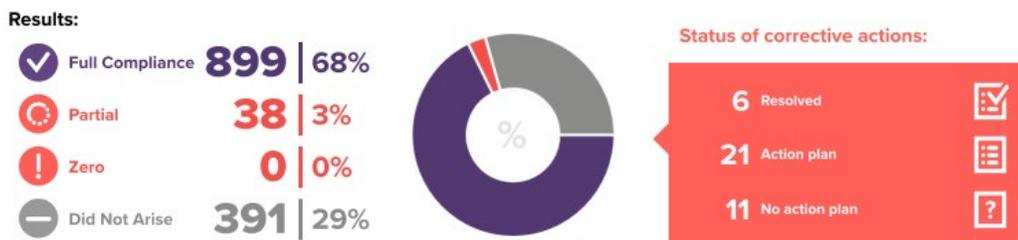
Fare Revenue Snapshot



20. Snapper and cash revenue streams have materially changed during the 2022-23 financial year, with the launching of Snapper on rail, leading to an 83% decrease in cash-based revenue in comparison to Quarter 4 in the previous year.
21. Both Snapper and Transdev cash revenue control environments have improved, and we are comfortable that revenue received from these sources is materially correct.
22. However, there remains many recommendations that continue to remain outstanding from previous years audits. As part of finalising the report, we have considered the recommendations and will focus only on implementing those that will substantively improve the control environment and make sense from both a timing and cost perspective.
23. When finalising the audit recommendations made by PWC we considered the following:
 - a The overarching control environment and whether the issues identified are covered by other controls like reconciliations.
 - b The cost of the change in comparison to the value of cash receipts and whether the recommendation would prevent a material error in revenue.
 - c The cost of the change to Snapper’s systems in comparison to the implementation of the new national ticketing system and whether these recommendations will be resolved by the new system.
24. We also note that some issues relating to external ticketing agents were identified. As these agents are no longer being used, we have not looked to implement any changes in these areas.

25. Due to the considerations above, we will focus on implementing recommendations that:
 - a Ensure revenue accuracy and completeness – for example, peer reviewed reconciliations, where reconciling items are investigated and documented.
 - b Prevent fraud and theft – for example, fixing security cameras were cash floats and unused tickets are held, and ensuring stocktakes are peer reviewed.
 - c Maintain the integrity of revenue systems – for example, Snapper system backups are tested to ensure they are complete, consistent, and error-free.
26. For the 2023-2024 financial year, we will look to focus the audit more on Snapper revenue, including IT systems control testing to ensure the accuracy of fares charged in comparison to deductions from Snapper balances and revenue received by Greater Wellington. The launch of Snapper on rail means that cash collected by Transdev is now immaterial. Therefore, we will reduce the Transdev component of the audit to walkthroughs of core systems only. Audit New Zealand were supportive of this approach.
27. Refer to [Attachment 3](#) for a copy of the revenue collection controls assessment internal audit report.

Complywith



28. The ComplyWith system implementation was commenced in November 2022 and finalised January 2023 with the first survey run April 2023. Implementation of the system starts a journey towards a significant improvement to our legislative compliance processes and controls.
29. The Complywith system provides the following functionality:
 - a Identification of all major pieces of legislation applicable to Greater Wellington as a regional council
 - b An Obligations register accessible to all staff that provides:
 - i plain English summaries and explanations of that legislation.
 - ii 'Behind the scenes' monitoring of changes to legislation.
 - iii consequential updates detailing when and how the laws relevant to Greater Wellington have changed.
 - iv editable email preferences to enable staff to tailor change notifications to their role and informational needs.
 - v Mapping of legislative obligations to specific roles.

- vi Automated surveys to gauge our compliance with relevant legislation and regulations which can be reported on via a dashboard and/or reports.
 - vii Automatic survey completion prompts an reminders.
 - viii An ability to request a transfer of obligations to another member of staff in Greater Wellington during a survey.
 - ix Corrective action register and automatic prompts and reminders if non-compliance or partial compliance reported.
30. Please refer to **Attachment 4** for the Complywith report which details the results of the compliance survey we undertook in April 2023 for the period of September 2022 until February 2023.
31. Only one person did not respond to the survey showing a high level of engagement. The report identified that 3% or 38 of our compliance obligations are only partially compliant (no zero compliance). These 38 obligations are being tracked through Complywith, with 6 having been resolved, 21 having action plans for resolution and 11 with no action plan in place.
32. We are currently remapping the obligations to the new Environment Group structure. The survey will be rerun in April 2024. The legal term will review those obligations that remain partially compliant to ensure staff have an action plan and they are working towards implementing the plan.
33. It is important to note that Complywith is a judgement-based survey, with those completing it providing their opinion on whether or not they complied with legislation or regulations.
34. The investigation and discussion held during the implementation of the Complywith system identified a significant gap between staffs' perception of their legislative and regulatory responsibilities and their actual responsibilities. This presents a risk that staff may not be adequately addressing compliance requirements and may inadvertently breach these responsibilities.
35. This risk has been captured within the uncertainty one-pager "*Compliance with legislative and regulatory requirements*" and the legal team are investigating training and guidance that will help improve staff awareness and knowledge surrounding their legislative and regulatory responsibilities.

Ngā hua ahumoni

Financial implications

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

Ngā Take e hāngai ana te iwi Māori

Implications for Māori

37. There are no known impacts for Māori arising from this report.

Ngā āpitihanga

Attachments

Number	Title
1	Risk management update
2	Assurance update
3	Revenue collection controls assessment internal audit report
4	Complywith - GWRC Legal Compliance Survey

Ngā kaiwaitohu

Signatories

Writer	Jacob Boyes – Head of Corporate Risk & Assurance
Approver	Ali Trustrum-Rainey - Kaiwhakahaere Matua, Pūtea me ngā Tūraru Group Manager, Finance and Risk

<p>He whakarāpopoto i ngā huritaonga Summary of considerations</p>
<p><i>Fit with Council’s roles or with Committee’s terms of reference</i></p> <p>The Committee has a specific responsibilities to:</p> <ul style="list-style-type: none"> • review the effectiveness of Greater Wellington’s identification and management of risks faced by Council and the organisation; and to • approve an internal audit plan.
<p><i>Contribution to Annual Plan / Long Term Plan / Other key strategies and policies</i></p> <p>Greater Wellington makes decisions every day on order to deliver what it has committed to through the Long Term Plan.</p> <p>Risk management is essentially enabling good decisions to be made that reflects a good understanding of uncertainty within the environment and tradeoffs between competing choices.</p> <p>Internal audit / assurance reviews the effectiveness of Greater Wellington’s internal controls framework and processes such that Council can deliver effectively on its objectives, including safeguarding assets as set out in its Long-Term Plan and Annual Plans.</p> <p>Internal audit also supports the risk management framework.</p>
<p><i>Internal consultation</i></p> <p>Consultation and input were provided by</p> <ul style="list-style-type: none"> - The GM Finance and Risk - The Executive Leadership Team
<p><i>Risks and impacts - legal / health and safety etc.</i></p> <p>Several areas of risk have emerged from this work. These are described in the body of this paper.</p> <p>Internal audit acts to reduce risk by ensuring controls are operating as Greater Wellington has developed through its policies and procedures.</p>

Attachment 1

Risk Update

Finance, Risk and Assurance Committee
28 November 2023

Status of in progress reviews

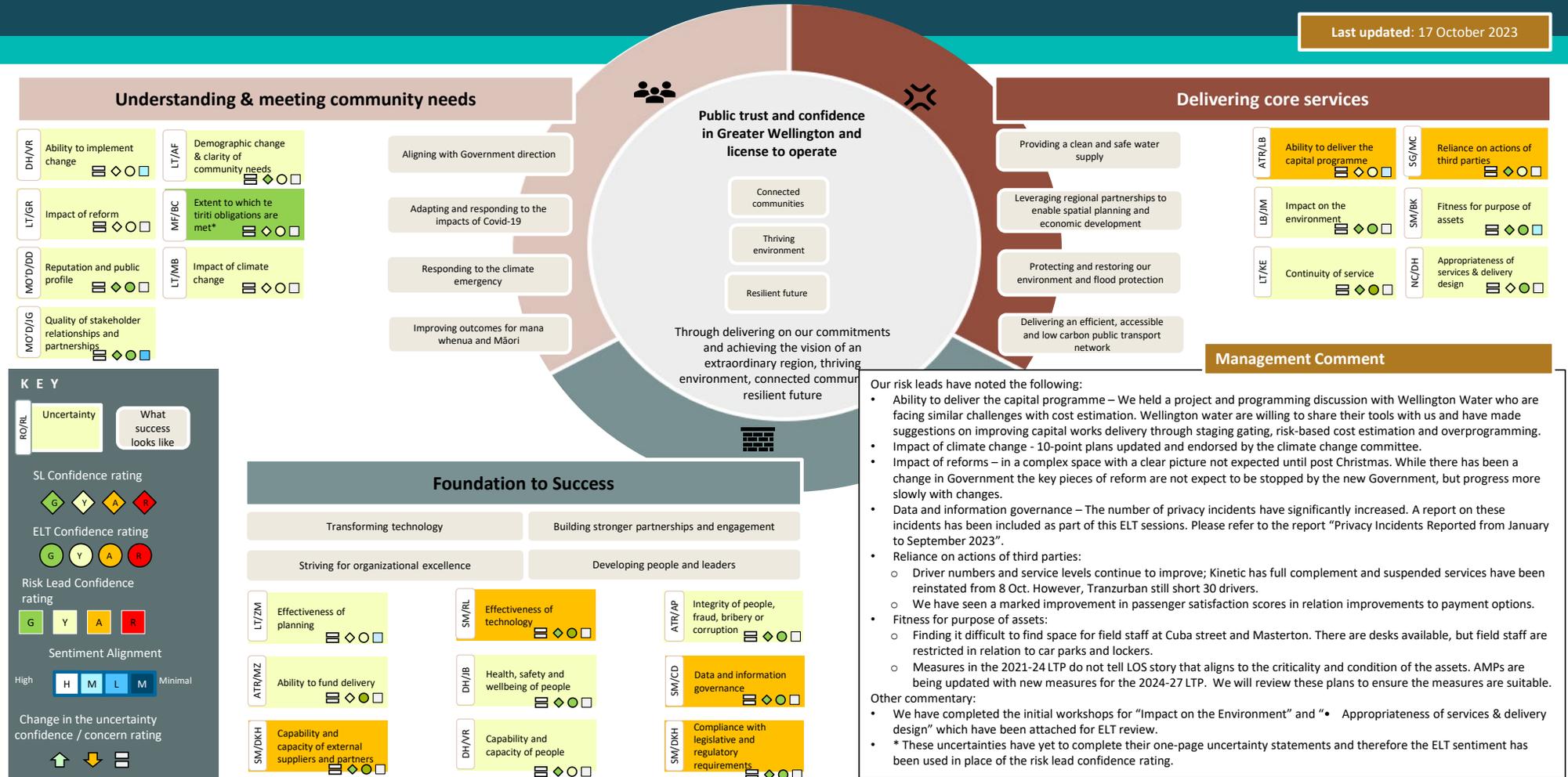
Attachment 1 to Report 23.622

The attachment includes:

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

ELT Dashboard

Last updated: 17 October 2023



Workshop One Pager

UNCERTAINTY
Attachment 1 to Report 23.622
Effectiveness of planning

Last updated: 11 August 2023

Sub Uncertainties

Outcomes delivery
The extent to which we delivered on the agreed programme of work

Mana Whenua
The extent to which we meet Mana Whenua expectations on their involvement and consultation during planning

Central government funding
The extent to which central government funding is relied on to deliver new policy, key services and capital commitments

Change of Government and legislation
The extent to which a change of government or its legislation can impact on our planning timeframe and requirements

Resource planning and allocation
The extent to which we have appropriately allocation resources and have sufficient funding to meet our objectives

Adaptability
The extent to which we can adapt and reprioritise our resources and funding to respond to new investment needs

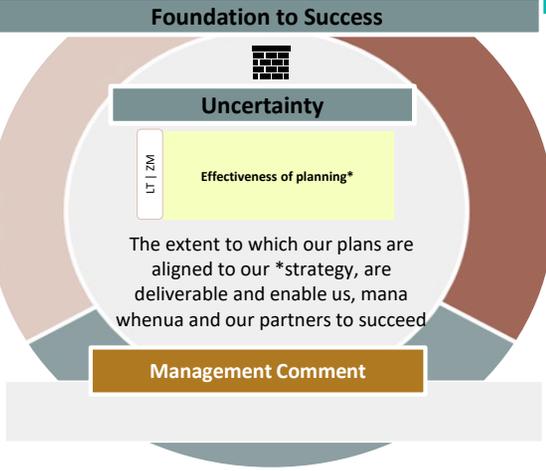
Partnership
The extent to which our partners can impact on the delivery of our plans

Actions & Controls

- Actions/initiatives**
How are we managing this?
1. Reporting process to ELT, Council and FRAC (Quarterly reporting, etc.)
 2. Annual reporting (what we have achieved)
 3. ELT approval of AMPs and endorsement of the LTP
 4. Transport, climate and environment committees
 5. Prioritisation approach
 6. Consultation with partners and the public
 7. Co-development with Mana Whenua (the Komiti)
 8. Integrated planning approach through the GW activity management plans, e.g., speed dating
 9. Horizons scanning to inform planning
 10. Change management process in place to manage any significant change in strategy post LTP adoption
 11. LTP includes looking at existing commitments

Assurance

- Assurance**
How do we know that this is managed effectively?
1. AuditNZ review of the LTP and annual reports
- *By planning we mean:**
- Long term planning and associated documents
 - Regional plans
 - Business planning
- We have excluded project planning as it is included with the ability to deliver the capital programme uncertainty
- **By strategy we mean the GW strategy as defined in the long-term plan.**
- *By partners we mean:**
- Territorial authorities
 - Government Agencies



Consequence

- Opportunities**
- We have a plan, we deliver the plan, the public and our partners trust us to deliver
 - We have the right resources funded appropriately
 - Understanding and deliver able to deliver benefits across a long-term horizon
 - Our staff understand what we do and why
 - Our plans considers the needs and aspirations of mana whenua which moves us towards giving effect to te riti o waitangi
 - Mana Whenua and our partners are involved in decision making which helps us build relationships based on trust.

- Threats**
- Our ratepayers are negativity impacted underinvestment or over rating.
 - Ineffective planning leading to resources being stretched impacting on their wellbeing
 - Plans are too directive which does not enable us to pivot effectively (e.g., COVID)
 - Overplanning which loses sight of the original vision
 - Lack of integrated planning which does not allow us to respond as one and it erodes trust and confidence

Alignment with Risk Appetite Statement [Source FRAC]

Risk category	Stance	A
Loss, failure or damage to assets	Balanced	
Services being severely curtailed	Balanced	
Health & safety to staff and contractors	Averse	
Physical harm to the general public	Adverse	
Financial, macroeconomic risk	Balance	
Subsidiary companies and Trusts	Balanced	
Legislative and regulatory	Adverse	
Political and reputation	Balanced	
Projects	Balanced	
Environmental damage	Adverse	X
Human Resources	Balanced	

Measure

Measure	Trend
	↑
	↓
	↓
	↑
	→

Response

Action	Date
Outcomes... measurement and definition	
Reviewing the process for Mana Whenua co-development in the planning process	
GW group governance review	

UNCERTAINTY Capability and capacity of people

Attachment 1 to Report 21.622

Last updated: 14 September 2023

Workshop One Pager

Sub Uncertainties

Systems
The extent to which staff have right systems and tools to do their job and are supported good policy and process

Planning
The extent to which we have a workforce plan that supports diversity, inclusion, recruitment, retention and talent management

Skills
The extent to which staff have the right skills, experience and knowledge to carry out their role

Attitude
The extent to which staff have the right competencies and behaviour

Volume
The extent to which we have the right number of staff to deliver on our commitments in the LTP

Leadership
The extent to which our people are lead in a way that enables them to achieve

Culture
The extent to which our culture positively influences recruitment and retention

Structure
The extent to which GW's structure supports accountability and people being able to do their job

Actions & Controls

- How are we managing this?*
1. Recruitment and selection policy
 2. Code of conduct
 3. Learning and development policy
 4. Diversity and inclusion plan
 5. Workforce plan
 6. Māori capability framework
 7. Onboarding process
 8. Ngatahi – HR modules
 9. Remuneration policy
 10. Performance policy
 11. Partnership for performance policy
 12. Performance remuneration system
 13. Employment agreements
 14. Business continuity plan
 15. Leadership framework
 16. Core competency framework
 17. Gallup engagement survey
 18. Positive workplaces policy
 19. Position management policy

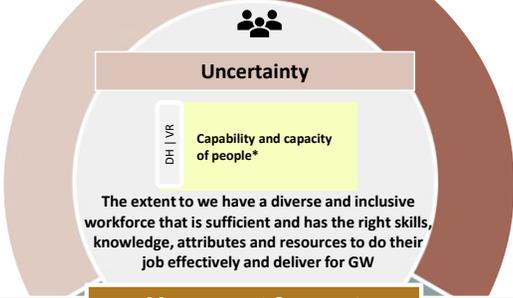
Assurance

How do we know that this is managed effectively?

1. Capability and knowledge investigation

*Health, safety & wellbeing elements of capable workforce are considered under the uncertainty "Health, safety & wellbeing"

Understanding & meeting community needs



The response has been agreed as part of Activity Management Planning and 2023/24 Business Planning. The Change Framework is currently under development. The Learning Management System has been reframed/broadened to be a review of the GW Learning Approach – one of the deliverables will be a learning management system.

Consequence

Opportunities

- GW becomes an employer of choice
- We can deliver our work programme and more
- We have diverse workforce that is inclusive
- We can support the outcomes of Te Whariki and our obligation under Te Tiriti o Waitang
- Talent and succession management is in place
- We have a happy and highly engaged staff
- Appropriate systems would help us in managing the employee experience

Threats

- We have a high turnover rate
- Competition in an already strained market
- We cannot recruit the right resource
- Key person risk
- People make mistakes as they are not appropriately skilled
- Ability to fund to optimal levels of service

Alignment with Risk Appetite Statement

Risk category	Stance	A
Loss, failure or damage to assets	Balanced	
Services being severely curtailed	Balanced	
Health & safety to staff and contractors	Averse	
Physical harm to the general public	Adverse	
Financial, macroeconomic risk	Balanced	
Subsidiary companies and Trusts	Balanced	
Legislative and regulatory	Adverse	
Political and reputation	Balanced	
Projects	Balanced	
Environmental damage	Adverse	
Human Resources	Balanced	

Measure

Measure	Trend
Leave (Monthly)	↑
Hard to fill roles	▬
Percentage of personal budget spent on learning & development (annual)	Ask finance (Tim)
Actual vs Budget learning & development spend (annual)	Ask finance (Tim)
Turnover ratio (Monthly)	
Diversity target (annual)	
Engagement survey (annual)	
<i>LMS will enable measures around staff and their knowledge and development within the system</i>	

Response

Action	Date
Learning approach (LMS + Strategy)	2025-2026
Performance management system	2025-2026
Review of code of conduct	2024-25
Review of learning and development approach/policy/resourcing	2025-2026
Change management framework (ability to implement change)	Dec 23
Group workforce plans (alignment Activity Management Plans and GW workforce plan)	2024-25
Values	2024-25
Review of recruitment and selection policy	30 June 2024

UNCERTAINTY

Effectiveness of technology

Attachment 1 to Report 23/622

Last updated: 14 November 2023

Workshop One Pager

Sub Uncertainties

- Data integrity**
The extent to which data is complete, accurate and available to right people
- Threat prevention**
The extent to which services and data are protected from malicious activity
- Service availability**
The extent we meet agreed service levels
- Change management**
The extent to which change is implemented effectively

Service alignment
Extent of the alignment of technology to business needs

Accountability of technology
No single point of accountability for all technology – in particular Metlink operate a different informal model that is exclusive of ICT visibility and control at certain levels

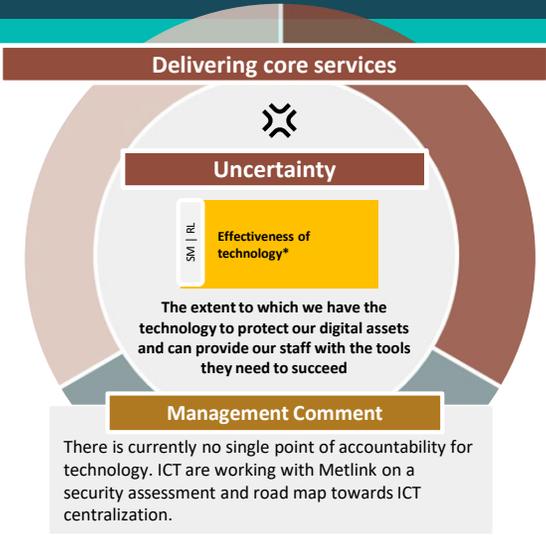
Staff capacity and competency
Extent to which ICT staff have the necessary time and expertise to execute and operate ICT's current and future state

Actions & Controls

- How are we managing this?*
- Validated backups, access controls, data validation and verification and data encryption.
 - Network controls (firewalls), intrusion detection and prevention systems, security awareness training and vulnerability assessments.
 - Defined services and SLAs, redundancy, security, monitoring and alerting, BCP and DR.
 - Resource planning, portfolio management and prioritization, adaptability, reduction of BAU overhead
 - Mature service catalogue, continuous improvement through service design, activity management planning, stakeholder relationship management and governance.
 - Activity management planning enables conversations around ICT service requirements.

Assurance

- How do we know that this is managed effectively?*
- Maturity assessment for security compliance



Consequence

Opportunities	Threats
<ul style="list-style-type: none"> Trust and compliance Strong security posture Response readiness Customer satisfaction Efficient resource utilisation Staff satisfaction Organisational efficiency Ability to deliver business objectives 	<ul style="list-style-type: none"> Data breach Malicious misuse Fraud Sophisticated threats Zero-day vulnerabilities Downtime Inadequate resources Demand spikes Wasted resources Missed opportunities for innovation

Alignment with Risk Appetite Statement

Risk category	Stance	A
Loss, failure or damage to assets	Balanced	
Services being severely curtailed	Balanced	
Health & safety to staff and contractors	Averse	
Physical harm to the general public	Adverse	
Financial, macroeconomic risk	Balanced	
Subsidiary companies and Trusts	Balanced	
Legislative and regulatory	Adverse	X
Political and reputation	Balanced	
Projects	Balanced	
Environmental damage	Adverse	
Human Resources	Balanced	

Measure

Measure	Trend
Security Framework Compliance Maturity (links to risk appetite) - Quarterly	David
Service availability (uptime)	Caleb
Portfolio performance (delivery to time and budget)	Jenni
Portfolio performance (Service alignment to business requirements) Working to get measure in place – workshop with Caleb	Jenni
Are services built aligned to requirements - Caleb	
Ratio of resourcing spent on BAU vs change – Monthly	Jenni

Response

Action	Date
ICT Strategy (incl. capability shift of core technology roles like service management)	2024-27
Accountability of technology: - Metlink ICT Security Assessment (incl. Metlink's ICT roadmap) - Roadmap towards ICT centralization (all groups)	Q2 2023
Meeting rooms & AV services	Q1 2023
GIS capability uplift	Q2 2023
He Kakano	Q2 2023
Cyber security uplift	Q2 2023
LMS	

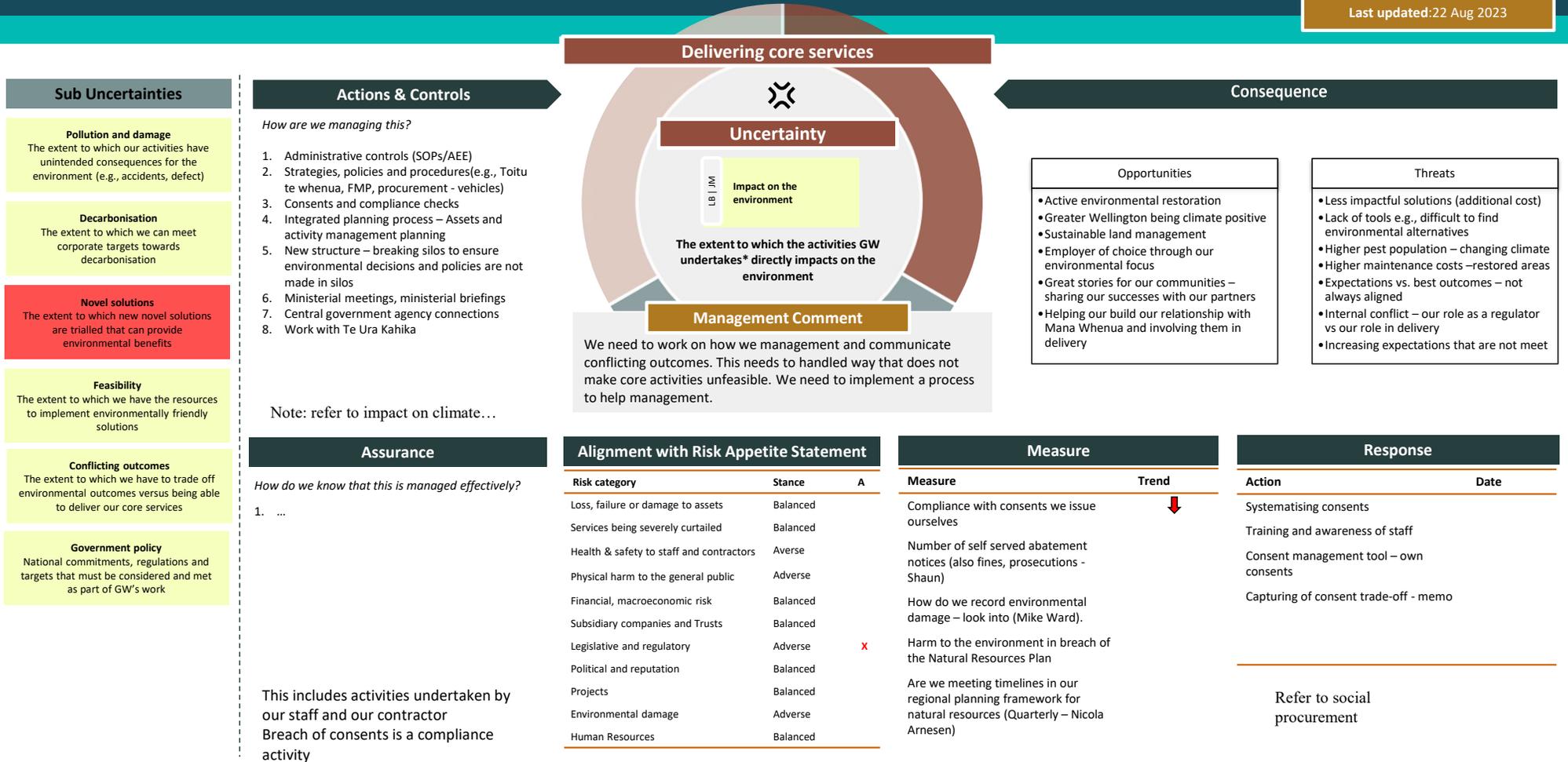


Workshop One Pager

Impact on the environment

Attachment 1 to Report 23.622

Last updated: 22 Aug 2023





Workshop One Pager

UNCERTAINTY Appropriateness of services & delivery design

Attachment 1 to Report 23-622

Last updated: 17 October 2023

Sub Uncertainties

Current models
The extent to which we understand and can measure our current models against effectiveness for delivery

Legislative reform
The impact legislative change has on what and how we deliver

Long term plan
The impact promised levels of service and affordability have on our service and delivery models

Drivers for change
Recognising and responding to external and internal drivers of change e.g., four wellbeings, political, etc.

Te ao Māori
The extent to which we build the Māori world view into our design

Regional Insights
How we design our partnership journey with the region and how it provides improved outcomes for their community.

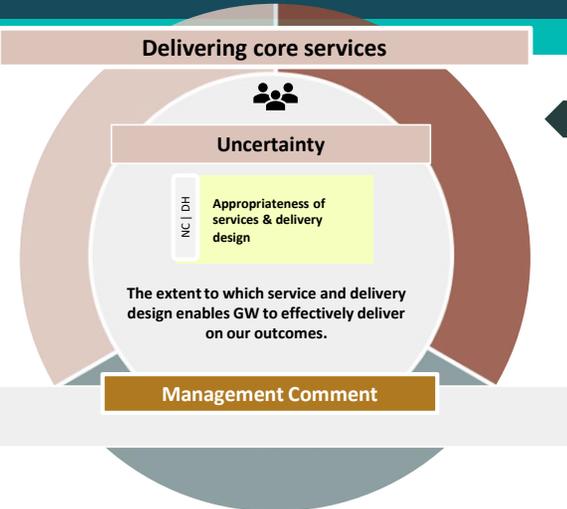
Actions & Controls

- How are we managing this?*
1. Legislation – RMA – EREG (consent processing), Public Transport (Public Transport Operating model) – links to “Impact of Reform” uncertainty
 2. Project management guidance which includes governance and steering requirements
 3. Change management framework
 4. Environmental scanning roles and accountabilities
 5. Service designers – OD (organizational frameworks, organisational design & capability), Design & Planning (EG), etc.
 6. System & process – new BPID process
 7. Prototyping
 8. Forums – Taituara & reform roundtable
 9. Te Whariki
- Note: Te Ao Māori perspective will be taken across all these aspects.

Assurance

How do we know that this is managed effectively?

1. ...



Consequence

- Opportunities**
- Finding and/or implementing models that better align with our strategic direction
 - To ensure our existing models are fit for purpose
 - Efficiency and effectiveness gains and cost savings
 - Clear processes for decision making

- Threats**
- Too inwardly focused without consideration of external partnership
 - Review of existing models without consideration of new models
 - We don't deliver on our outcomes/ mandate
 - We do not have capacity or capability to deliver models

Alignment with Risk Appetite Statement

Risk category	Stance	A
Loss, failure or damage to assets	Balanced	
Services being severely curtailed	Balanced	
Health & safety to staff and contractors	Averse	
Physical harm to the general public	Adverse	
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Projects	Balanced	
Environmental damage	Adverse	
Human Resources	Balanced	

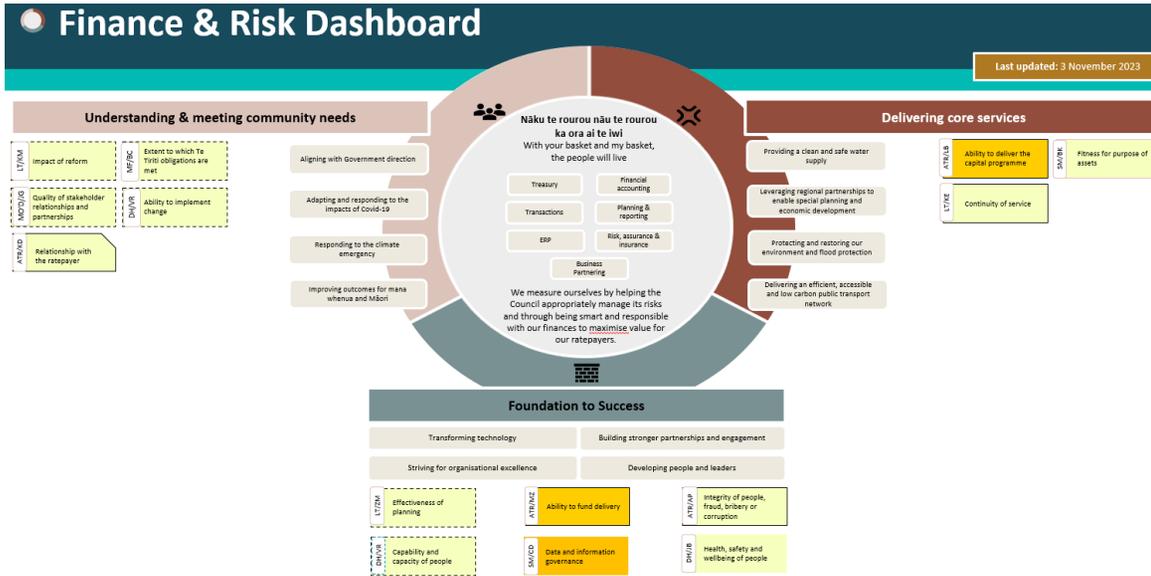
Measure

Measure	Trend
	↑
	▬
	▬

Response

Action	Date
Develop benefits realization methodology for delivery models	
Evaluation of organisational changes in relation to delivery and results	
Organizational design principles (link to values & culture)	

Example - Quarterly Risk Reporting Dashboard – Finance & Risk Group



Management Comment

- Matters that have impacted F&R's risk profile for Q1 2024 are set out below:
- Ability to deliver the capital programme** – PWC's recently undertaken a capital works programme review to help rectify several systemic issues in delivering the capital programme. We note:
 - We are currently (Q1 2024) spending below forecast for 2023/24. This is likely to continue throughout the year and will be particularly noticeable for Riverlink (currently \$7M actuals vs \$13M forecast), which has been split evenly across the 12-month period.
 - We held a project and programming discussion with Wellington Water who are facing similar challenges with cost estimation. Wellington water are willing to share their tools with us and have made suggestions on improving capital works delivery through staging gating, risk-based cost estimation and overprogramming.
 - Ability to fund delivery** – There is uncertainty surrounding funding in several areas which include:
 - Waka Kotahi and Central government signaled by the new incoming government in areas such as:
 - Commitments made to LNIRM trains but funding for associated track upgrades could now be an issue.
 - LGWM project may be cancelled with a funding shifting from LRT to BRT and rejig of other projects.
 - Likely GPS direction shift from PT to road maintenance could impact on things like the behavior change programme, emissions and VKT reduction projects like electric bus renewals.
 - Rates revenue and farebox recovery which are also constrained due to increased costs (WNA etc.) and meeting ratepayer affordable requirements, resulting in existing services potentially needing to be traded off against essential maintenance and improvement activities, and cost reduction.
 - Potential for a negative outlook for our credit rating. This will not impact on interest rates.
 - Integrity of people, fraud, bribery or corruption** – There is uncertainty surrounding fraud risks in several areas which include:
 - The Snapper audit we identified that deposits onto Snapper cards were not held in a trust, or other such structure, that would protect customer funds in the event that Snapper ceases doing business. As Snapper is in the process of being phased out, there is a risk that these funds could be misappropriated or customers not being able access refunds. Customers may expect GW to still honour these deposits. We are looking to manage this risk through the new NTS solution.
 - We have a meeting with diligent who will show us some tools which can be used internally to identify and mitigate the risk of fraud. We are working with the comms team to increase the visibility of the confidential whistle blower helpline. This will form part of the comms we have arranged during fraud awareness week (13-19 November) which includes:
 - Intranet article 13 November
 - Ngā Pitopito kōrero all-staff newsletter feature 14 November
 - GWTV slide 13-19 November
 - We are also undertaking a fraud maturity assessment with the results going to FRAC in Feb 2024. The Fraud policy is schedule for review in the next 12 months.
 - Fitness for purpose of assets** – in relation to insurance we are carrying the following risks:
 - In the event of a significant natural disaster (Tsunami/Earthquake) we are carrying a potential liability of around \$48M which is the difference between our reserves, retentions and insurance loss limits and our loss modelling and excess levels.
 - Modelling for maximum probable loss is out of date, and GNS and AON have been working on revised models to reflect the impact of global risk in loss modelling. We are looking to refresh loss model in Q3 2023 for above & below ground assets and our rolling stock and electric multiple unit (rolling stock) depot, this will likely increase the potential liability outlined above.
 - As part of the Dissolved Air Flotation project the global slope stability risk for Te Marua was reassessed. This did not impact on insurance for 2023/24 but insurers expect an update on how we will be managing this risk for the 2024/25 renewal. Wellington Water are proceeding to complete additional slope testing which they expect to indicate that slope stability risk is lower than that initial testing. If results are favorable, it will mean further work is not required to improve slope stability.
 - In the new year we are looking to work with asset managers to review the asset criticality in Ngatahi. This mahi will ensure these fields are complete and consistently rated across the teams. This will help us inform the type and level of insurance for these assets.
 - We are in the process of updating the insurance information we capture in Ngatahi. New fields would include insurance type and insured value. This would enable us to move away from manual insurance schedules (in excel) and to ensure we capture the results of insurance revaluations within Ngatahi.

Attachment 2

Assurance Update

Finance, Risk and Assurance Committee
28 November 2023

Attachment 2 to Report 23.622

Progress on the 2021-24 Assurance Plan

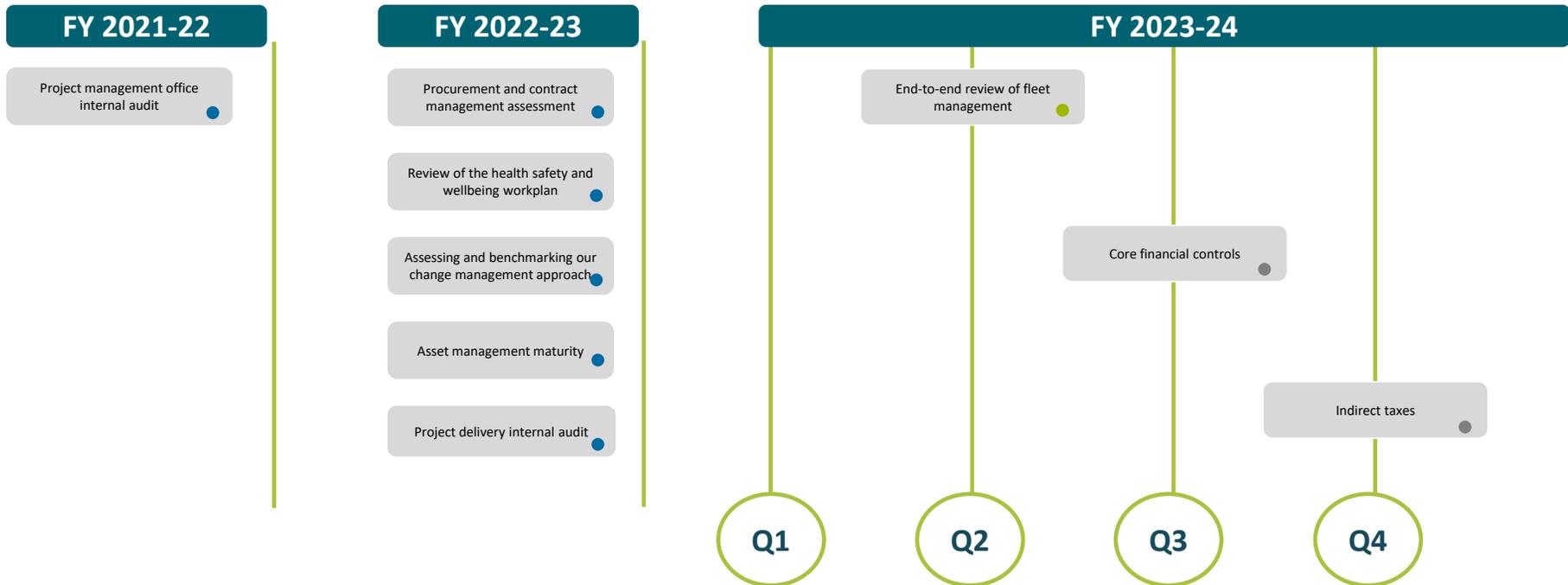
Progress on the 2021- 2024 Assurance Plan

In summary:

- Since the last update, the end-to-end fleet management review is underway, and we expect to have the finalised audit report available at February’s Committee meeting.
- We will begin planning for the “Core Financial Controls” in January which is scheduled for completion in Q3 2024.
- PwC also completed the revenue collection control review which has been made available to the committee. This review is undertaken annually and will form part of the assurance programme from 2024 onwards.

PwC status:

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



Status of in progress reviews

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

Review	Objective	Scoping	Terms of Reference	Fieldwork	Draft	Management Comments	Final Deliverable	Comments
Change Management Sponsor: Alison Trustrum-Rainey & Bruce Horsefield	Assess the design of GW's fleet management processes and controls to determine if we are effectively managing and operating our fleet throughout its lifecycle.						Actual end date: December 2023	Underway and expect to have the finalised audit report available at February's Committee meeting.

Update on outstanding recommendations

Follow up of Open Actions

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

Business Assurance review	Closed Actions #	Open Actions #	Management commentary
Health, Safety & Wellbeing	9	10 (8 in progress)	Two actions have been closed with Health & Safety performance measures now in relevant people leader P4Ps. We also note that we run a Whistleblower helpline for anonymous health and safety reports. Fatal and Severe Risks (FSR) have now been prioritized and workshops will kick off in January. FSR summaries are complete, and data has identified where significant gaps are and workers most at risk. We are working to fill these gaps.
Procurement and Contract Management	2	5 (5 in progress)	Resourcing put in place to undertake work around social procurement which includes baselining current Māori suppliers. New dashboard set up to automate trend analysis and is with ICT to produce in Ngatahi. Contracts are being saved centrally into Ngatahi where a 'contract owner' is assigned. Procurement, Business Support and Ngatahi team to provide on-going Ngatahi training to people entering contracts to ensure data accuracy.
Change Management	0	2 (2 in progress)	People & Customer Group have contracted a resource to support with the development of the change management framework. People & Customer are now looking for a permanent member of staff to fill the role.
Asset management maturity	0	3 (3 in progress)	The Strategic Asset Management Plan is almost finalized. We are just waiting on numbers for the long-term plan to be finalized for consultation.
Capital works programme internal audit	0	15 (3 in progress)	PMO have updated their Sharepoint page and have begun developing business case exemplars.

Greater Wellington Regional Council

Revenue collection controls assessment internal audit report
October 2023



Jacob Boyes
Senior Manager - Corporate Risk & Assurance
Greater Wellington Regional Council
100 Cuba Street, Te Aro
Wellington 6011

6 October 2023

Revenue collection controls assessment internal audit

Dear Jacob,

In accordance with our Terms of Reference dated 13 April 2023, we have completed our assessment of Greater Wellington Regional Council's revenue collection controls, based on our agreed scope described in Appendix A. Our observations and recommendations are set out in this report and are based on fieldwork completed between May and September 2023.

I would like to take this opportunity to acknowledge and thank the Greater Wellington Regional Council ('GWRC' or 'Council'), Transdev and Snapper personnel for the time and contributions they have made to enable us to perform this engagement.

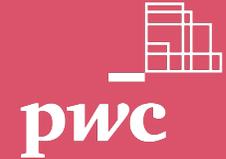
Please feel free to contact me on 027 511 6563 if you have any questions or require any further information.

Yours sincerely,



Vaughan Harrison
Partner, Risk Services
PricewaterhouseCoopers
vaughan.x.harrison@pwc.com

Attachment 3 to Report 23.622



Inherent limitations

We have performed our engagement in accordance with relevant ethical requirements of the Code of Ethics issued by the New Zealand Institute of Chartered Accountants, and appropriate quality control standards. Our engagement does not constitute a review or audit in terms of standards issued by the New Zealand Institute of Chartered Accountants.

Accordingly, this engagement is not intended to result in either the expression of an audit or legal opinion, nor the fulfilling of any statutory audit or other requirements.



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1

Executive summary



Executive summary

Attachment 3 to Report 23.622

Background

The Council has long-term contracts with Transdev and Snapper for the provision of transport services in the Wellington region. These are significant long-term contracts under which important transport is managed and provided, and from which Snapper and Transdev are responsible for the collection of the following fare revenue:

- Physical ticketing services (Transdev).
- Electronic smartcard system and card reader on buses and rail platforms (Snapper).

You have asked us to assess the key Snapper and Transdev controls responsible for supporting the collection of Wellington region fare revenues. Please refer to Appendix A for our agreed scope and approach.

Fare Revenue Snapshot



Cash fare revenue

Q4 FY22 \$5.3m **83%**
Q4 FY23 \$860k **decrease**



Snapper fare revenue

Q4 FY22 \$4.4m **112%**
Q4 FY23 \$9.3m **increase**



Fare Refunds

\$167k of refunds were issued in FY23 by Transdev and Snapper.

This is approximately **0.4%** of total fare revenue settled in FY23.



Transdev has a number of controls in place to support accurate and complete collection of revenue, but consistent with prior years there are a number of outstanding control design observations that need addressing.

Our testing of Transdev's controls did not identify any issues for 21 of 47 controls which was consistent with prior year, however of the 26 exceptions identified 23 have been raised in our previous assessments.

We found there has been slight improvements to revenue collection controls following our prior year recommendations. Examples found include clearer documentation, evidence being available for several IT controls and an annual attestation is obtained from the ticket printer. However 26 controls exist where we were unable to confirm the design and/or operation of the control to support the associated control objective.



Snapper has evidence to demonstrate their key controls to support accurate and complete collection of revenue operated across our sample testing. However, we identified a number of supporting controls where improvement opportunities were identified to further strengthen their control environment.

Our testing of Snapper's controls did not identify issues for 17 out of 25 controls.

We note however for the remaining 8 controls where exceptions were identified, these primarily relate to Snapper not being able to provide documentation that evidences the operation of these controls, i.e. retaining documentation will result in a reduction in the number of control exceptions identified.

Looking forward – GWRC have an opportunity to take a holistic view towards the control environment responsible for supporting the accurate and complete collection of bus and train fare revenue.

In the coming year Transdev will be collecting significantly less public transport revenue and consideration should therefore be applied as to extent of future control testing required aligned to GWRC's risk appetite. Additionally there is an opportunity to explore the GWRC controls that will help support the revenue collection (e.g. transport officers will be responsible for identifying the misuse of concessions) to determine if testing is needed for these GWRC controls that support the broader revenue collection control environment.

2

Transdev assessment results



Transdev summary observations

Attachment 3 to Report 23.622

What we found

Transdev management has continued to make further incremental improvements to revenue collection controls following our prior year recommendations. For example there is now clearer documentation and evidence available for several IT controls, and Transdev has also obtained attestation from their ticket printer that the requirements of their contract with Transdev has been met and appropriate controls in place to ensure only tickets requested are printed.

47 controls tested. **21** no issues identified. **26** issues identified:

- 10 control design exceptions.
- 5 system limitations prevented operational testing.
- 8 control operation exceptions arising from our sample testing.
- 3 opportunities for improvement.

Based on our work performed, we have identified the following key thematic findings:

1. **Evidence is not consistently retained to demonstrate the operation of some Transdev revenue controls:** Although we were able to sight evidence of a number of controls at a point in time via our process and control walkthroughs, and acknowledge Transdev has had staff shortages, evidence is still required to demonstrate control activities are performed consistently throughout the year.
2. **Limitations of the Greentree ticket management system:** Despite Transdev working with their Greentree vendor, a number of system-generated lists required to enable our sample testing were unable to be provided. Without complete and accurate testing populations available we were unable to complete sample testing for six controls to determine whether they have operated correctly across the assessment period.
3. **The Farebox revenue from Greentree does not reconcile to the bank account:** We tested a sample of Farebox reconciliations between Greentree and the bank account and noted there are unexplained reconciling differences ranging from \$-7 to \$889. This increases the risk that cash received for ticket sales is not recorded in Greentree or paid to the Council given the unreconciled balances are unable to be fully explained. This control design deficiency requires Transdev to further improve processes to understand the reasons for all reconciling differences. Alternatively, agreement needs to be reached between the Council and Transdev on what threshold for reconciling differences are acceptable.
4. **The Farebox revenue reconciliation is completed by one employee:** Only one employee has the relevant skills and time to complete the Farebox bank account reconciliation. Our sample testing noted this important reconciliation is not performed when this employee is on leave or absent. This is a significant key person risk and should be addressed by hiring another resource or training another staff member to provide continuity to the operation of this control.

An additional control objective for potential revenue leakages was incorporated this year. Transdev management noted there were no additional, specific controls responsible for managing revenue leakage risk, however the existing controls included in our assessment support this control objective.

What we did

We have completed our assessment of Transdev's revenue controls. Our approach to this assessment included:

1. Holding a discovery workshop with Transdev management to understand the current control environment, progress made against the prior year recommendations, existing control issues (where relevant), and any changes made to existing controls.
2. Following this workshop we identified the key controls and sample sizes to be tested, and agreed a rotational control testing plan with Council management.
3. Performing process walkthroughs across all agreed control activities to assess the design of each control, and completed detailed sample testing to confirm controls are operating to their design.

The results of the work undertaken have been included in the following pages.

NB: The introduction of Snapper cards has resulted in the removal of outstation operations and accordingly the outstation controls were assessed to January 2023 from which they ceased operation.

Transdev assessment results

Attachment 3 to Report 23.622

Control objective 1: Physical access to ticket inventory and/or cash is restricted to authorised individuals.

No.	Control	GWRC risk framework rating	Assessment procedures	Design assessment results	Operational assessment results	Transdev actions
1.1	Bulk physical ticket inventory is located in an access controlled (via physical locks) storeroom. Only authorised personnel have access.	No concern (No issues noted)	Observed physical ticket inventory is located within an access-controlled storeroom. Confirmed with Transdev management only authorised personnel have access to the storeroom as at 25 July 2023.	No issues identified.	No issues identified.	N/A
1.2	Security cameras operate outside the storeroom, Glory Machine Area and outstations. Security cameras are installed and maintained by third party Red Wolf and footage is retained by GWRC's ICT team for a period of 1 month.	No concern (Missed opportunity)	Observed the cameras operating at each location and the retention of footage for a one-month period. Noted that as of 10 July 2023 the cameras outside the storeroom and the glory machine area were out of service since May 2023.	Design issue: Evidence to demonstrate historical footage recorded across the period was not able to be provided by the third party.	No sample testing performed due to design issue.	The storeroom and glory machine cameras are operated by GWRC and should be re-established after being out of service since May 2023. GWRC Management response We agree with this finding.
1.3	Wellington Railway Station Sales Agents are assigned tickets in a secure, locked, movable cupboard. The cupboard is locked at the end of the shift, and keys issued to staff member based on their system issue point.	No concern (Missed opportunity)	Observed the existence of tickets within lockable, movable cupboards assigned during the onboarding process.	Design issue: Evidence to demonstrate cupboards were locked at the end of the shift across the year was not available.	No sample testing performed due to design issue.	GWRC Management response We understand the design issues around these controls and accept the risk that they cannot be tested by PWC.
1.4	Outstation and Wellington Railway Station Sales Agents keep their floats in a tin security box which is locked at the end of the shift and stored in the safe overnight.	No concern (Missed opportunity)	Observed the existence of tin security boxes held in the lockable safe at Wellington station, since outstations were operating till 27 July 2023.	Design issue: Evidence to demonstrate the tin security boxes were locked in the safe overnight across the year was not available.	No sample testing performed due to design issue.	Controls like Cash reconciliations to ticket sales and the bank reconciliation mean the chance of error is low.
1.5	All Onboard staff have ticket wallets containing their tickets and float. At the end of the shift, these are securely locked in the staff members locker.	No concern (Missed opportunity)	Observed the existence of ticket wallets containing tickets and floats that are kept within the staff member's locker.	Design issue: Evidence to demonstrate ticket wallets and floats were locked in staff members' lockers across the year was not available.	No sample testing performed due to design issue.	Cash floats and tickets held are also not material compared to overall cash revenue.
1.6	The Glory Machine is locked using a key accessible by appropriate staff during the shift and locked in the safe overnight.	No concern (Missed opportunity)	Observed the Glory Machine key is stored in an overnight safe whose access is limited to appropriate personnel.	Design issue: Evidence to demonstrate the Glory Machine key was locked in the safe overnight across the year was not available.	No sample testing performed due to design issue.	

(continued)

Attachment 3 to Report 23.622

Control objective 2: Ticket inventory records are complete and accurate.

No.	Control	GWRC risk framework rating	Assessment procedures	Design assessment results	Operational assessment results	Transdev actions
Receiving of inventory						
2.1	The Retail Sales Manager prepares a ticket stock order form and requests creation of the Purchase Request ('PR') by a Team Leader. The Retail Sales Manager reviews the PR for accuracy and completeness then approves the PR in the accounting system before the order is sent to the ticket printer.	No concern (No issues noted)	Inspected a sample of five ticket stock Purchase Requests to confirm the Purchase Requests were reviewed for accuracy and completeness by the Retail Sales Manager / Head of Operations.	No issues identified.	No issues identified.	N/A
2.2	Physical ticket inventory received is agreed to the packing slip and signed off by the Group Travel Coordinator or Team Leader and recorded in the ticket management system by the Retail Sales Manager or Team Leader.	No concern (No issues noted)	Inspected a sample of five ticket stock Purchase Requests to confirm the packing slip was agreed to the physical inventory by the Group Travel Coordinator or Team Leader, and recorded in the ticket management system by the Retail Sales Manager or Team Leader.	No issues identified.	No issues identified.	N/A
Issuing of inventory						
2.3	External ticket agents or Outstation/Wellington Railway Station Sales Agents have ticket request forms checked and tickets assigned in the ticket management system by the Group Travel Coordinator before being sent to the requestor.	Some concerns (We can live with this but we can do better)	Observed the Retail Sales Manager assign requested tickets to an Agent prior to sending. Walked through one ticket request form to confirm it was checked by the Group Travel Coordinator and tickets were assigned to the Agent in Greentree.	System limitation: The Greentree system is unable to generate a listing of ticket requests covering the testing period and accordingly no sample testing could be performed.	No sample testing performed due to system limitation.	Moving forward external ticket agents will no longer issue tickets and therefore no actions are required.
2.4	Tickets received by External ticket agents or Outstation/Wellington Railway Station Sales Agents are checked to the ticket request form for accuracy and completeness. The form is signed as acknowledgement of receipt by and sent back to the Group Travel Coordinator as evidence the tickets have been received.	Some concerns (We can live with this but we can do better)	Walked through one ticket request form to confirm it was signed by the Agent as confirmation of the accuracy, completeness and receipt of tickets provided.	System limitation: The Greentree system is unable to generate a listing of ticket request covering the testing period and accordingly no sample testing could be performed.	No sample testing performed due to system limitation.	

(continued)

Attachment 3 to Report 23.622

Control objective 2: Ticket inventory records are complete and accurate (cont.)

No.	Control	GWRC risk framework rating	Assessment procedures	Design assessment results	Operational assessment results	Transdev actions
2.5	Onboard staff request new tickets verbally which are assigned through the ticket management system by P9 staff and verified within the ticket book.	Some concerns (We can live with this but we can do better)	Walked through one ticket request to confirm the request was completed accurately and completely.	System limitation: The Greentree system is unable to generate a listing of ticket requests covering the testing period and accordingly no sample testing could be performed.	No sample testing performed due to system limitation.	Work with the Greentree provider to develop a system generated listing/extract of refunds made across the period. GWRC Management response: We understand that there are system limitations that mean control can be sighted only and cannot be tested by PWC. Controls like Cash reconciliations to ticket sales and the bank reconciliation mean the chance of error is low. The cost and time involved in developing and implementing a listing/extract outweigh the benefit/risk.
Maintenance of inventory						
2.6	On a fortnightly basis a rolling stocktake of the ticket inventory in the storeroom is performed by Retail Sales Manager and independent person (with no access to the storeroom). The results of the stocktake are compared to that recorded in ticket management system. Any discrepancies identified are investigated and resolved.	Some concerns (We can live with this but we can do better)	Inspected a sample of three stocktakes to confirm they were completed and any discrepancies were investigated and resolved.	No issues identified.	Operational issue: For two stocktakes the stocktakes were only performed by the Retail Sales Manager, i.e. no independent person without access to the storeroom participated in the stocktake. We note however beyond our sample testing that stocktakes were not performed regularly each fortnight throughout the year.	Ensure all the stocktakes are reviewed and evidence is retained to support the performance of this control, and reinstate fortnightly stocktakes. GWRC Management response We agree with this finding.

(continued)

Attachment 3 to Report 23.622

Control objective 2: Ticket inventory records are complete and accurate (cont.)

No.	Control	GWRC risk framework rating	Assessment procedures	Design assessment results	Operational assessment results	Transdev actions
2.7	Twice a year, Team Leaders or the Retail Sales Manager perform a stocktake of physical ticket stock held by External ticket agents. The stocktake results are compared to records held in ticket management system and peer reviewed. Any discrepancies identified are investigated and resolved.	Some concerns (We can live with this but we can do better)	Walked through one external agent stocktake to confirm it had been reviewed and any discrepancies were investigated and resolved.	No issues identified.	Operational issue: Four of the five sample stocktakes were not peer reviewed as they were performed by the Retail Sales Manager. Note: Outside of this control all outstations were closed and we enquired to understand how the remaining ticket stock was managed, and found evidence for the destroying of tickets or transferred to GWRC was not maintained.	Moving forward external ticket agents will no longer manage ticket inventory and therefore no stocktake actions are required.
2.8	On a monthly basis the Retail Sales Manager reviews the negative adjustments report to confirm transactions processed in the ticket management system are appropriate. Any discrepancies identified are investigated and resolved.	Some concerns (We can live with this but we can do better)	This control was unable to be assessed due to the negative adjustments report being last reviewed in June 2022.	Design issue: Segregation of duties are not managed to fully enable this control: The negative adjustment report is reviewed by the same staff member who also removes tickets from issue points.	No sample testing performed due to design issue, and the negative adjustments report was last reviewed in June 2022.	Re-establish the review of the negative adjustments report, and segregate responsibilities for removing tickets from issue points and the review of the negative adjustment report. GWRC Management response: We agree with this finding.
2.9	On an annual basis, Transdev requests from their contracted ticket printer an attestation to confirm they have met the requirements of their contract with Transdev and have appropriate controls in place to ensure only tickets requested are printed.	No concern (Missed opportunity)	Observed attestation letter dated 3 July 2023 was obtained from the printer, confirming that they have met the requirements of the contract and have appropriate controls in place.	No issues identified.	No issues identified. Improvement opportunity: The attestation should also include the attestation period.	Going forward the period for which the attestation pertains to should be included in the letter from the contracted ticket printer. GWRC Management response: We agree with this finding.

(continued)

Attachment 3 to Report 23.622

Control objective 3: All ticket sales are completely and accurately recorded in the ticket management system

No.	Control	GWRC risk framework rating	Assessment procedures	Design assessment results	Operational assessment results	Transdev actions
3.1	The ticket management system automatically calculates the value of the tickets sold for the day when entered.	No concern (No issues noted)	Inspected an instance of one automatic calculation within the ticket management system to confirm the value of daily tickets sold was calculated as expected.	No issues identified.	No issues identified.	N/A
3.2	The ticket management system automatically prevents entry of a ticket stub number outside of the range allocated to the staff member.	No concern (No issues noted)	Inspected an instance of a ticket stub number outside of the range allocated to a staff member to confirm the ticket management system automatically prevented entry.	No issues identified.	No issues identified.	N/A
3.3	On a daily basis Outstation/Wellington Railway Station Sales Agents complete a cash book analysis to reconcile the days cash takings to sales of tickets. Team Leaders review and sign the cash book analysis to confirm supported documentation and information entered into the ticket management system agree. Any discrepancies identified are investigated and resolved.	No concern (Missed opportunity)	Inspected a sample of 25 daily cash book reconciliations to confirm: <ul style="list-style-type: none"> Reconciliations were prepared by the sales agent. Reconciliations were independently reviewed by a Team Leader. Any discrepancies were identified, investigated and resolved. 	No issues identified.	No issues identified, i.e. the approver's signature was present on each of the 25 tested reconciliation. Improvement opportunity: The preparer should also sign the reconciliation prior to providing to the reviewer.	Remind the reconciliation preparer to sign-off the reconciliation prior to providing to the reviewer. GWRC Management response: We agree with this finding.
3.4	On a daily basis Onboard staff members report to Wellington Railway Station to cash up and calculate tickets sales for the day. Staff provide the Glory Machine receipts to P9 staff who enter values into ticket management system as a confirmation of the cash up process and calculation of the sales values for the day. Any discrepancies identified between cash and calculated sales are investigated.	Some concerns (We can live with this but we can do better)	Observed one onboard staff member's cash up to confirm it was performed correctly, and any discrepancies identified were investigated.	System limitation: The Greentree system is unable to generate a listing of cash up receipts across the testing period and accordingly no sample testing was performed.	No sample testing performed due to system limitation.	Work with the Greentree provider to develop a system generated listing/extract of cash up receipts made across the period. GWRC Management response: We understand that there are system limitations that mean control can be sighted only and cannot be tested by PWC. Controls like Cash reconciliations to ticket sales and the bank reconciliation mean the chance of error is low. The cost and time involved in developing and implementing a listing/extract outweigh the benefit/risk.

(continued)

Attachment 3 to Report 23.622

Control objective 3: All ticket sales are completely and accurately recorded in the ticket management system (cont.)

No.	Control	GWRC risk framework rating	Assessment procedures	Design assessment results	Operational assessment results	Transdev actions
3.5	The Glory Machine is serviced and calibrated for accuracy every four months by the service provider as part of the contract with Transdev.	Some concerns (We can live with this but we can do better)	Inspected evidence to confirm the Glory Machine has been serviced only once during the year (November 2022) by a Glory technician.	No issues identified.	Operational issue: Service and calibration was only performed once during the year by the Glory technician.	Service and calibrate the Glory Machine every four months and retain evidence. GWRC Management response: We agree with this finding.
3.6	The under and overs sale variance report is reviewed by Onboard Team Leaders to identify any follow up of staff that show unusual patterns or trends in their sales/float. These discrepancies are investigated and resolved.	Some concerns (We can live with this but we can do better)	Enquired with the Retail Sales Manager to confirm the control was in place but performed on an ad-hoc basis.	Design issue: No evidence of review of the under and overs sale variance is retained to demonstrate the control was operating during the period.	No sample testing performed due to design issue.	Set expectations for the frequency and recording of the review of the under and overs sale variance report. GWRC Management response: We agree with this finding.
3.7	External Ticket Agents send ticket sale return forms to the Retail Sales Manager to summarise their sales. The Group Travel Coordinator or Team Leader enter the ticket stock sold (per the form) into the ticket management system and check the accuracy and completeness of the sales return forms, the supporting documentation, and ticket sequence numbers agree to the ticket management system. Group Travel Coordinator or Team Leader prepare the ticket agents invoice and sales return checklist (detailing any ticket variances requiring follow-up). This is reviewed by the Retail Sales Manager before being sent.	Some concerns (We can live with this but we can do better)	Inspected a sample of 25 external ticket agent returns to confirm each were completed, checked and signed by the Group Travel Coordinator, and reviewed by the Retail Sales Manager.	No issues identified.	Operational issue: For one sample the ticket sales return checklist was unable to be evidenced. For one sample the email to Agent for unreconciling items was unable to be evidenced.	Moving forward external ticket agents will no longer manage tickets and therefore ticket return actions are required.

(continued)

Attachment 3 to Report 23.622

Control objective 3: All ticket sales are completely and accurately recorded in the ticket management system (cont.)

No.	Control	GWRC risk framework rating	Assessment procedures	Design assessment results	Operational assessment results	Transdev actions
3.8	The ticket management system automatically calculates the total ticket sales value owed by the ticket agents and generates an invoice.		Refer to control 3.1 for procedures performed.			
3.9	Refund request forms are reviewed for valid supporting documentation and are approved by the Retail Sales Manager before payments are made.	Some concerns (We can live with this but we can do better)	Walked through one refund type to confirm the expected level of approval was obtained.	System limitation: The Greentree system is unable to generate a listing of refunds across the testing period and accordingly no sample testing was performed.	No sample testing performed due to system limitation.	<p>Work with the Greentree provider to develop a system generated listing/extract of refunds made across the period.</p> <p>GWRC Management response:</p> <p>We understand that there are system limitations that mean control can be sighted only and cannot be tested by PWC.</p> <p>Controls like Cash reconciliations to ticket sales and the bank reconciliation mean the chance of error is low.</p> <p>The cost and time involved in developing and implementing a listing/extract outweigh the benefit/risk.</p>
3.10	On a monthly basis the Retail Sales Manager reviews the negative adjustments report to confirm transactions processed in the ticket management system are appropriate. Any discrepancies identified are investigated and resolved.		Refer to control 2.8 for procedures performed.			

(continued)

Attachment 3 to Report 23.622

Control objective 4: All receipts are banked and/or paid to Greater Wellington Regional Council on a timely basis

No.	Control	GWRC risk framework rating	Assessment procedures	Design assessment results	Operational assessment results	Transdev actions
4.1	At the end of the day, the cash collected at each outstation is counted, labelled, and securely stored for pickup by Armourguard. The deposit bag receipt is signed by Armourguard as evidence of collection and custody of the cash, which is deposited into the Farebox bank account. Each day Armourguard confirm via email all cash collected at each outstation and variances between declared and collected amounts.	No concern (No issues noted)	Inspected a sample of 20 pickups to confirm the emails from Armourguard were sent, collections were deposited into the Farebox bank account, and any variances between declared and collected were commented on.	No issues identified.	No issues identified.	N/A
4.2	The Transdev Wellington Accountant compares the actual bank deposit amount against the Greentree receipt from the outstation cash collected. Any discrepancies are followed up and resolved by the accountant.	No concern (No issues noted)	Inspected an instance of a deposit to confirm the deposit reconciled to Greentree and any discrepancies were followed up and resolved.	No issues identified.	No issues identified.	N/A
4.3	On a daily basis cash is collected from the Glory Machine by the Transdev Collections Officer who completes a cash summary and a banking deposit slip and provides this to Armourguard upon pickup. Armourguard sign the deposit bag receipt to evidence collection and custody of the cash which is deposited into the Farebox bank account.	Very concerned (Can't live with the current state and significant change required)	Inspected a sample of 20 pickups to confirm the deposit bags were signed appropriately and deposited into the Farebox bank account.	No issues identified.	Operational issue: For two samples the deposit bag was not signed by Armourguard upon pickup.	Ensure deposit bags are signed by both Transdev and Armourguard prior to or upon pick up by Armourguard. GWRC Management response: We agree with this finding.

(continued)

Attachment 3 to Report 23.622

Control objective 4: All receipts are banked and/or paid to Greater Wellington Regional Council on a timely basis (cont.)

No.	Control	GWRC risk framework rating	Assessment procedures	Design assessment results	Operational assessment results	Transdev actions
4.4	<p>Reconciling items are matched to valid supporting evidence (e.g. Armourguard and ticket agents' invoices) and discrepancies followed up and resolved.</p> <p>The reconciliation is reviewed and approved by the Business Planning Analysis and Reporting Manager (BPARM) within agreed business timeframes.</p>	Very concerned (Can't live with the current state and significant change required)	<p>Inspected a sample of 20 daily reconciliations to confirm:</p> <ul style="list-style-type: none"> The reconciliation was completed and signed by the Transdev Wellington accountant and reviewed by the BPARM The Farebox closing bank balance matched to the sales reported by the ticket management system Any reconciling items were investigated and resolved. 	<p>Design issue: Farebox revenue from Greentree does not reconcile to the bank account and the unreconciled balances cannot be fully explained.</p>	<p>Operational issue: We note Farebox revenue is not consistently reconciling, however we continued to test the performance and review of the reconciliation and found</p> <ul style="list-style-type: none"> For one sample the reconciliation was not performed because the accountant, on is the only role who performs the reconciliation, was on leave. For 17 samples the accountant and reviewer sign off was not present on the GWRC template. 	<p>This operational control deficiency requires Transdev to further improve processes to understand the reasons for all reconciling differences. Alternative agreement needs to be reached between Transdev and GWRC to accept the limitation in the design of the control (if relevant)</p> <p>Further, performance of this control is dependent on one staff member. To reduce the key person risk consider training additional staff to perform the reconciliation.</p> <p>GWRC Management response: We agree with this finding.</p>
4.5	<p>Transdev and Armourguard have an agreement in place that outlines key responsibilities for each party. Transdev performs monitoring over the service provided through regular meetings or reporting.</p>	No concern (No issues noted)	<p>Inspected the agreement and confirmed it was approved prior to services being provided.</p>	No issues identified.	No issues identified.	N/A

(continued)

Attachment 3 to Report 23.622

Control objective 5: Reporting to Greater Wellington Regional Council is complete, accurate and performed on a timely in accordance within the conditions set out in the Partnering Contract

No.	Control	GWRC risk framework rating	Assessment procedures	Design assessment results	Operational assessment results	Transdev actions
5.1	A signed contract is in place between Greater Wellington Regional Council (GWRC) and Transdev Wellington to enable Transdev to sell tickets on behalf of GWRC and to detail each party's role, responsibilities, and expectations.	No concern (No issues noted)	Inspected the agreement and confirmed it was approved prior to services being provided.	No issues identified.	No issues identified.	N/A
5.2	On a daily basis, Transdev Wellington run a report from the ticket management system detailing the sales for the previous day. The Accountant will check that hash totals match in the report and the GWRC populated template. The Business Planning and Reporting Manager then approves the report.	No concern (No issues noted)	Inspected a sample of 20 reports to confirm they were approved and reviewed by the Business Planning and Reporting Manager.	No issues identified.	No issues identified.	N/A
5.3	On a daily basis, the required reports and reconciliation are sent to GWRC before 10am, in line with the responsibilities set out in the partnering contract.	No concern (No issues noted)	Inspected 20 samples of daily emails to confirm that the required reports and reconciliations were sent before 10am.	No issues identified.	No issues identified.	N/A
5.4	On a daily basis, the Transdev Wellington accountant performs a reconciliation between the Farebox closing bank account balance and the sales reported by ticket management system. Reconciling items are matched to valid supporting evidence (e.g. Armourguard and ticket agents' invoices) and discrepancies are followed up and resolved. The reconciliation is reviewed and approved by the BPARM within agreed business timeframes.	Refer to control 4.4 for procedures performed				

(continued)

Attachment 3 to Report 23.622

Control objective 6: Withdrawals from banks accounts or refunds are approved by authorised individuals

No.	Control	GWRC risk framework rating	Assessment procedures	Design assessment results	Operational assessment results	Transdev actions
6.1	On a daily basis, the previous day's sales or cash receipts are transferred to GWRC from the Farebox account. The batch bank payment is reviewed against supporting documents (e.g. GRWC reporting) and approved by two signatories within agreed business timeframes.	No concern (No issues noted)	Verified 20 samples of payment to GWRC to confirm the batch was reviewed before payment.	No issues identified.	No issues identified.	N/A
6.2	Segregation of duties exist in the banking application. Only authorised employees have the ability to approve payments and individuals who can load payments cannot approve them.	No concern (No issues noted)	Observed on screen the banking application prevents the authorised users from loading and approving the same payment.	No issues identified.	No issues identified.	N/A
6.3	Withdrawals from the Farebox account can only be made with approval from an appropriate delegate at GWRC.	No concern (No issues noted)	Inspected a sample of five withdrawals from the Farebox account to confirm the withdrawal was approved before payment.	No issues identified.	No issues identified.	N/A
6.4	The ticket management system automatically calculates the total ticket sales value owed by the ticket agents and generates an invoice.	Refer to control 3.9 for procedures performed.				

(continued)

Attachment 3 to Report 23.622

Control objective 7: Access to ticket management system is granted, amended and removed with authorisation in a timely manner

No.	Control	GWRC risk framework rating	Assessment procedures	Design assessment results	Operational assessment results	Transdev actions
7.1	Granting and modification of access to the ticket management system is controlled through authorisation by the HR Manager after the employee contract and start date is agreed.	No concern (No issues noted)	Inspected a sample of three new or modified users to confirm that access was approved and provisioned appropriately.	No issues identified.	No issues identified.	N/A
7.2	P&C Manager authorise IT to remove employee system access once termination date is agreed.	Some concerns (We can live with this but we can do better)	Inspected a sample of two Greentree and Active Directory/network users removed to confirm system and network access was removed in a timely manner.	No issues identified.	Operational issue: For all samples assessed, network access was not removed in a timely manner. The sampled users left Transdev on 27 January 2023 and access was removed on 20 February 2023 and 16 February 2023 respectively.	Ensure terminated employee IT access is removed on their final day of employment, and document network user access reviews. GWRC Management response: We agree with this finding.
7.3	Periodic reviews of the network and ticket management system users and user access rights are performed by the Transdev Service Desk to identify inappropriate access. If a user is identified as no longer needing their access rights the reviewer ensures these are revoked or amended immediately after the review.	Some concerns (We can live with this but we can do better)	Enquired with the IT Service Desk and Application Support Analyst to confirm network access reviews were performed over network users on a quarterly basis, and review of the ticket management system was performed on an ad-hoc basis, however neither review is formally documented.	Design issue: Evidence was not maintained to demonstrate the periodic review was operating during the period, as a result no sample testing was performed.	No sample testing performed due to design issue.	
7.4	Privileged access to the ticket management system application, server, and database is appropriately restricted and in line with staff roles and responsibilities.	No concern (No issues noted)	Inspected the employee with super user access and corroborated with management that privileged access rights were appropriate based on the employee's role.	No issues identified.	No issues identified.	N/A
7.5	Effective password settings and parameters are documented and enforced at both the ticket management system application level and Transdev network level.	No concern (Missed opportunity)	Inspected screenshots of password settings and parameters at the network and application level to confirm appropriate settings were enforced and aligned with documented policy.	No issues identified.	No issues identified. Improvement opportunity: Greentree password parameters do not fully align to the approved Transdev policy, however the password parameters are met at a network level thereby reducing the risk.	Determine whether Greentree's password policy non-compliance can be risk accepted given network password parameters align to policy. GWRC Management response: We agree with this finding.

(continued)

Attachment 3 to Report 23.622

Control objective 8: Ticket management system application changes are authorised, tested, approved and documented appropriately prior to being migrated to production

No.	Control	GWRC risk framework rating	Assessment procedures	Design assessment results	Operational assessment results	Transdev actions
8.1	Changes to ticket management system application are requested as needed, approved by Change Advisor Board and configurations are independently tested and approved before being migrated to production	No concern (No issues noted)	Enquired with the IT Service Desk and Application Support Analyst to confirm changes are requested and approved by the Change Advisor Board and tested and approved before migration to production.	No issues identified.	No changes to the ticket management system were made from 1 July 2022 to 30 June 2023 and as a result no sample testing was performed.	N/A
8.2	Changes to the ticket management system are developed, modified, and tested in an environment separate from the production environment.	No concern (No issues noted)	Inspected and confirmed separate Greentree environments exist for development and production as at 21 June 2023.	No issues identified.	No issues identified.	N/A

(continued)

Attachment 3 to Report 23.622

Control objective 9: Computer Operations of problem management, business continuity, disaster recovery and backup processes are managed appropriately

No.	Control	GWRC risk framework rating	Assessment procedures	Design assessment results	Operational assessment results	Transdev actions
9.1	Incident and problem management tickets are created when issues arise. These are prioritised and monitored to ensure the issue is resolved within required timeframes.	No concern (Minor issue noted)	Inspected a sample of five incident tickets to determine that issues were prioritised, monitored, and resolved appropriately and in a timely manner.	No issues identified.	Operational issue: For one sample the ticket was resolved beyond the defined timeframes.	Ensure tickets are closed within the defined timeframes Management response: We agree that Transdev should manage the meeting of their KPIs and we will notify them in our monthly meeting.
9.2	Backup copies of information, software and system images are taken and tested regularly, in accordance with the backup policy. Any issues identified are resolved.	No concern (No issues noted)	Inspected a sample of two months of backup reports to confirm that backups were taking place.	No issues identified.	No issues identified.	N/A
9.3	Policy for Business Continuity and Disaster Recovery are in place.	No concern (No issues noted)	Inspected the BCP and DR policy to confirm that the policies are in place.	No issues identified.	No issues identified.	N/A
9.4	Business Continuity and Disaster Recovery Plans are tested on an annual basis	Some concerns (We can live with this but we can do better)	Enquired with the IT Service Desk & Application Support Analyst to confirm the Business Continuity and Disaster Recovery Plans have been established in the last 12 months, however testing has not yet been performed but is scheduled.	No issues identified.	N/A, i.e. we could not complete operational testing given the control has not been in place for the full year.	N/A
9.5	Annual monitoring over IT service providers is performed, either through regular meetings and/or review of reports.	No concern (Minor issue noted)	Enquired with the IT Service Desk & Application Support Analyst to confirm the control was not in place.	Design issue: control is not in place.	No testing performed due to design issue.	Implement this new control and maintain an audit trail to support the operation of this control. Management response: We agree that Transdev should manage the meeting of their KPIs and we will notified them in our monthly meeting.

3

Snapper assessment results



Snapper summary observations

Attachment 3 to Report 23.622

What we found

Snapper has evidence to demonstrate their key controls to support accurate and complete collection of revenue operated across our sample testing. However, we identified a number of supporting controls where improvement opportunities were identified to further strengthen their control environment.

25 controls tested. **17** no issues identified. **8** issues identified:

- 3 control design exceptions.
- 1 system limitation prevented operational testing.
- 1 control operation exceptions arising from our sample testing.
- 3 opportunities for improvement.

- 1. Maintain consistent evidence of control activities on an ongoing basis:** Although we have sighted examples of control evidence during our walkthroughs, and acknowledge that Snapper has improved the controls and processes on an ongoing basis, evidence is still required to demonstrate control activities are performed consistently throughout the year.
- 2. Absence of visibility over the validations performed by T-money:** T-money is a critical system, which provides a facility to record tag-on tag-off (TOTO) transactions and also performs some validation checks over the data, Snapper needs to have more visibility in the overall monitoring controls and validations at T-money.
- 3. The Finance Team's reconciliation of the T-money and Snapper database warehouse does not reconcile:** The Finance team perform a reconciliation of fares of the Snapper database warehouse with the T-money central system. This reconciliation is performed on a daily basis and not on a cumulative basis, with only total variances above \$1,000 per day are formally investigated. We identified the net variance for the entire year amounted to \$2.7K. We did not see investigation being performed, rather the team waits for the difference to be automatically settled over a period of time.
- 4. Trust based model for child concession application:** Snapper's Customer service team applies child concessions to Snapper cards following customer requests. We found supporting evidence (e.g. a student ID) is not consistently collected from the customer before applying a concession despite contract requirements between GWRC and Snapper. General reliance is therefore placed on the bus and train operators (drivers/conductors) to identify the misuse of concessions.

What we did

We have completed our assessment of Snapper's revenue controls. Our approach to this assessment included:

1. Holding a discovery workshop with Snapper management to understand the current control environment, progress made against the prior year recommendations, existing control issues (where relevant), and any changes made to existing controls.
2. Following this workshop we identified key controls and prioritised controls to be tested based on the criticality of the control.
3. Performing process walkthroughs across all agreed control activities to assess the design of each control.

The results of the work undertaken have been included in following pages.

NB: We note in previous years there was no assessment on the design of controls, therefore our effort this year has focused on assessing the effectiveness of the design of controls.

Snapper assessment results

Attachment 3 to Report 23.622

Control objective 1: Tag on tag off (TOTO) data is recorded completely and calculated accurately within the correct period

No.	Control	GWRC risk framework rating	Assessment procedures	Design assessment results	Operational assessment results	Snapper actions
1.1	Transactional data consisting of customer Tag On Tag Off (TOTO) details (i.e. date and time of journey, snapper card details etc.) is automatically uploaded in the Depot Data Collection System (DDCS). Data is auto uploaded from DDCS to T-money system and to Snapper Database warehouse.	No concern (No issues noted)	Inspected one sample trip for all eight operators to confirm that the data is accurately automatically transferred from DDCS to T-money central system, Snapper database warehouse and GWRC reporting portal. Note: Data within DDCS is held for only 30 days before moving to the cloud and accordingly we are only able to test data transferred within this period.	No issues identified.	Automated control in place which has been tested and no issues identified. No further testing required.	N/A
1.2	The Insights portal developed by Snapper reflects the bus trip performance against the set parameters / KPIs. Each day Snapper Insight Analysts monitor the vehicle incidents and the vehicle state reports which present exceptions between actual trips data vs the schedule and feeds provided by GWRC. The Insight Analyst captures the reasons for discrepancies in the Insights Portal, and escalates any unresolved differences for commentary by the operators.	Some concerns (We can live with this but we can do better)	Inspected and confirmed the logics built in to monitor the exceptions in the bus trip data. Walked through and verified the live insights portal and monitoring mechanism of the network incidents and vehicle state reports.	No issues identified. Improvement opportunity: Insights analyst do not monitor the rail data due to the absence of trip details.	Automated control in place which has been tested and no issues identified. No further testing required.	GWRC should consider whether rail trips should be defined and monitored to confirm completeness in the transaction data. GWRC Management response: We do not see this as a necessary solution and would require a device within trains which would be a significant investment. We are happy with the existing data that we have surrounding these trips which comes from Transdev operational reporting.

(continued)

Attachment 3 to Report 23.622

Control objective 1: Tag on tag off (TOTO) data is recorded completely and calculated accurately within the correct period (cont.)

No.	Control	GWRC risk framework rating	Assessment procedures	Design assessment results	Operational assessment results	Snapper actions
1.3	A physical preventative maintenance programme (repeated in every six-month period) assesses all validators across all bus and rail operators. A monthly report is prepared by HTS highlighting repair trends and thematic issues identified. Snapper reviews the report, discusses the report in the monthly meeting, and performs follow actions if required.	No concern (No issues noted)	Inspected a sample of three HTS monthly reports and meetings invites to confirm preventive maintenance and its discussion in monthly meetings.	No issues identified.	No issues identified.	N/A
1.4	The T-money System automatically validates the transaction through checking the encrypted signatures. Any exceptions are notified by T-money and Snapper follows up and resolves the errors.	Some concerns (We can live with this but we can do better)	Walked through a sample and verified that an error was notified by T-money and has been resolved by Snapper Platforms team.	System limitation: The T-money central system is unable to generate a population of error codes across the testing period and accordingly no sample testing could be performed.	No sample testing due to system limitation.	Work with T-money to develop a system generated consolidated listing of errors across the period. GWRC Management response: We are comfortable with the current state as the walkthrough did not identify an issue. Snapper is planned to be replaced by NTS. We are not looking to make significant changes to systems and processes in the meantime.

(continued)

Attachment 3 to Report 23.622

Control objective 2: All receipts are banked and/or paid to Greater Wellington Regional Council on a timely basis

No.	Control	GWRC risk framework rating	Assessment procedures	Design assessment results	Operational assessment results	Snapper actions
2.1	On a daily basis the Settlement Officer performs a reconciliation of the data received in the T-money central system against the data from the Data Warehouse. The worksheet is sent to the Finance Manager for review and approval for reconciliation and payment.	No concern (No issues noted)	Walked through one reconciliation and inspected a sample of 25 daily reconciliations to confirm reconciliations were independently reviewed and approved by Head of Finance.	No issues identified.	No issues identified.	N/A
2.2	GWRC and Snapper have agreed a cumulative threshold of \$1,000 for variances within reconciliations. Any variances above this threshold are formally investigated and resolved and/or explained within agreed timeframes.	Very concerned (Can't live with the current state and significant change required)	In continuation to Control 2.1, walked through one example of a reconciliation variation to confirm the variance was investigated and resolved by the Platforms team.	No issues identified.	Operational issue: Variance investigation documentation was not consistently maintained to enable operational testing. Snapper management noted variances and trends are monitored by the Finance team each day with the majority of variances resolving themselves due to the timing of data transfer between systems. We however recommend Snapper formalise guidance to set documentation expectations and timeframes for the investigation of reconciliation variances.	Formalise guidance documentation to set expectations and timeframes for the investigation of reconciliation variances. Management response: We agree with this finding.
2.3	On a daily basis the bank payment files uploaded into the bank system are reviewed against the amount in the supporting reconciliation and portal reports. Bank payments require two signatories before release.	No concern (No issues noted)	Inspected a sample of 25 daily reconciliations to confirm: <ul style="list-style-type: none"> Reconciliations were independently reviewed by Head of Finance. Two bank authorised signatories approved the payment before releasing. 	No issues identified.	No issues identified.	N/A
2.4	Within the banking application only authorised employees can approve payments and individuals who can load payments cannot approve them.	No concern (No issues noted)	Inspected to determine only authorised personnel have access to approve payments and duties to load payments and approve are segregated.	No issues identified.	No issues identified.	N/A

(continued)

Attachment 3 to Report 23.622

Control objective 3: Reporting to Greater Wellington Regional Council is complete, accurate and performed on a timely in accordance within the conditions set out in the providers Contract

No.	Control	GWRC risk framework rating	Assessment procedures	Design assessment results	Operational assessment results	Snapper actions
3.1	<p>Snapper and GWRC have an agreement in place that outlines key responsibilities and service level performance requirements for each party.</p> <p>On a monthly basis, the SLA performance is monitored by the Snapper team through a Monthly operational report which show performance against each SLA parameter and reasons for failure / low performance.</p>	No concern (Missed opportunity)	Inspected sample of three months to confirm the IBTS operations report was sent to GWRC.	No issues identified.	<p>No issues identified.</p> <p>Improvement opportunity: As per the contract the timeframe to submit the monthly report as been agreed as 7th business day of the following month, however in all the three samples there were delays ranging from two to eight days.</p>	<p>Remind staff of the timeframe requirements for sending the IBTS operations report.</p> <p>Management response: We agree with this finding.</p>
3.2	<p>On a daily basis the Settlement Officer performs a reconciliation of the data received in the T-money central system against the data from the Data Warehouse. The worksheet is sends to the Finance Manager for review and approval for reconciliation and payment.</p>		Refer to control 2.1 for procedures performed.			

(continued)

Attachment 3 to Report 23.622

Control objective 4: Withdrawals from banks accounts, concessions or refunds are approved by authorised individuals

No.	Control	GWRC risk framework rating	Assessment procedures	Design assessment results	Operational assessment results	Snapper actions
4.1	Access rights for granting refund and credits on Snapper card is restricted with the Customer service representatives and the Insights Analysts on the CSA portal and Insights portal.	No concern (Minor issue noted)	Enquired with the Platform Engineer to confirm the system access to grant refunds and credits on Snapper cards is restricted with the Customer Service Representatives and the Insights Analysts.	Confirmed via walkthrough enquiry that system access is in place to restrict users in applying refunds or credits.	Due to timing constraints we agreed with Snapper and GWRC to perform operational testing of this control in FY25.	N/A
4.2	Refund invoices billed to GWRC are reviewed and approved by the Head of Finance.	No concern (No issues noted)	Inspected three samples of refunds to confirm the invoices were reviewed and approved by the Head of Finance.	No issues identified.	No issues identified.	N/A

(continued)

Attachment 3 to Report 23.622

Control objective 5: Potential revenue losses or leakage is identified and resolved on a timely basis

No.	Control	GWRC risk framework rating	Assessment procedures	Design assessment results	Operational assessment results	Snapper actions
5.1	Application of child concessions & limited full-time student concession on the existing cards is restricted to Snapper customer service representative.	No concern (Minor issue noted)	Enquired with the Platform Engineer to confirm the system access for applying concessions on existing Snapper cards is restricted with to Customer Service Representatives within the portal.	Confirmed via walkthrough enquiry that system access is in place to restrict users in applying concessions.	Due to timing constraints we agreed with Snapper and GWRC to perform operational testing of this control in FY25.	N/A
5.2	Snapper automatically applies Accessibility, Tertiary and Community concessions to a card if it has been appropriately validated by external partners via API or portal (i.e. Tertiary organisations, Ride wise).	No concern (No issues noted)	Walked through one sample to confirm the accuracy of the concession applied.	No issues identified.	Automated control in place which has been tested and no issues identified. No further testing required.	N/A

(continued)

Attachment 3 to Report 23.622

Control objective 6: Access to ticket management system is granted, amended and removed with authorisation in a timely manner

No.	Control	GWRC risk framework rating	Assessment procedures	Design assessment results	Operational assessment results	Snapper actions
6.1	Granting and modification of access to Snapper systems is controlled through authorisation by the line manager, platform teams and the P&C lead after the employee contract and start date is agreed.	No concern (No issues noted)	Inspected a sample of three new or modified users to confirm access was approved and provisioned appropriately.	No issues identified.	No issues identified.	N/A
6.2	Line Managers and P&C lead authorises IT to remove employee system access once termination date is agreed.	No concern (Minor issue noted)	Walked through one sample of users removed to confirm system and network access was removed in a timely manner.	No issues identified.	Due to timing constraints we agreed with Snapper and GWRC to perform operational testing of this control in FY25.	N/A
6.3	Privileged access to Snapper's ticket management system application, network, server, and database is appropriately restricted and in line with staff roles and responsibilities.	No concern (No issues noted)	Walked through and inspected the privileged access to DDCS, VPN, T-money central system, GWRC ticketing portal, and AWS cloud is restricted in line with staff roles and responsibilities.	No issues identified.	No issues identified.	N/A
6.4	Effective password settings (including password expiry) and parameters are documented and enforced at both the Snapper network and application level.	No concern (Minor issue noted)	Enquired with the Platform Engineer to confirm that passwords were enforced and parameters settings were documented for Snapper network and relevant applications.	Confirmed via the walkthrough enquiry that passwords requirements were documented and were enforced for: <ul style="list-style-type: none"> • Snapper Network. • Keepers (password vault). • T-money. • DDCS. 	Due to timing constraints we agreed with Snapper and GWRC to perform operational testing of this control in FY25.	N/A

(continued)

Attachment 3 to Report 23.622

Control objective 7: Ticket management system application changes are authorised, tested, approved and documented appropriately prior to being migrated to production

No.	Control	GWRC risk framework rating	Assessment procedures	Design assessment results	Operational assessment results	Snapper actions
7.1	Snapper system changes including fare adjustments are requested and approved by an authorised person at GWRC and Snapper.	No concern (Minor issue noted)	Inspected two samples of a system change (fare and network) to confirm that changes are requested by GWRC through ticketing system.	No issues identified	No sample testing as the process was recently streamlined and was not operating throughout the year. Control to be tested in FY25.	N/A
7.2	Snapper's team peer review the test configurations and prepare test exit reports prior to a change being deployed to production. Each test exit report reviewed and approved by the appropriate Snapper person before being migrated to production. Access to the test environment is provided to GWRC to review.	No concern (Minor issue noted)	Inspected two samples of system change (fare and network) to confirm: <ul style="list-style-type: none"> The test configuration is peer reviewed, signed off, and documented through the Jira ticketing system. Access to the test environment is provided to GWRC to support testing. 	Design issue: Network changes are peer reviewed but there is no formal process to sign-off before migrating to the production environment.	No sample testing was performed as these processes were recently streamlined and were not operating throughout the year. Control to be tested in FY25.	Ensure any network system changes are signed off by appropriate Snapper person before migrating to production. Management response We agree with this finding.
7.3	Changes to the Snapper system are developed, modified, and tested in an environment separate from the production environment.	No concern (No issues noted)	Inspected and confirmed separate environments exist for development and production.	No issues identified.	No issues identified.	N/A

(continued)

Attachment 3 to Report 23.622

Control objective 8: Computer Operations of problem management, business continuity, disaster recovery and backup processes are managed appropriately

No.	Control	GWRC risk framework rating	Assessment procedures	Design assessment results	Operational assessment results	Snapper actions
8.1	Incident and problem management tickets are created when issues arise. These are prioritised and monitored to ensure the issue is resolved within required business timeframes.	No concern (No issues noted)	Walked through one sample incident to confirm the incident ticket is monitored and resolved within the required business timeframes.	No issues identified.	Control to be tested in FY25.	N/A
8.2	A backup policy is in place and tested regularly, in accordance with the requirements of policy. Any issues identified are resolved.	Very concerned (Can't live with the current state and significant change required)	Inspected the backup policy to confirm the policy is in place.	Design issue: a back up is in place but no back up testing was performed.	No sample testing due to design issue.	Establish back up testing per policy requirements. GWRC Management response: We agree with this finding.
8.3	Policy for Business Continuity and Disaster Recovery is in place.	No concern (No issues noted)	Inspected the BCP and DR policy to confirm policies are in place.	No issues identified.	No issues identified.	N/A
8.4	Business Continuity and Disaster Recovery Plans are tested on an annual basis.	Some concerns (We can live with this but we can do better)	Enquired with the IT team to confirm BCP and DRP are not tested.	Design issue: the BCP and DRP are not tested.	No sample testing due to design issue.	Establish testing approaches to determine the BCP and DRP can be successful brought to life and operated in the event of a business or IT continuity issue. GWRC Management response: We agree with this finding.
8.5	Snapper runs firmware tests over all their systems whenever there is a change request. Ad hoc testing takes place in an event of reported system issue.	Some concerns (We can live with this but we can do better)	Walked through one sample of a firmware test and manual regression tests for a bus fare change.	No issues identified. Improvement opportunity: Snapper should consider running periodic firmware tests.	Control to be tested in FY25.	Establish a process to periodically apply firmware tests to confirm system operations are working as intended and/or support the early identification of any system issues. GWRC Management response: We agree with this finding, however, we will consider what existing testing Snapper completes when updates are made to its system.

4

Appendices



Appendix A – Objective and scope

Attachment 3 to Report 23.622

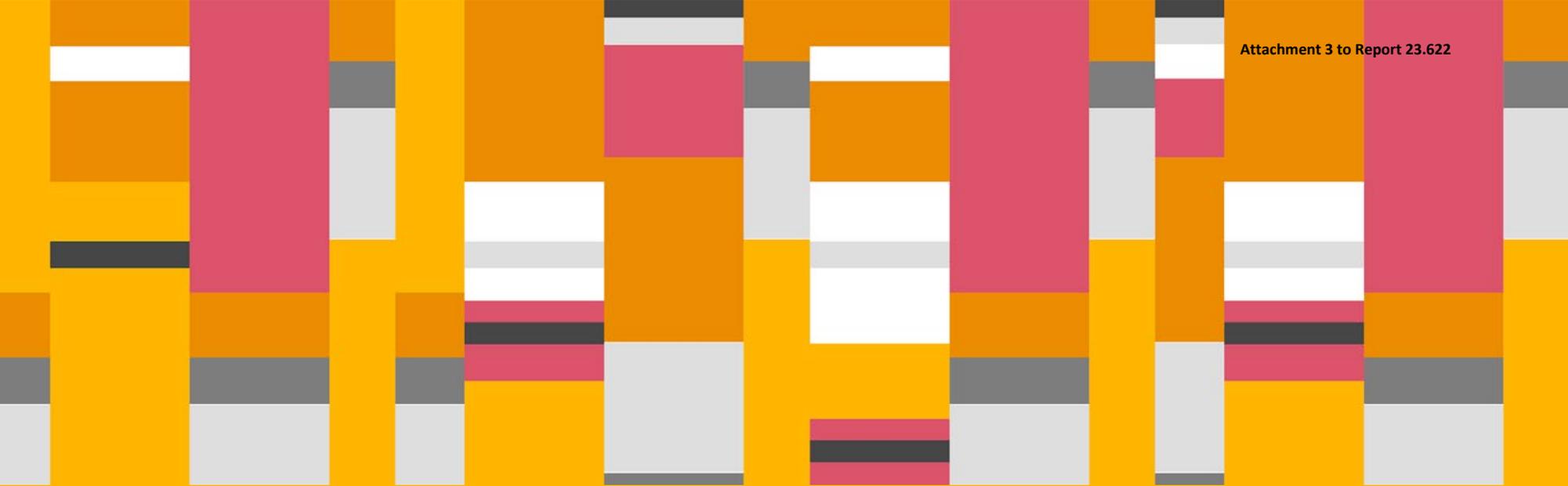
Objective and scope

The **objective** of this engagement was to:

- Assess the design of the revenue collection controls in place across Snapper and Transdev to determine if they are designed to meet the agreed control objectives which will form the basis of our assessment.
- Confirm through sample testing the existing controls are operating as intended.
- Provide recommendations to the Council to consider for addressing any improvement observations identified.

The scope for this engagement includes the existing control activities as they relate to the following control objectives agreed between the Council, Transdev and Snapper.

Control objectives	Cash Revenue		Tag-on-Tag-off revenue		
	Transdev	Snapper	Snapper on Bus	Snapper on Rail	
Physical access to ticket inventory and/or cash is restricted to authorised individuals	✓				
Ticket inventory records are complete and accurate	✓				
All ticket sales are completely and accurately recorded in the ticket management system	✓				
Business process	All cash held on behalf of card users is accurate, complete and correctly deducted when tagging on and off				
	We agreed with GWRC that no controls were required to be assessed for this objective, noting based on discussion with Snapper management e-purse credit amounts are held in a segregated bank account i.e. Snapper e-purse amounts are managed in bank accounts separate to Snapper’s commercial and day-to-day finances.				
	Tag on tag off (TOTO) data is recorded completely and calculated accurately within the correct period			✓	✓
	All receipts are banked and/or paid to Greater Wellington Regional Council on a timely basis	✓	✓	✓	✓
	Reporting to Greater Wellington Regional Council is complete, accurate and performed on a timely basis in accordance within the conditions set out in the providers Contract	✓	✓	✓	✓
	Withdrawals from banks accounts, concessions or refunds are approved by authorised individuals	✓	✓	✓	✓
	Potential revenue losses or leakage is identified and resolved on a timely basis	New	✓	✓	✓
Information technology	Access to ticket management system is granted, amended and removed with authorisation in a timely manner				
	✓	✓	✓	✓	
	Ticket management system application changes are authorised, tested, approved and documented appropriately prior to being migrated to production				
Computer Operations of problem management, business continuity, disaster recovery and backup processes are managed appropriately.					
✓	✓	✓	✓		



Attachment 3 to Report 23.622

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Author:
Deborah Kessell-Haak

To:
Finance Risk and Assurance
Committee

Purpose:
Report on outcome of legal
compliance survey

Date:
17 Apr 2023

Period covered	People finished	Responses completed	Acts & Regs
01 Sep 2022 - 28 Feb 2023	52/53	1328/1344	83

Introduction

Greater Wellington Regional Council is using ComplyWith Legal Compliance to run our legal compliance programme. This tool is used by over 170 organisations in Aotearoa, including most regulators and many other Councils.

ComplyWith was implemented at GWRC in late-2022. Legal obligations are mapped to responsible roles within the organisation. These staff members then complete a tailored survey to ensure compliance and proactively identify risks.

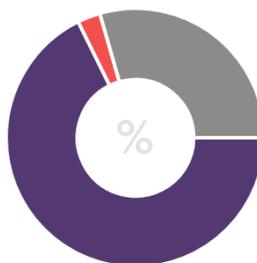
This was GWRC's first legal compliance survey. This report summarises survey outcomes, key results and recent law changes.

Summary

- Only one survey participant did not complete their survey, indicating a high level of engagement.
- In 98% responses there was either full compliance or the obligation did not arise.
- 38 partial compliance issues were reported. Of these, 3 have already been resolved and 23 have an action plan in place.
- All unresolved compliances are tracked through ComplyWith's Corrective Actions module. Staff will be prompted give a status update on compliance issues until they are resolved.

Results:

	Full Compliance	899	68%
	Partial	38	3%
	Zero	0	0%
	Did Not Arise	391	29%



Status of corrective actions:

6	Resolved	
21	Action plan	
11	No action plan	

Key results

Managing information

There were 22 compliance issues recorded in privacy and information management. The majority of these issues fall under privacy. However, many of the privacy issues relate to the same underlying problem.

Privacy Act 2020

- Partial compliances were reported with several privacy principles in the Privacy Act. These issues were not necessarily cases of non-compliance - GWRC is compliant where there is an approved privacy statement or privacy assessment, but not all relevant business initiatives are assessed. This is being addressed through the multi-year implementation of the PMAF report's recommendations.
- Some privacy breaches were recorded, these are being resolved with some sitting with external providers.
- Metlink is working with bus operators to ensure recordings are made in line with the Privacy Act. Actions include changes to bus contracts to clarify when audio recordings may be taken, changes to processes on board, and additional signage.
- It was reported that more support could be provided to some teams to help them improve compliance in regard to privacy.
- While GWRC has adopted an information disposal schedule, some information has not yet been disposed of. A plan is being developed to address this.

Other

- An issue with electronic signature requirements was reported, identifying a key weakness in the reliability of signatures in electronic documents.
- There was one late LGOIMA response over the reporting period. This has been addressed with the responsible GM.

Local government

There were 10 issues recorded in the local government space:

- One issue was reported in regards to rates. Action is underway, but is confidential until it can be advised to Council and public.
- An issue was reported with the publishing of CCO reports on the Council's website. While SOI, SOE and annual reports are published, there are some publishing gaps in quarterly reporting. An action plan is in place to reach full compliance by February 2024 and the work programme has been updated to reflect this.

Health and Safety

There were 5 issues raised in the health and safety space:

- A compliance issue was reported with the obligation to prepare and maintain an emergency plan. An action plan is in place to address gaps, with clarity on roles and responsibilities established and a review underway.
- Two teams reported issues relating to remote workers. Improvement in this area is ongoing and formal documentation for risk assessments is being worked on.
- One manager reported that safety issues had been raised in their team, which they are working with staff members to resolve.
- While there was confidence all corporate sites were compliant with facilities minimum requirements, there was less certainty around field depots. Discussion with relevant department managers is ongoing.

Transport

There were 4 issues raised in relation to transport:

- Timelines for speed management plans were insufficient for effective engagement with Māori groups.
- A deadline for the Regional Speed Management Plan has been requested from Waka Kotahi NZTA as none was provided.
- While the Council has a regional on-scene commander as required by the Maritime Transport Act, there is no one who can act in this position when the ROSC is on leave. There are plans to approach a suitable candidate to undertake training.

Other

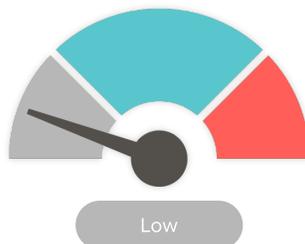
The remaining issues fell under buildings and environment:

- The report on the operational Pest and Pathway Management Plan was completed in the required timeframe but not officially approved until just after this period.
- There was uncertainty on if information from Heritage New Zealand Pouhere Taonga has been publically notified.
- A building was declared earthquake prone. All occupants have vacated and a process is underway to fully exit the building.

Law change

Impact of recent law change on
GWRC

Since 1 July 2022



15/12/22 - The Water Services Entities Act 2022 came into force. It included new obligations on local government organisations during the water services entity establishment period.

01/12/22 - The Fair Pay Agreements Act 2022 came into force, providing a framework for bargaining for fair pay agreements specifying industry or occupation-wide minimum terms.

01/09/22 - The Data and Statistics Act 2022 replaced the Statistics Act 1975.

01/07/22 - The new protected disclosures regime came into force, adding a number of new requirements.

ComplyWith's Obligations Register and clarity of change

All GWRC staff have access to ComplyWith's Obligations Register, which includes plain English guidance on legal compliance obligations. The clarity of change function can be used to set up user lists, so staff receive email notifications when there are law changes relevant to them.

Next steps

All unresolved compliances are tracked through ComplyWith's Corrective Actions module. Staff will be prompted to update the status of compliance issues until they are resolved.

Managers have overview of results and corrective actions in their team. For information on specific compliance issues outside of your team, please contact Deborah.

GWRC plans to run surveys every 6 months going forward.



Finance Risk and Assurance Committee
28 November 2023
Report 23.614

For Information

HEALTH, SAFETY AND WELLBEING UPDATE

Te take mō te pūrongo

Purpose

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

Te tāhū kōrero

Background

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

Te tātaritanga

Analysis

HSW improvement project update

3. The HSW improvement project commenced in September 2023. Progress is on track, including:
 - a 44 Work group fatal and severe risk (FSR) summaries completed.
 - b Data analysis identifying our most at-risk groups, and where significant gaps in controls are.
 - c Based on this prioritising and scheduling critical risk workshops – tree works and moving plant and equipment will be first.
 - d Example standard operating procedure template drafted for consultation.
 - e Establishing the HSW improvement project steering.

Draft HSW strategy and roadmap

4. The draft HSW strategy and roadmap 2024-27 is out for consultation.

5. This is based on four strategic priorities, to achieve our HSW vision 'Everyone, everyday – home safe and well' and lift HSW performance and maturity over the next three years. These are:
 - a Strong and positive HSW culture – understanding HSW responsibilities and required behaviours.
 - b Successful people – HSW knowledge, training and competency.
 - c Integrated and effective ways of working – effective risk control, HSW planning and decision making.
 - d Purposeful and trusted relationships – formal and informal opportunities to participate and have a say in HSW.
6. The HSW strategy and road map is aligned to the overarching corporate strategy and vision and works in conjunction with the HSW Improvement Project Plan.

Event reporting rebrand and upgrade

7. The refresh, upgrade, and rebranding of Greater Wellington's event reporting and learning system 'KESAW' went live in September 2023.
8. The new name 'PIKO' – associates with the whakatau "*Te piko o temāhuri, tērātetipu o terākau*" – the way in which a sapling is shaped and nurtured determines how the tree will grow.
9. The intent is to grow and learn from events to make sure we continue carry out our work activities safely without harm.
10. This includes the mobile application which has also been upgraded and widely promoted to increase event reporting and learning in the field.

Wellbeing

11. Various activities were promoted Greater Wellington wide during mental health awareness week including:
 - a Good yarn workshops.
 - b Jehan Cassinader webinar – building common ground which received incredibly positive feedback from Greater Wellington staff.
 - c Events run locally in various Greater Wellington offices.
 - d Ongoing mental health first responder training – this is timely given the increase in MHFR supported conversations noted (a lead indicator)
12. Specialist support and coaching services for staff with neurodiverse conditions is being investigated for offering under our new Oku Raukura Atawhai umbrella employee support umbrella.

Interim chainsaw pause

13. The pause on chainsaw work has been lifted following approval and implementation of an interim safe operating procedure. This will be reviewed in March 2024.

Ngā hua ahumoni
Financial implications

14. There are no financial implications.

Ngā Take e hāngai ana te iwi Māori
Implications for Māori

15. There are no implications for Māori.

Te huritao ki te huringa o te āhuarangi
Consideration of climate change

16. There are no considerations for climate change.

Ngā āpitihanga
Attachment

Number	Title
1	HSW performance scorecard August-October2023

Ngā kaiwaitohu
Signatories

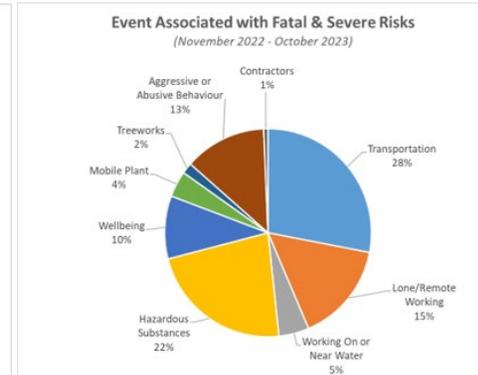
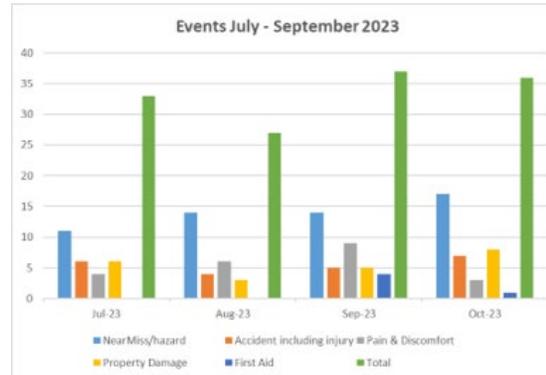
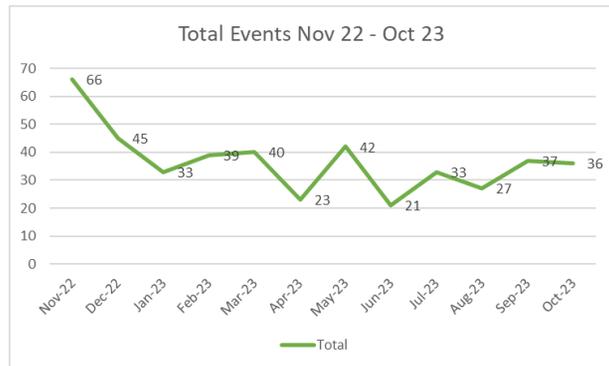
Writer	Julie Barber – Head of Health Safety and Wellbeing
Approver	Donna Hickey – Group Manager, People and Customer

He whakarāpopoto i ngā huritaonga Summary of considerations
<i>Fit with Council's roles or with Committee's terms of reference</i> This report assures the Committee that Greater Wellington's legal obligations under the Health and Safety at Work Act 2015 are maintained and met.
<i>Contribution to Annual Plan / Long Term Plan / Other key strategies and policies</i> The HSW Policy and Wellbeing Strategy are included in Greater Wellington's Annual Plan 2023/24.
<i>Internal consultation</i> No internal consultation was required.
<i>Risks and impacts - legal / health and safety etc.</i> The HSW risks and treatment are outlined in paragraphs 3-13 inclusive.

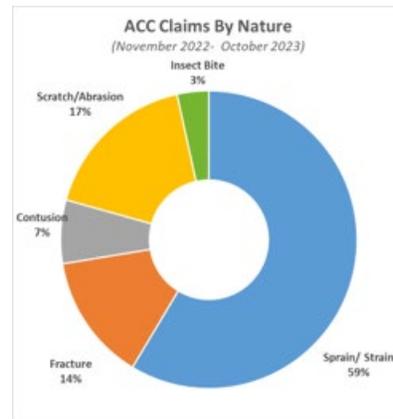
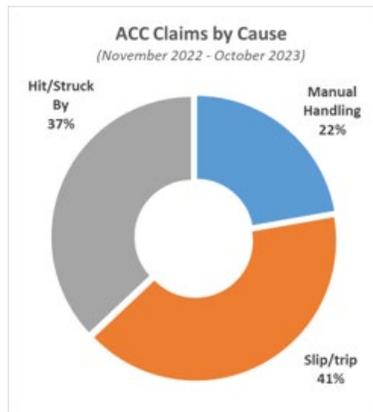
Health, Safety and Wellbeing Performance Scorecard August to October 2023

Attachment 1 to report 23.614

Event Reporting



ACC injury claims

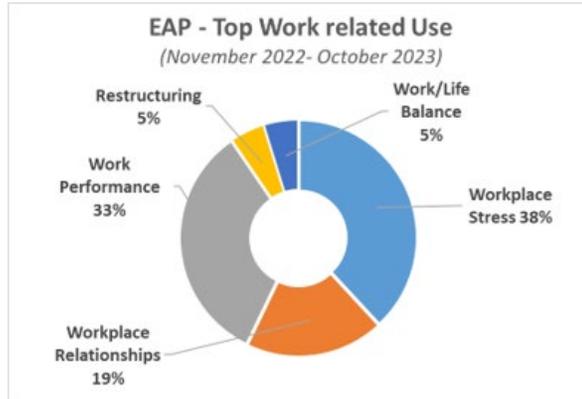


ACC Work Injuries		
	Reporting period	Last 12 months
Total claims	10	27
Lost time claims	0	6
Total days lost	77	164
Commentary		
The staff members with a dislocated shoulder and fractured leg in the last reporting period account for lost days in this reporting period. Both are back at work on alternate duties. The 10 claims this reporting period relate to treatment only minor strains and sprains		

Health, Safety and Wellbeing Performance Scorecard August to October 2023

Attachment 1 to report 23.614

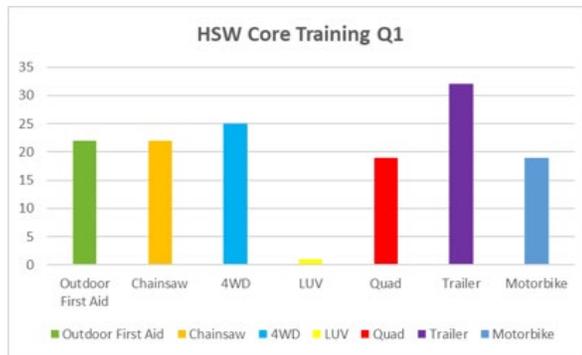
Wellbeing



Wellbeing insights August - October

-  79 mental health first aider conversations.
-  33 Pax rehabilitation support (work / non work injury & medical)
-  1 Mental wellbeing webinar

HSW training activity August - October



Emerging Trends August - October

-  Support requests for medical cases (as service becomes more widely known)
-  Mental wellbeing supported conversations in Environment Group (lead indicator)
-  Minor vehicle bumps and scrapes
-  Speed alerts over 115km/ hr referred to managers for action

Finance, Risk and Assurance Committee
28 November 2023
Report 23.555



For Information

HARBOUR MANAGEMENT – RISK AND COMPLIANCE UPDATE – AUGUST 2023

Te take mō te pūrongo

Purpose

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

Te tātaritanga

Analysis

Shelly Bay wharves

2. The asbestos exclusion zone was lifted in September 2023.
3. Work has not recommenced due partially to scheduling of resources and also the suggestion that part of the remnants may be pre-1900 Historic. Staff disagree with this suggestion, and we are working to assist Port Nicholson Settlement Trust to help them recommence work.

Channel Risk Assessment

4. In 2020, CentrePort and Greater Wellington commissioned South Maritime Solutions to review navigation safety in the Wellington Harbour entrance channel and approaches. The review considered the infrastructure, current practice, best practices, and possible future changes. The final report was received in October 2020.
5. There has been some agreement on adjustments to the recommended tracks in and out of the harbour. These changes are now dependent on a maintenance dredging proposal from Centreport that will trigger the removal of the current Falcon Shoal marker pile. We are currently hoping to carry out this work in the 2024/25 year.

Sunken/Derelict vessels

6. In September 2023 we assisted Wellington City Council with two yachts that dragged their moorings in Clyde Quay boat harbour. We continue to assist the Porirua and Wellington City Councils with removal/disposal of damaged or abandoned vessels as well as similar vessels on moorings.
7. We have placed a Harbourmaster's Direction on a steel vessel in need of repair and the new owner is working to comply with that.

8. A solo sailor in a yacht with no operational motor recently intended to cross Cook Strait. This trip would have likely resulted in a rescue call out and so working with Police, the sailor was persuaded to return to the marina.
9. A small, damaged dinghy was removed from Titahi Bay beach where it was a hazard and disposed of.

Navigation issues

Rangitata

10. The 67metre domestic cargo ship *Rangitata* experienced engine troubles off Cape Palliser on Friday 3 November 2023. The ship was on her way from Lyttleton to Tauranga. The ship was only capable of very low speeds but didn't request assistance or make any distress call.
11. The Rescue Co-ordination Centre NZ was monitoring the progress of the vessel.
12. A company engaged in construction work around the harbour provided support with tugs and the vessel was towed into Wellington Saturday afternoon.
13. Maritime NZ have detained the vessel until repairs are made and other conditions are met.
14. The weather conditions were quite good, had they been different the result may not have been as good.

Emergency Ocean Response Capability

15. This was previously called "out of port support". Emergency Ocean Response Capability (EORC) initial advice has been provided to a former Transport Minister who indicated that Maritime NZ should continue working on options.
16. This work is commercially sensitive, so no further information is available at this stage.
17. The issue with the *Rangitata* (paragraph 10) is a further example of where we are relying on luck to avoid shipping incidents around the coast.

Cruise ship visits

18. The cruise ship season unexpectedly started on 31 October 2023 with a visit of the *Ovation of the Seas*, she was scheduled to call into Auckland between Papeete and Sydney however due to bad weather came to Wellington instead.
19. The first planned visitor was the inaugural visit of the 330 metre *Royal Princess*.

Bunker barge - Kokako

20. This vessel has taken fuel (diesel) from a shoreside pipeline, provided fuel to two ferries, and also taken fuel directly from another (larger) tanker. While common in many ports around the world this is something new for Wellington.
21. Next year they are intending to start loading and providing a heavier grade fuel oil (mixed with a biodiesel). Under current rules they are not required to have the same level of spill response capability as a shore-based provider, including not being required to have a response for oil entering the water.

22. We are looking at current controls and whether the Harbourmaster's powers under the Maritime Transport Act 1994 are suitable to lawfully impose additional conditions on the operation, such as upgraded response options. We are in discussion with Maritime NZ around this as the Director has additional powers in this area.
23. If the heavy fuel option goes ahead Wellington would be the only port with a bunker tanker offering heavier grade fuel oil.

Port and Harbour Marine Safety Code

24. A harbour users meeting was held on 31 October 2023 when updates in the Channel review work and possible navigation light changes were discussed.
25. Staff have been engaging with various recreational boating and water users' groups to discuss safety and events ahead of the coming summer.

Safety incidents

26. The summer has not started well for water safety; however the incidents below are outside of the areas our work is focussed on.
27. A free diver went missing in Titahi Bay and to date has not been recovered.
28. A person took a kayak from the Kapiti coast and despite extensive searches has not yet been located.
29. A free diver at Cape Palliser had a close encounter with a shark (possibly a Great White) that left his wetsuit in tatters and the diver shaken but unharmed.
30. On the morning of 8 November 2023, a departing ferry made contact to an adjacent wharf, there was substantial damage to the wharf, and minimal damage to the ship. There was no pollution from the incident. The ship returned to the berth for further inspection. Repairs were made and the ship returned to service that evening.
31. On the evening of 11 November 2023, a ferry hit the berth while berthing (arriving). This caused a hole in the hull, well clear of the waterline and the ship was not at risk. There was no pollution from this incident but there was damage to the hull of the ship. The ship will be inspected and repaired before returning to service.

Ngā hua ahumoni

Financial implications

32. The disposal of derelict or uninsured vessels will present unplanned expenditure from the operating budget.
33. Recommendations arising from the channel risk assessment may have a variety of financial implications for both CentrePort and Greater Wellington. Options for mitigating any financial impacts will be investigated.

**Ngā kaiwaitohu
Signatories**

Writer	Grant Nalder – Manager, Harbours, Harbourmaster
Approvers	Jack Mace – Delivery Director Lian Butcher – Group Manager, Environment Group

He whakarāpopoto i ngā huritaonga Summary of considerations
<p><i>Fit with Council’s roles or with Committee’s terms of reference</i></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><i>Contribution to Annual Plan / Long Term Plan / Other key strategies and policies</i></p> <p>This report does not contribute directly to Council’s or Greater Wellington’s key strategies, plans, or policies.</p>
<p><i>Internal consultation</i></p> <p>Environmental Regulation was consulted relating to wharves.</p>
<p><i>Risks and impacts - legal / health and safety etc.</i></p> <p>Specific risks and related mitigations are discussed in the Analysis section of this report.</p>

Finance, Risk and Assurance Committee
28 November 2023
Report 23.559



For Information

UPDATE ON PROGRESS OF ACTION ITEMS FROM PREVIOUS FINANCE, RISK AND ASSURANCE COMMITTEE MEETINGS

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 staff, 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). 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

Number	Title
1	Action items from previous Finance, Risk and Assurance Committee meetings November 2023

Ngā kaiwaitohu
Signatory

Approver	Ali Trustrum-Rainey – Āpiha Mātāmua Pūtea - Chief Financial Officer
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He whakarāpopoto i ngā huritaonga Summary of considerations
<i>Fit with Council's roles or with Committee's terms of reference</i> The action items are of an administrative nature and support the functioning of the Committee.
<i>Contribution to Annual Plan / Long Term Plan / Other key strategies and policies</i> Action items contribute to Council's and Greater Wellington's related strategies, policies and plans to the extent identified in Attachment 1 .
<i>Internal consultation</i> There was no internal consultation.
<i>Risks and impacts - legal / health and safety etc.</i> There are no known risks.

Attachment 1 to Report 23.559

Action items from previous Finance, Risk and Assurance Committee meetings

Date	Action item	Status and comment
14 February 2023	<p>Finance, Risk and Assurance Committee Update</p> <p>Noted:</p> <p>The Committee requested that officers arrange a workshop on risk appetite and Greater Wellington's risk framework, and that the invite be extended to all Councillors</p>	<p>Status: Completed. Risk Appetite workshop held in August.</p> <p>Comment:</p> <p>We have had an initial workshop, in May, with members of FRAC to go through the risk approach and its artifacts.</p> <p>We undertook a risk appetite workshop at the end of August.</p>
2 May 2023	<p>Finance, Risk and Assurance Committee Update – Report 23.101</p> <p>Noted:</p> <p>The Committee requested that staff provide:</p>	
	<p>a. Information on the connection of the Long Term Plan with reporting</p>	<p>Status:</p> <p>Noted for delivery to future Committee meetings</p> <p>Comment: Officers will deliver the LTP audit plan and engagement letter to FRAC once available. Any Audit outcomes are also brought to FRAC through Audit Consultation report and Final LTP Audit Report to Council.</p> <p>The draft Financial Strategy is planned for the November 2023 meeting.</p>
	<p>b. The place of Te Tiriti o Waitangi in reporting.</p>	<p>Status: In progress – expect to present the inaugural Te Tiriti audit to FRAC in February.</p>

Attachment 1 to Report 23.559

Action items from previous Finance, Risk and Assurance Committee meetings

		<p>Comment:</p> <p>The inaugural audit has been completed and a draft report is with management for comment. We expect the the report to be presented to the Te Tiriti o Waitangi Komiti in September.</p> <p>While the audit is governed by the Komiti, the audit does form part of the assurance plan, and therefore is overseen by the FRAC.</p> <p>We see reporting on the audit occurring through the following process:</p> <ul style="list-style-type: none"> • Finalised audit report is presented and accepted by the Te Tiriti o Waitangi Komiti – November 2023. • The report presented to the FRAC on a for information basis only – February 2024. • The Te Tiriti o Waitangi Komiti has the final say over recommendations and their closure – ongoing. • Recommendation tracking and status is reported through to the FRAC on a for information basis only- ongoing. <p>We will look to confirm whether this process works for both committees.</p>
<p>2 May 2023</p>	<p>Finance, Risk and Assurance Committee Update – Report 23.137</p> <p>Noted:</p>	<p>Status: To be carried over.</p> <p>Comment:</p>

Attachment 1 to Report 23.559

Action items from previous Finance, Risk and Assurance Committee meetings

	The Committee requested that staff report back to a future Committee meeting on the separation of swimmers from craft at Oriental Bay.	The recent incident highlights the potential consequences of this issue. We currently do not have capacity to consider possible changes to the rules in this area.
17 October 2023	Draft 2022/23 Annual Report – Report 23.529 Noted: The Committee:	
	requested more narrative be included around the devaluation of land in revaluation to RiverLink to reflect the social, economic and environmental benefits resulting from this land.	Status: Completed Comment: Additional commentary with respect to the social, economic and environmental benefits of the RiverLink project has been included in the financial disclosures.
	that Democratic Services explore the opportunity for regular committee time with Audit NZ.	Status: In progress Comment: With recent Chief Ombudsman report into workshop and meeting practices, an agreed approach to how this can take place will be revisited with the Chair and Deputy Chair.