



**The Meeting of the
Audit and Risk Committee will be
held on Tuesday 17 November 2020
in the Council Chamber
commencing at 1.00pm**

AGENDA

AUDIT AND RISK COMMITTEE

His Worship the Mayor - Malcolm Campbell

Councillor C J Ion

Councillor A Rangihika

Councillor F K N Tunui

Councillor D Sparks

Philip Jones – Consultant - P J Associates (Chair)

**Kawerau District Council Minutes of an
Audit & Risk Committee Meeting held on Monday 14 September 2020
In the Council Chamber commencing at 1.01pm**

Present: Philip Jones – P J Associates (Chair)
His Worship the Mayor M J Campbell (Deputy Chair)
Councillor F K N Tunui
Councillor C J Ion
Councillor A Rangihika
Councillor D Sparks

In attendance: Chief Executive Officer (R George)
Manager, Finance & Corporate Services (P Christophers)
Manager, Operations & Services (H van der Merwe)
Health and Safety Officer (P Snook)
Office Administrator (T Barnett)

Apologies

No apologies.

Declarations of Conflict of Interest

No conflicts of interest were received.

1 Confirmation of the Audit & Risk Committee Meeting Minutes dated 21 July 2020

The Committee considered the Minutes of the Audit & Risk Meeting on 21 July 2020.

Resolved **Councillors Sparks / Rangihika**

That the Minutes of the Audit & Risk Committee meeting held on 21 July 2020 is confirmed as a true and accurate record.

2 Occupational Health and Safety Management System Status (Health and Safety Officer) (509500)

The Health and Safety Officer provided an overview of his report.

Resolved **Councillors Sparks / Ion**

That the report "Occupational Health and Safety Management System Status" is received.

3 Treasury Report to 31 August 2020 (Manager, Finance and Corporate Services) (110551)

The Manager, Finance & Corporate Services explained that the Treasury report expanded on his monthly report to the Regulatory & Services Committee.

Resolved

Chair Jones / His Worship the Mayor

That the report "Treasury Report to 31 August 2020" is received.

4 Review of Code of Conduct (Manager, Finance and Corporate Services) (110820)

The Committee considered the Council's current Code of Conduct for adoption with amendments.

Resolved

Chair Jones / His Worship the Mayor

1. *That the report "Review of Code of Conduct" is received.*
2. *The following amendments are recommended for Councillors Code of Conduct:*
 - *Page 5 – The Auditor General can undertake an investigation where an unlawful act is suspected and charge the Elected Member for the cost of the investigation.*
 - *Page 7 – Further information on the process of overturning the Mayor's selection of a Deputy Mayor.*
 - *Page 9 – Relationships with Other Members – Fourth bullet point – Find alternative word for aggressive.*
 - *Page 10 – Rules apply for Media – Mayor is the primary contact for media but need to add protocols if he is unavailable.*
 - *Page 15 – Replace 'Audit Office' with 'Office of Auditor General'.*
 - *Page 15 – Local Government Official Information and Meeting Act 1987 – Third bullet point – Include any Chair elected outside of Council.*

5 Annual Plan Performance for the year ended 30 June 2020 (Manager, Finance and Corporate Services) (110820)

The Committee discussed the report Annual Plan Performance for the year ended 30 June 2020.

Resolved

Councillors Sparks / Rangihika

That the report "Annual Plan Performance for the year ended 30 June 2020" is received.

6 2021 – 2031 Long Term Plan Timetable (Manager, Finance and Corporate Services) (206700)

The Committee discussed the report 2021 – 2031 Long Term Plan Timetable.

Action Item:

That all Elected Members be informed that meetings will be programmed from 9.00am until 3.00pm for three Tuesdays each month.

Resolved

Mayor Campbell / Councillor Ion

That the report "2021 – 2031 Long Term Plan Timetable" is received.

The meeting closed at 1.54pm

P Jones

P J Associates

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Meeting: Audit and Risk Committee

Meeting Date: 17 November 2020

Subject: Occupational Health and Safety Management System Status

File No: 509500

1 **Executive Summary**

The data captured is for the period 1 September 2020 to 31 October 2020.

Kawerau District Council's Top 5 Hazards identified by workers				
Hazard	Raw Risk Score	Residual Risk Score	Status	Comment
Public/People/Customers	15 High	10 Moderate	Underway	Target is: 20 Control Measures Completed
				Control Measures
				Completed 19
				Underway 1
Stress	15 High	10 Moderate	Completed	Target is: 25 Control Measures Completed
				Control Measures
				Completed 25
				Underway 0
Lone Working	15 High	10 Moderate	Underway	Target is: 22 Control Measures Completed
				Control Measures
				Completed 21
				Underway 1
Traffic (Working on or near roads)	20 High	10 Moderate	Completed	Target is: 9 Control Measures Completed
				Control Measures
				Completed 9
				Underway 0
Contractors (sharing the workplace)	15 High	10 Moderate	Completed	Target is: 9 Control Measures Completed
				Control Measures
				Completed 9
				Underway 0
				Not Started 0

The COVID – 19 pandemic response resulted in New Zealand (except Auckland) moving back down to Alert Level 1 Monday, September 21 at 11.59pm and the organisation is following the guidelines accordingly.

The organisation remains vigilant and prepared to react as required.

The COVID- 19 contact-tracing QR (Quick Reader) posters are displayed at Council premises.

Council venues closed at COVID – 19 Alert level 2 have reopened as usual - Bert Hamilton Hall, Firmin Lodge, Ron Hardie Recreation Centre, Town Hall and Concert Chambers.

Swimming Pools, Library and the iSITE are now completely operational.

Near Miss data has now been included in the organisation's Lead indicators because when these events are reported they are considered as learning and continuous improvement opportunities.

This becomes part of a preventative approach aimed at eliminating or minimising risks potentially resulting in harm, damage or loss in the future.

The new retirement policy is in draft for the Leadership team's initial review.

One contractor was audited in October.

Mental Health Awareness week was in September and the organisation participated in the national campaign to raise awareness in the workplace.

The organisation also participated in Pink Shirt day aimed at raising awareness about bullying.

The staff hazard survey was completed in October.

Training relevant to the organisation's needs continues as usual.

The Drug and Alcohol pre-employment and random testing is ongoing.

Site visits are ongoing and the Chief Executive Officer (CEO) recently visited the waste water treatment plant with the Health and Safety Officer (HSO) and Manager 3 – Waters.

Staff Health Monitoring and Wellness checks are scheduled for November.

Workstation Assessments and Ergonomics training is ongoing as are Health and Safety Inductions and site specific safety inductions.

2 Background

This report provides a general overview of the current status of the Occupational Health & Safety Management System (OHSMS).

Source data is identified and accessed from VAULT.

3 Lead and Lag Indicators

Lead Indicators identify activities aimed at preventing accidents and maintaining health and safety like induction, training, hazard management, monitoring and prompt event investigation.

Near Miss events are considered as leading indicators because workers demonstrate awareness and understanding that a near miss represents the potential for harm, loss or damage should there be a repetition of the same or similar event.

Near Miss events when reviewed will identify learning and continuous improvement opportunities potentially adding to the preventative approach in Health and Safety management.

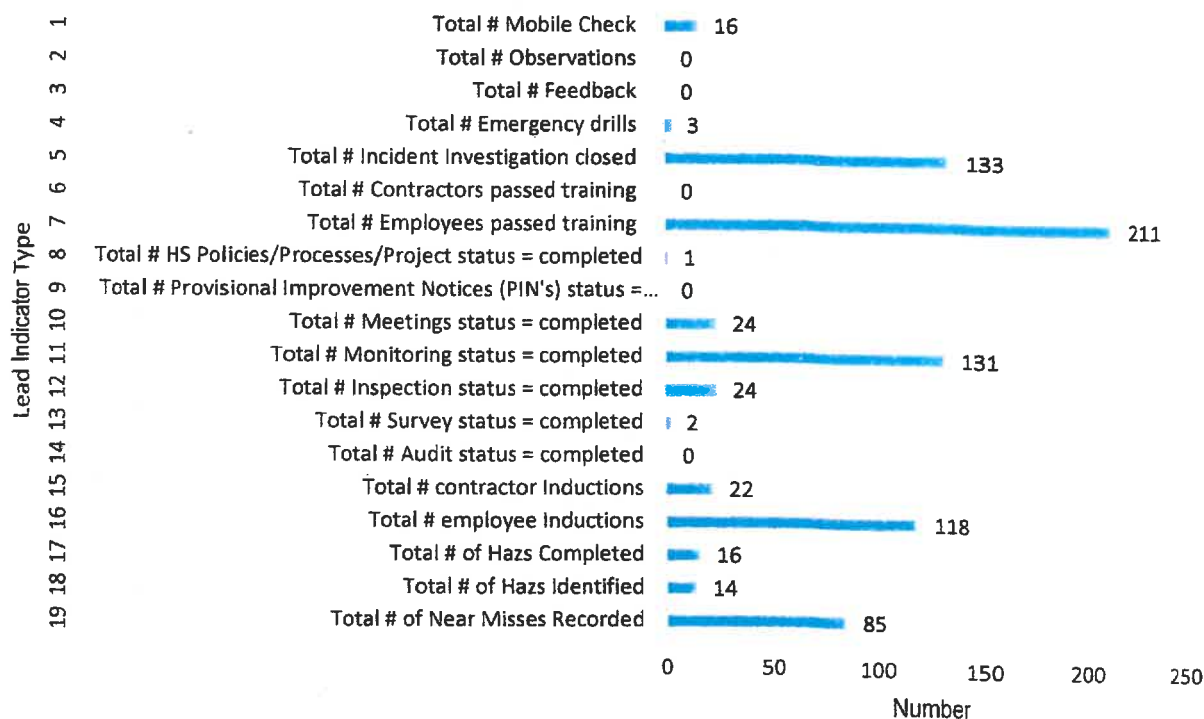
Lag Indicators identify data that has resulted from a work related injury or illness.

Areas measured are first aid events, medical events and lost working time.

The bar graphs below identify lead and lag indicators year to reporting date.

Regarding the lag data - the 21 days lost relate to one accident involving a worker from the Parks and Reserves team earlier this year (February)

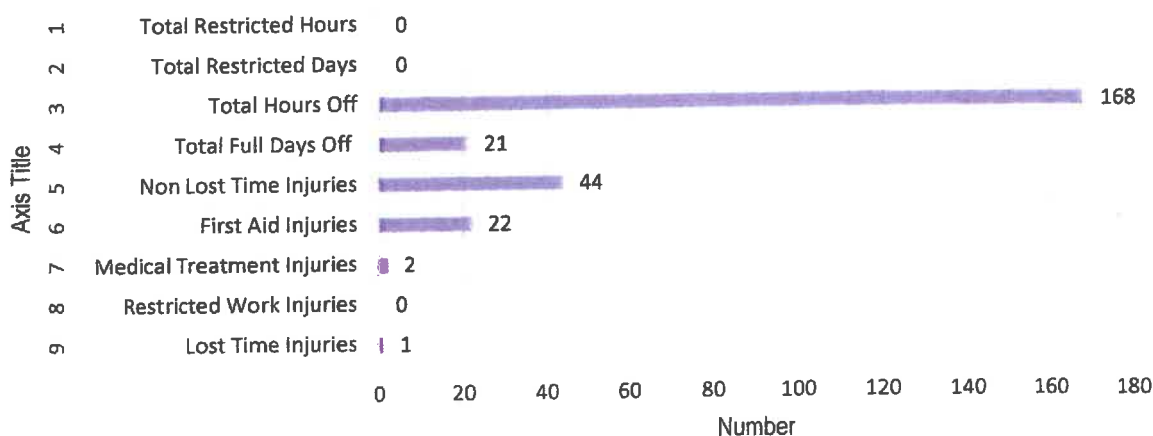
2020 Lead Indicators Year to Date



Key for Lead Indicators	
1	Number of Emergency Drills – includes false alarms and evacuations.
2	Audit e.g. Audit by internal or external auditors
3	Contractors inducted e.g. General and/or Site Specific Safety Inductions
4	Contractors that have undergone training arranged by KDC.
5	Workers inducted e.g. General - and Site Specific Safety Inductions
6	Number of workers completing Health and Safety Related Training
7	Comments to H & S team e.g. New mower much quieter than older model or new agrichemical much safer to use than the previous one...
8	Polices, Processes newly implemented or that have been reviewed
9	Site Inspections – formal or informal e.g. Management by Walking About
10	Health and Safety Meetings e.g. Committee meetings, toolbox, hazard reviews
11	Audit/Check Template Mobile Application e.g. Tablet Device used for – Contractor Audit, Site Audits or Workstation Assessment

12	Monitoring e.g. Panic Duress alarm test, Smartrak testing, Individuals or teams monitoring an issue – also records of Officer Due Diligence duties
13	Total number of Hazards/Risks completed all types e.g. site, task, plant, biological, environmental, psycho - social, ergonomic, substance, asbestos and physical
14	Total number of new Hazards/Risks identified all types (not previously listed)
15	A record of PIN's (Provisional Improvement Notices) – where a specific health and safety improvement is legally required within a reasonable timeframe.
16	Staff Health and Safety Surveys e.g. Safe Plus+ or Ask your Team
17	Event Investigations – Designated Investigators have completed the investigation into an event e.g. accident, near miss, incident, illness and pain or discomfort etc.
18	Positive/Negative Observation Records e.g. Comments by staff - <i>Workers observed wearing appropriate PPE or Traffic Management site well managed...</i>
19	Near Misses Recorded - To Identify potential weaknesses in the safety management system enabling learning opportunities to implement improvements to eliminate or further minimise harm, damage or loss in the future regarding the same or similar events.

2020 Lag Indicators Year to Date



Key for Lag Indicators	
1	Number of days lost resulting from a workplace injury event
2	Injury events resulting in a worker doing restricted or alternative work
3	Injury events resulting in medical treatment e.g. doctor or practice nurse
4	Injury events resulting in a First Aid Response
5	Injury events resulting in no work time lost
6	Number of full days lost resulting from a workplace injury event
7	Number of hours lost resulting from a workplace injury event
8	Restricted days worked as part of a return to work rehabilitation plan
9	Restricted hours worked as part of a return to work rehabilitation plan

4 Employer Commitment to Safety Management Practices

Commitment to health and safety management in the workplace is recorded in VAULT.

Policies are written and reviewed by the Health and Safety Committee (HSC), Health and Safety Representatives (HSR's) and their workgroups.

The leadership team complete a final review and approval.

Policies are reviewed at least triennially, unless an opportunity for improvement is identified earlier.

Organisational Policies/Documents

The table below identifies status of Policy/Document reviews.

Organisational Policy/Document	Status
Health and Safety Policy	Review 12/12/2020 HSC Annual. Included on the HSC December Agenda
Rehabilitation Policy	Review 01/03/2022 HSC
Drug and Alcohol Policy	Review 01/08/2022 HSC
Cash Handling Policy	Review MFCS and Accountant (Underway)
CCTV Policy	Review MFCS (Underway)
Worker Engagement, Participation and Representation Agreement	Review 30/11/2022 HSC
Safe Driving Policy	Review 01/07/2022 HSC
Staff Induction Safety Policies and Manual	Review 09/09/2022 HSC
Trespass Policy & Processes	Review 29/10/2022 HSC
Visitor Management Policy	Review 01/02/2022 HSC
Working Alone Policy	Review 05/06/2022 HSC
Bomb threat, Lock down & Suspicious mail policy	Review 18/06/2021 HSC Interim review underway as of 27/05/20
VDU Management Policy	Review 03/09/2021 HSC
HSR Position Description	Review 01/04/2022 HSC
Stress Policy	Review 30/08/2022 HSC
Retirement Planning Policy	Review - Leadership Team deferred to November meeting 2020

The Retirement Planning policy is due to be reviewed by the Leadership Team in early November.

5 Planning, Review and Evaluation

VAULT provides source data for review and evaluation of the Occupational Health and Safety Management System (OHSMS).

VAULT Health and Safety Management reports are scheduled electronically to managers.

The table below identifies only one report that currently has outstanding recommendations for completion.

Health and Safety Reports (Significant)	Date written	To	From	Status	Date	
Firmin Lodge Facility – Health & Safety Observations	19/08/2016	CEO, MOS, EDM	MPCC, EVM &	HSO	Recommendations entered in VAULT as Corrective Actions Underway	Oct 2020

Contractor Monitoring Key Performance Indicator (KPI)

There is a KPI global target of ten audits for 2020.

Four have so far been undertaken with no significant issues identified.

COVID-19 has affected the ability to achieve the target this year.

A "Health & Safety Hazards" survey has been completed by 85% of staff in October.

The aim of the survey was to re-evaluate the top five hazards most important to them in their workplaces.

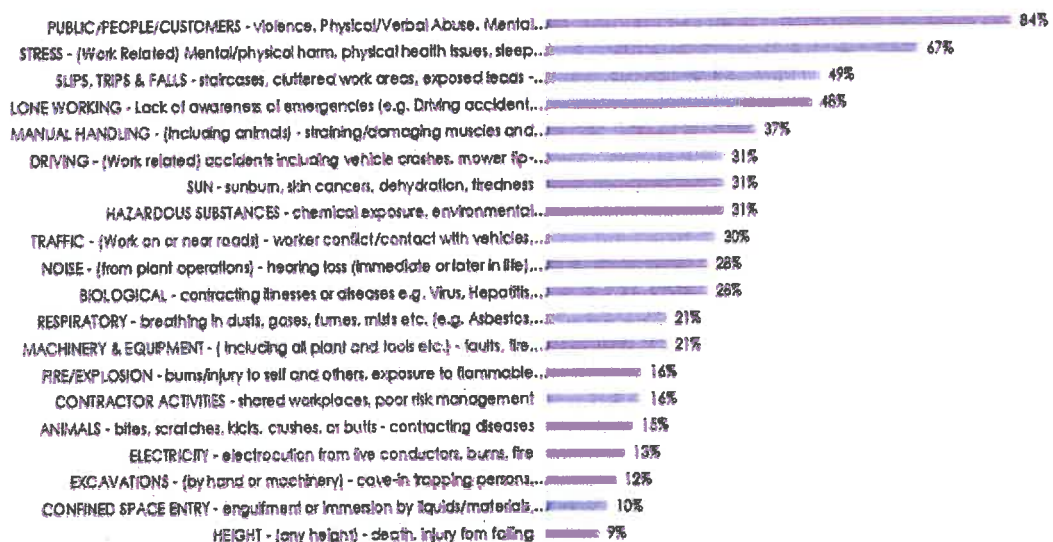
See the results below – these now become the Top 5 hazards.

1. **PUBLIC/PEOPLE/CUSTOMERS** - violence. Physical/Verbal Abuse. Mental Trauma Post Event 84%.
2. **STRESS** - (Work Related) Mental/physical harm, physical health issues, sleep loss, high blood pressure 67%.
3. **SLIPS, TRIPS & FALLS** - staircases, cluttered work areas, exposed leads - slippery surfaces 49% - Replaces Traffic/working on or near roads now ranked at number 9.
4. **LONE WORKING** - Lack of awareness of emergencies (e.g. driving accident, Assault) delays in providing assistance 48% moved down 1 from number 3 to 4.
5. **MANUAL HANDLING** - (including animals) - straining/damaging muscles and joints, injury to others 37% - Replaces Contractor activities – shared workplaces now ranked at number 15.



Multi-choice Question

Select 5-10 of the following hazards that you think are the most important to you in your workplace.



Average Question Score by Category

Custom



The top 2 hazards remain the same and Lone Working remains in the top 5.

Traffic – Working on or near roads was replaced with Slips/Trips and Falls.

Contractors sharing the workplace was replaced with Manual Handling.

A significant amount of work has been undertaken to manage the risk of physical/verbal abuse to staff from members of the public.

The organisation continues to monitor and review its physical and administrative controls to ensure staff safety in a customer conflict situation.

Most staff interact with customers.

The risk of harm from slipping, tripping and falling exists broadly across the organisation from offices to out in the field and the consequences to a person range from negligible to death in the most extreme case.

All staff undertake manual handling in some form in their roles across the organisation.

The organisation understands the potential risk of musculoskeletal disorders and acute injury to staff and provides internal training currently using LITE principles (Load, Individual, Task and Environment).

The results from both custom questions identify the response regarding the provision of health and safety resources by the organisation and people leaders demonstrating good health and safety practices daily.

6 Hazard Identification, Assessment and Management

Some of the work associated with managing the top 5 hazards is identified below:

1. Public/People
2. Stress
3. Lone Working
4. Traffic - Working on/near Roads
5. Contractors sharing the workplace

1 Public/People

The risk of violence or abuse to workers remains a high priority.

Customer facing staff at service counters have retained their Perspex screens for hygiene purposes for staff and public safety.

Contact Tracing QR (Quick Reader) posters for use with the Ministry of Health Contact Tracing App are displayed at all Council owned sites and facilities.

The organisation is working to COVID – 19 alert level 1.

2 Stress

KDC maintains a policy for the management of Workplace Stress and Fatigue.

Core training and refresher training for staff about Bullying and Harassment is ongoing.

The organisation participated in Mental Health Awareness Week from 21 September to 27 September and Pink Shirt day 16 October raising awareness regarding bullying.

Information cards about intervention with colleagues were distributed to all staff during mental health awareness week.

Mental Health Awareness training is ongoing.

The Employee Assistance Programme (EAP) remains as a confidential and readily available 24/7 resource to staff.

3 Lone Working

KDC maintains a policy and process for Lone Working Management.

Additional resources on top of provision of communication include an electronic tracking system.

Where practicable – managers aim to eliminate lone working by staff working in pairs or teams.

4 Traffic – Working on or near roads

KDC is the Road Controlling Authority (RCA) responsible for Traffic Management in its Road Reserve (District).

The organisation continues to comply with the Code of Practice for Temporary Traffic Management (CoPTTM).

Three staff have recently completed their Traffic Controller Training for Level 1 roads (TCL1) valid for 3 years.

5 Contractors sharing the workplace

All moderate and high-risk contractors and sub-contractors working for KDC must be SHE prequalified (approved) prior to any works commencing.

Contractor site inspections resumed at the end of May – delayed due to COVID – 19.

One site audit was completed in October at the River Road Culvert replacement project.

Top 5 Hazards as per risk assessment and staff perception

The staff evaluation method is based on personal perception, knowledge and experience, which is valued by the organisation.

The organisation engages with the workforce to understand their perceptions of danger.

Learning from this has resulted in commitment to invest in resources like site improvements, technology, equipment, training, policies and processes.

Health Monitoring

The table below identifies health assessments, monitoring and vaccinations for workers.

Monitoring/Vaccination	Status
Audiometry (Hearing monitoring)	Booked for Early November 2020
Immunisations/vaccinations (Tetanus, Hep A, B & Diphtheria)	Ongoing/Underway
Work station assessments	Ongoing/Underway
Spirometry (Lung Function Monitoring)	Booked for Early November 2020
Full Asbestos Medical (Workers doing Asbestos Related/Removal Work)	Booked for Early November 2020
Pre-Employment-Medicals (PEM's)	Started August 2018 - Ongoing/Underway
Face Fit Assessment & Monitoring (RPE)	Started August 2018– Ongoing/Underway
Pre-Employment Drug & Alcohol Test	Ongoing/Underway
Random Drug & Alcohol Test	Ongoing/Underway
Reasonable Grounds Drug & Alcohol Test	Ongoing/Underway
Post Event Drug & Alcohol Test	Ongoing/Underway
Eye Health and Vision Check	Ongoing/Underway for staff spending over 50% of their worktime on a Visual Display Unit (VDU)

Health & Wellbeing

The table below identifies opportunities for workers to find support and consider offers that could help maintain - or improve their health and wellbeing – including mental wellbeing.

Opportunity on Offer to Workers	Status
Employee Assistance Programme (EAP)	Available 24/7
Annual Flu vaccine	Completed for 2020
Health Assessment (Heart, BP, Cholesterol, Glucose, BMI & Waist Circumference etc.)	Booked for Early November 2020
Skin Checks (Melanoma/Skin Cancer)	Completed. Next Due August 2021
Yoga Class	Available weekly
Zumba Dance Class	Available weekly
Domestic Violence Victims Protection Standard Operating Procedure	Available on the KDC Intranet

Drug & Alcohol Policy

Drugs tested for - include any listed in the Misuse of Drugs Act 1975 and AS/NZS 4308:2008

Council's alcohol tolerance limit is zero.

Tests identified in the policy are:

- Pre-Employment
- Random (5% of staff per month)
- Reasonable Grounds
- Post Incident testing

Random testing continues on a monthly basis.

Workplace Monitoring

Methane and Hydrogen Sulphide gas levels are continually monitored at designated premises.

Information, Training and Supervision

Investment in Health and Safety training remains relevant to the organisation's needs.

First Aid Training for new staff continues and the refresher cycle is ongoing for existing staff.

Internal training delivered to staff by the HSO has included VAULT 3 user, Manual Handling, Preventing Occupational Respiratory Illness, Workstation set-up, Ergonomics, and Noise Destroys Hearing.

7 Incident and Injury Reporting, Recording and Investigation

Events recorded include Accidents, Incidents, Near Misses and Illness.

- 2017 averaged 15 events per month
- 2018 averaged 15 events per month
- 2019 averaged 18 events per month
- 2020 averaging 13 events per month increasing from 11 events per month in the last report.

2020 currently identifies a lower average per month due to COVID – 19 affecting non – essential recreational staff not in the field - and the swimming pool complex and Library either closed or operating under restrictions.

A period at COVID – 19 Alert level 1, increased work and customer activity as the pools and library returning to normal service levels are factors in the increase in events reported for this report period.

A notable event occurred during this reporting period regarding near miss involving a contracted worker

ID: 2113 Standard Investigation.

Category: Worker

Subject: Failure to wear Lap Belt

Date: 02 09 20

Time: 08.34 hours

Event Status: Completed

While operating mobile plant fitted with a ROPS, (Roll over Protective Structure) the operator had not put on his lap belt.

The worker was stopped immediately by another worker and reminded that wearing the belt is a critical safety control that could save his life should the mobile plant roll.

The organisation understands the risks from failure to wear lap belts.

The investigation identified the reason the operator was not wearing the lap belt was due to a lapse of concentration.

The manager held a meeting with his team reminding them of the requirement to wear the lap belts to keep them safe and stated clearly that lap belts must be worn.

No harm damage or loss was identified in this instance.

Notifiable Events to WorkSafe NZ

(The death of a person, a notifiable injury, illness - or a notifiable incident that must be reported to WorkSafe NZ).

No events were notified to WorkSafe NZ during this reporting period.

Event Statistic Line Graphs

The graphs in Appendix 1, 2, and 3 identify the type of events recorded.

The Near Miss data has trend lines included.

- Near miss data contributed to 26% of the total events for 2017.
- Near Miss data contributed to 18% of the total events for 2018.
- Near miss data contributed to 24% of the total events for 2019.
- Near miss data currently contributes to 24% of the total events for 2020.

The charts in Appendix 4, 5 and 6 identify the person type featuring in events.

The public and workers are the highest contributors identified in events.

Event Site

The Site combination chart Appendix 7 identifies the sites where events have been recorded.

8 Employee Participation in Health and Safety Management

The Depot Collective Union representative has accepted the role as the Health and Safety Representative (HSR) for the Parks and Reserves Turf and tree team.

He and the Economic Community Development HSR completed their Health and Safety Representative Stage 1 Training on 8 September attaining NZQA US29315 - describe the role and functions of a health and safety representative in New Zealand workplace.

The Health and Safety Committee (HSC) continues to meet monthly.

HSC site tours are planned as part of the December meeting.

HSR stage 2 training is planned for December.

9 Emergency Planning and Readiness

Certain Council premises are required to have Building Warrant of Fitness Certificates (BWoF) e.g. District Office/Library and Firmin Lodge because they are identified as having specified systems.

Specified Systems require scheduled inspection and maintenance for health and safety reasons.

Specified systems can include fire warning (alarm), sprinkler systems, emergency lighting, riser mains, automatic doors, mechanical ventilation and lifts etc.

Compliance checks for specified systems are done by an Independent Qualified Person (IQP) namely Cove Kinloch.

A Building not requiring a BWoF has emergency plans, emergency exits and assembly points maintained by Operations and Services.

First Aid

Workplace First Aid training continues with new trainees attending training and recertification courses maintaining workers NZQA Unit Standards.

All First Aid Kits are replenished as required and also inspected and maintained on an annual schedule – ensuring the contents do not exceed their expiry dates and are of the correct type and quantity.

All KDC Buildings, Venues, Vehicles and Plant are equipped with an appropriate First Aid Kit e.g. the arborist first aid kit includes extra-large dressings.

Automatic External Defibrillators (AED's) are kept at the District Office first aid point and the Swimming Pool office.

Over 50 KDC staff are trained and qualified in Emergency First Aid.

Duress Alarms and Emergency Lock Down

All Council counter services have duress alarms and emergency lockdown buttons.

10 Protection of Employees from On-site Work undertaken by Contractors and Sub-contractors

Contractor management involves 4 steps and each step can be recorded in VAULT by the contract manager on the contractor file.

1. Contractor SHE Health and Safety Prequalification/Approval

2. Contractor Health and Safety Induction
3. Contractor Monitoring/Audit
4. Post Contract Review

11 Prioritisation of Tasks

The table below sets out steps and the priority level of tasks.

Critical Element	Priority	Actions Required	Started	By Whom	Target For Completion	Current Status
Covid- 19 Pandemic	High	Remain ready and prepared to respond to Managing Risks to Staff/Community Health based on Govt Guidelines Maintain preparedness to react to COVID -19 Alert level changes	23/01/2020	HSO	Unknown - Ongoing	Underway
Hazard, Identification, Assessment and management	High	Create and manage a register aligned with legal requirements current knowledge and thinking. All registered hazards to achieve completed status. Monitor and review hazards.	June 2016	HSO and Work Groups	December 2020	Underway
Protection of employees from on-site work undertaken by contractors and sub-contractors (Contractor Management)	High	SHE prequalification complete. Contractor induction document in place. Contractor Monitoring KPI in place. Contractor Post Contract review In place.	June 2016	HSO	June 2019	Complete
Employee Participation in Health and Safety Management	High	Health and Safety Representative Job Description complete. Agreement signed by CEO –awaiting Union signatures.	June 2016	HSO	June 2019	Complete

Critical Element	Priority	Actions Required	Started	By Whom	Target for Completion	Current Status
Employer Commitment to Safety Management Practices	Medium	Review H&S Policies. Identify and implement a performance based management system.	June 2016	HSO	Ongoing	Underway
Emergency Planning and Readiness	Medium	Monitor and review plans.	June 2016	HSO	Ongoing	Underway
Planning, Review and evaluation	Low	Monitor and review	June 2016	HSO	Ongoing	Underway
Information, Training and Supervision	Low	Monitor and review	June 2016	HSO	Ongoing	Underway
Incident and Injury Reporting, Recording and Investigation	Low	Monitor and review	June 2016	HSO	Ongoing	Underway

12 Conclusion

The Occupational Health and Safety Management system continues to be developed and improved.

13 RECOMMENDATION

That the report 'Occupational Health and Safety Management System Status' be received.

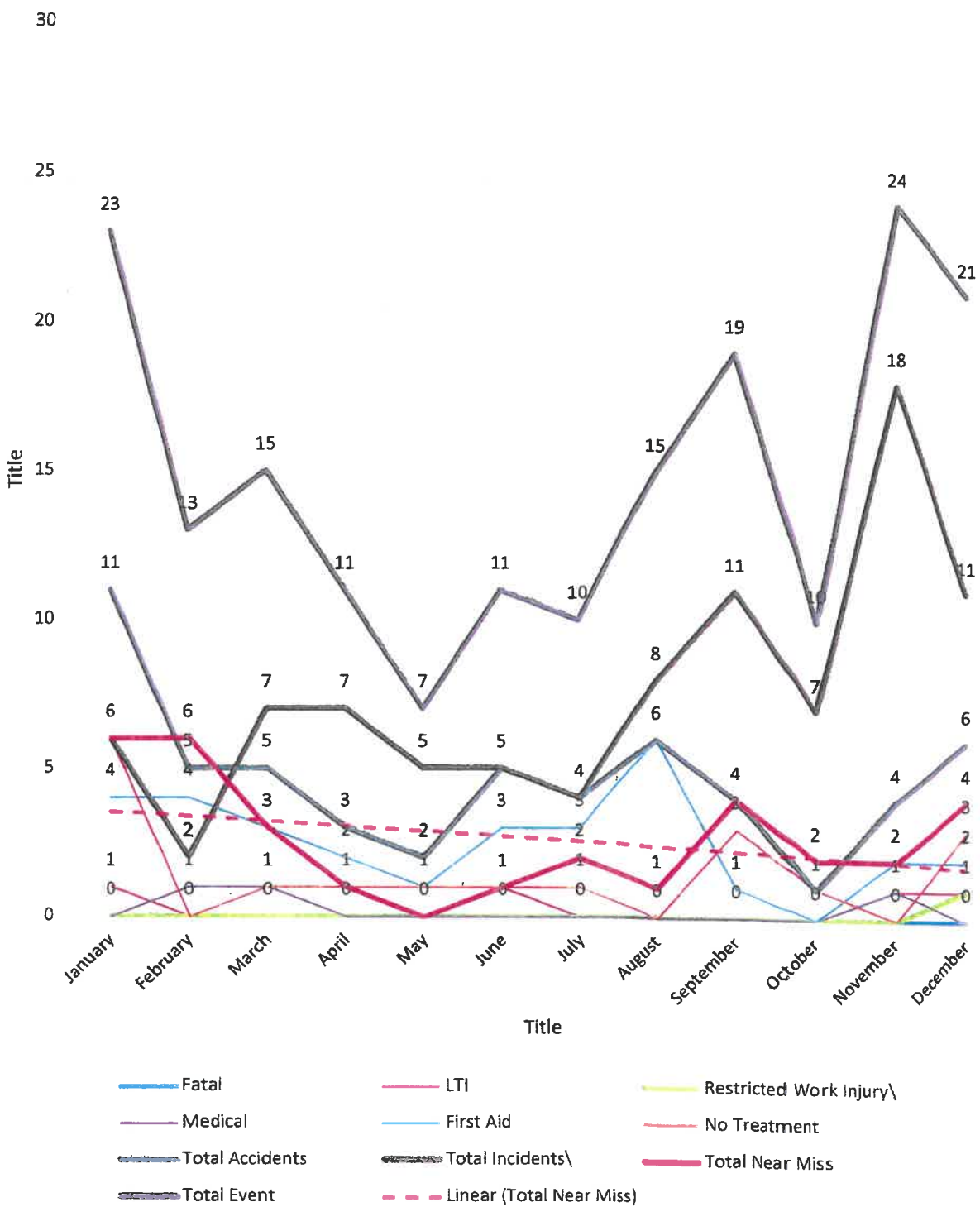


Paul Snook, Prof NZISM. MIIRSM. HASANZ

Health & Safety Officer

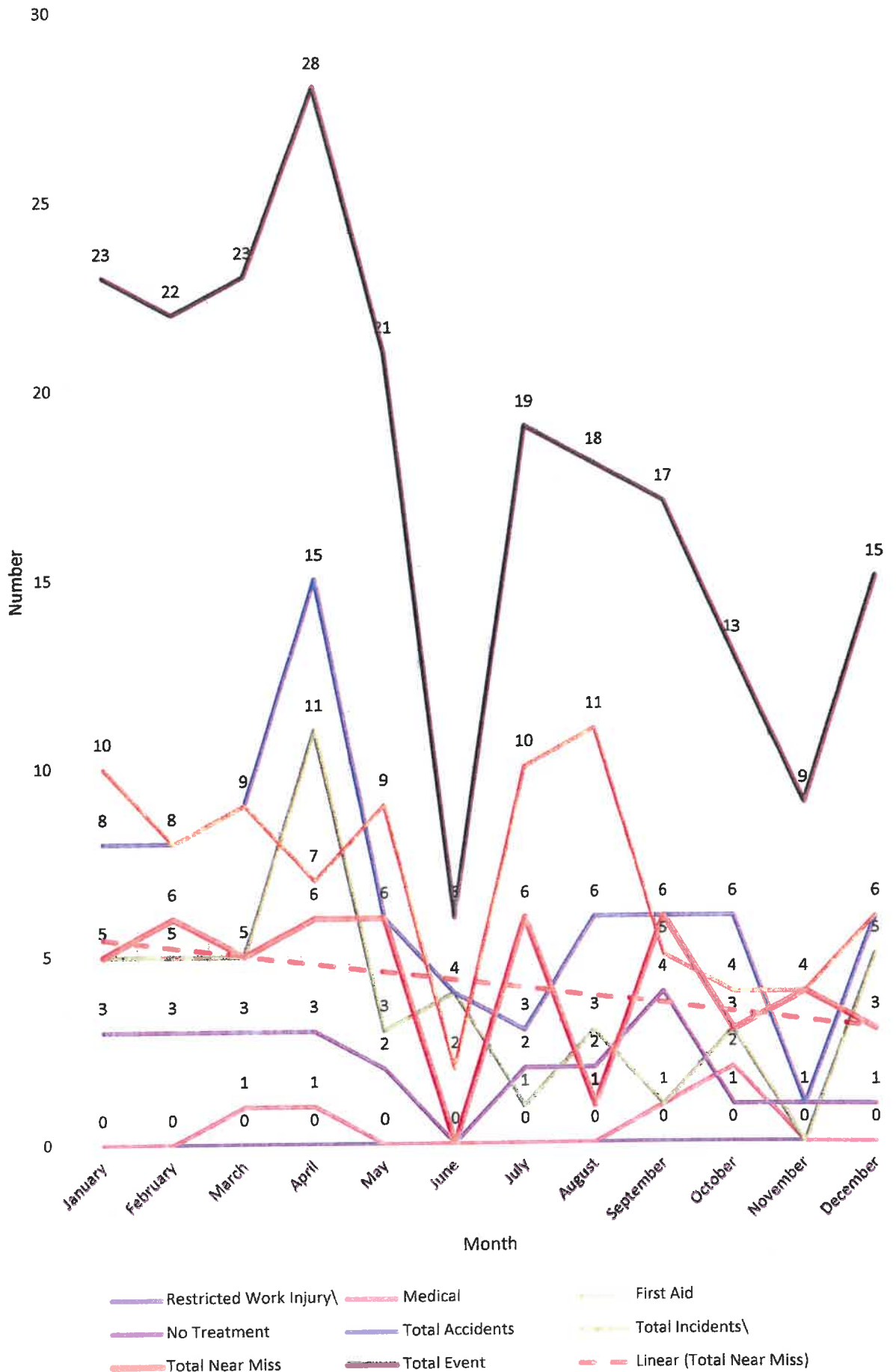
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Event Statistics 2018 (Total 179)

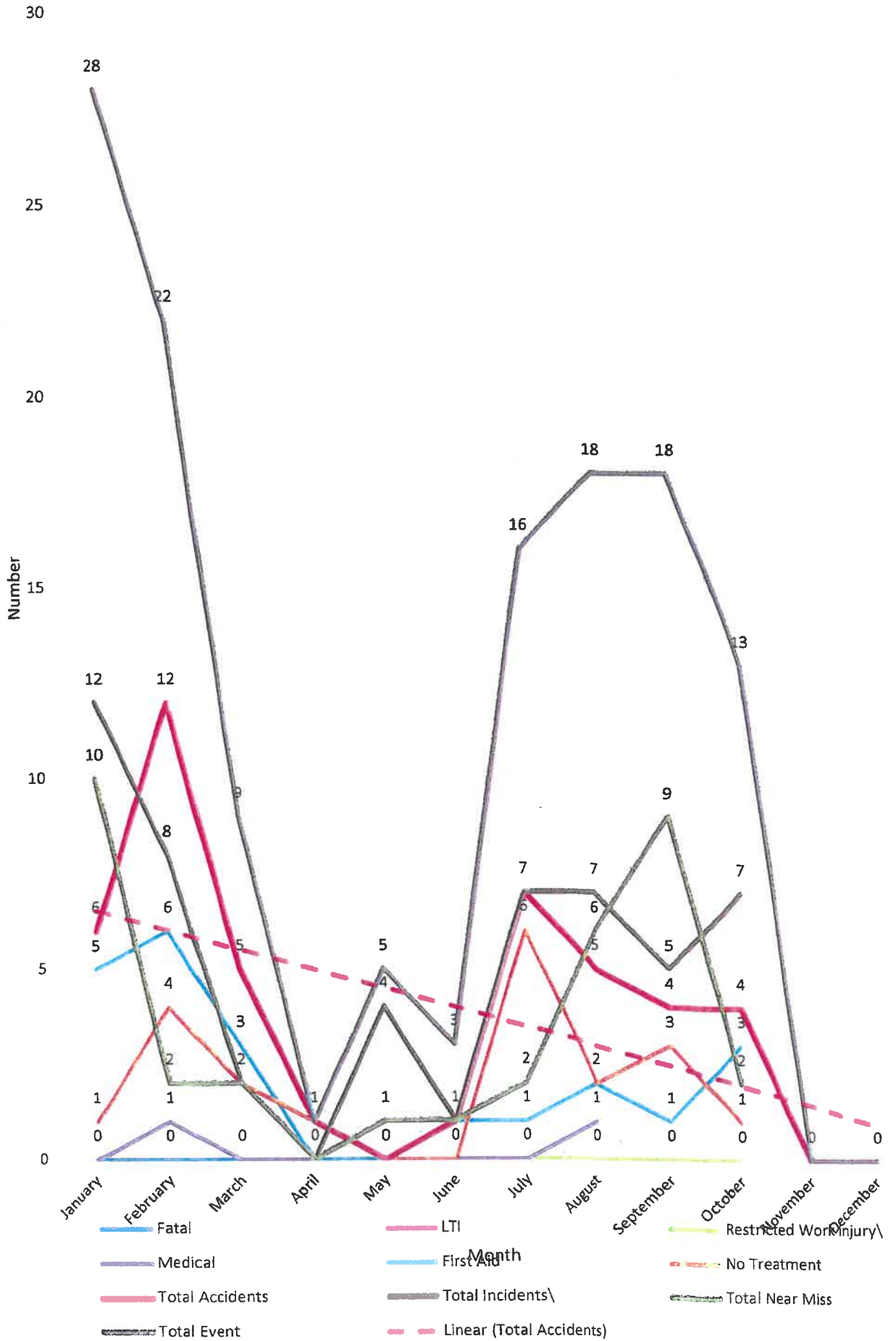


Appendix 1

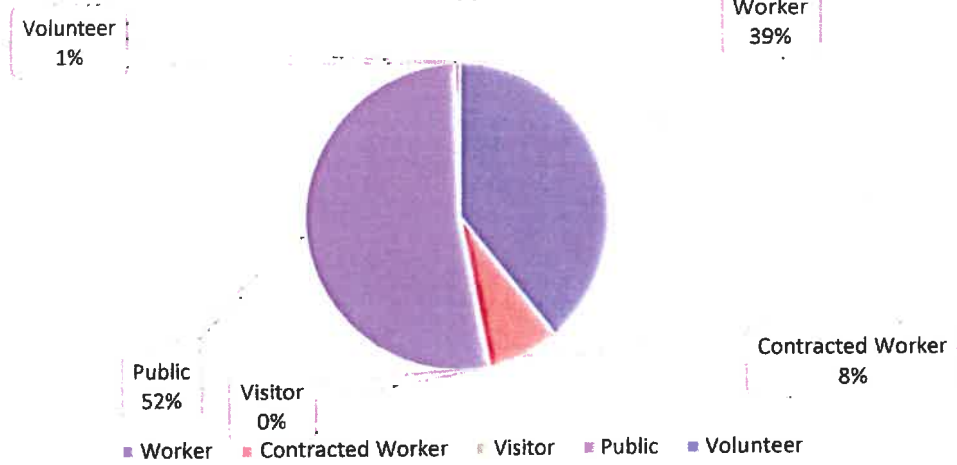
Event Statistics 2019 (Total 214)



Event Statistics 2020 (Total Year to Date 133)

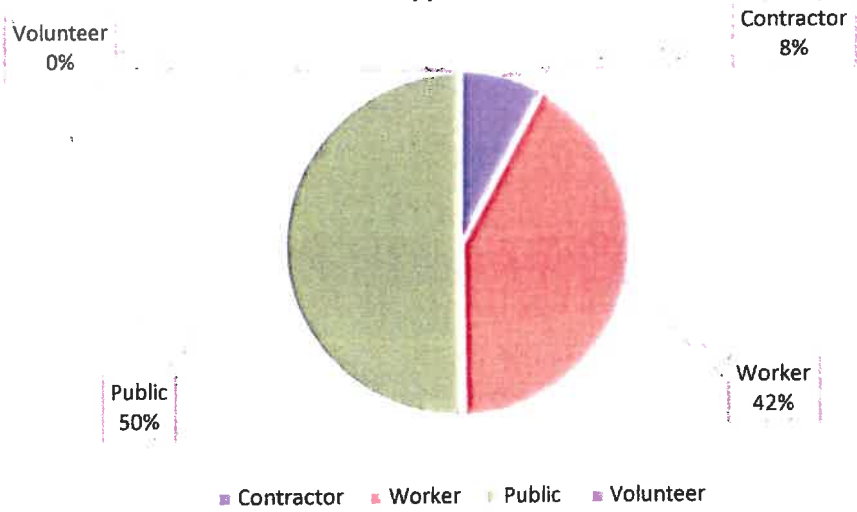


Person Type 2018



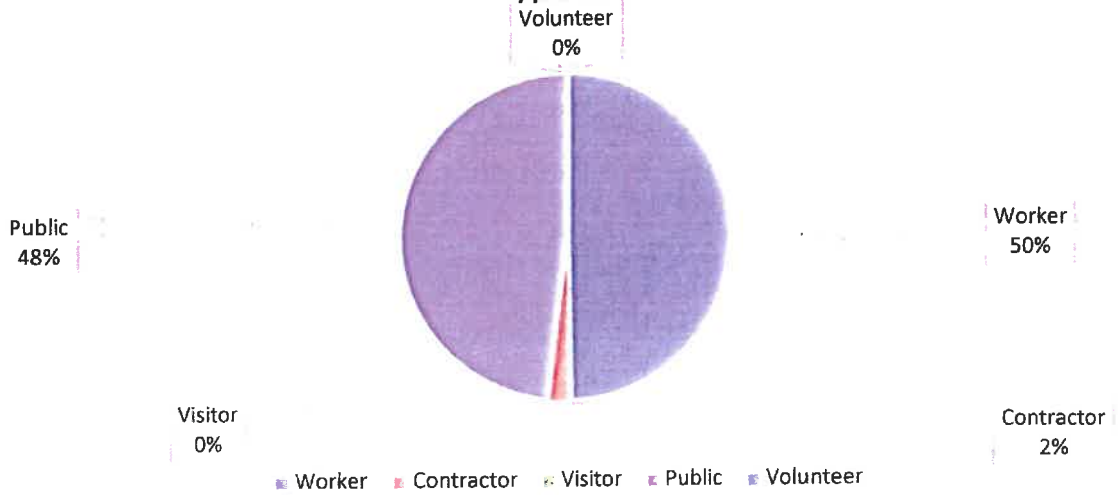
Appendix 4

Person Type 2019



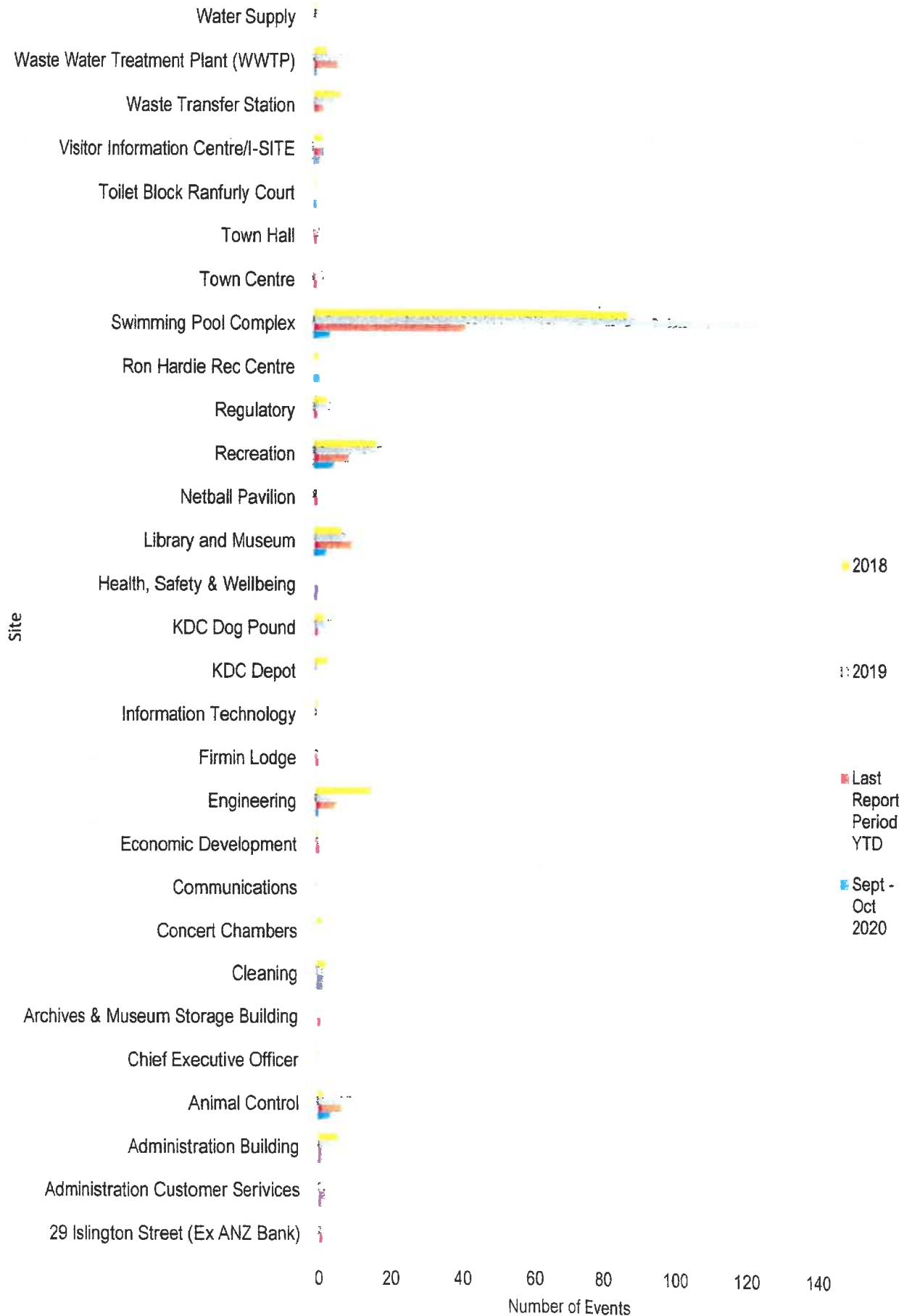
Appendix 5

Person Type 2020



Appendix 6

Site Combination Chart



Meeting: Audit and Risk Committee

Meeting Date: 17 November 2020

Subject: Treasury Report to 31 October 2020

File No: 110551

1 Purpose

The purpose of this report is to inform members of the funds held by Council as at 31 October 2020 and provide explanations for any significant variances from the previous year.

2 Background

This report also went to the Regulatory and Services Committee, and shows the funds currently held and the banks where those funds are invested.

All investments were made in accordance with Council's Investment Policy.

3 Funds Held

The following funds were held at 31 October 2020:

	October - 2020	October - 2019
Special Funds		
Depreciation Funds	\$6,261,976	\$6,951,577
Development Feasibility	\$11,000	\$11,000
Total Special Funds	\$6,272,976	\$6,962,577
General Funds	(\$922,571)	(\$572,140)
Total Cash & Term Balances	\$5,350,406	\$6,390,437

General Funds:

At the end of October 2020 the balance in the general funds is \$350k less than it was for the same period last year. This reduction has resulted from additional personnel, security and insurance costs during 2019/20.

It is projected that general funds will be in deficit throughout most of the 2020/21 year, apart from timing differences. This resulted from Council using previous years' surpluses to keep rates affordable for the community and some unbudgeted expenditure.

Depreciation Funds:

The balance in the depreciation reserves is approximately \$0.7 million less than it was a year ago. The main reason for this reduction is due to the money spent on the residential developments to date. Council has received some funds from the sale of units (5) and sections (6) and there will be further sales in the future.

It is projected that Council will need to borrow funds during the second half of the year as there are some significant infrastructure projects that are due to commence. Council is now a member of the Local Government Funding Agency and Council's lawyers (Simpson-Grierson) will send the debenture trust deed for Council approval at the 24 November meeting. Once approved and signed, Council will be able to borrow funds.

The last graph in this report shows the cash-flow to date as well as the anticipated cash-flow to the end of June 2021 (prior to borrowing any funds).

Funds were invested @ 31 October 2020 as follows:

Invested in	\$	Interest (Average) %	% External
ANZ – on call	\$895	0.05%	0.03%
ASB	\$503,558	1.91%	14.35%
BNZ – current & on-call	\$686,516	0.05%	19.56%
Kiwi Bank	\$0		0.00%
Westpac	\$1,116,665	1.12%	31.82%
Rabobank (includes on-call)	\$1,202,100	0.35%	34.25%
Total Funds (Cash)*	\$3,509,734	0.76%	100.00%
Internal Loans	\$1,840,672		
Total Investments	\$5,350,406		

*These figures include the accrued interest to 31 October 2020

The following funds were held at 31 October 2020:

Bank	Invested	Days	Interest	Amount (\$)
ASB	17-June-20	230	1.91%	500,000
Westpac	7-Sept-20	63	0.94%	900,000
Westpac	7-Sept-20	100	1.30%	215,000
ANZ - Call			0.05%	895
BNZ - Call			0.05%	495,748
Rabobank - Call			0.35%	1,202,100
BNZ - current				190,768
Total				3,504,511
Interest rates (includes on-call)	Average interest rate		0.76%	
	Weighted average interest rate		0.76%	

4 **RECOMMENDATION**

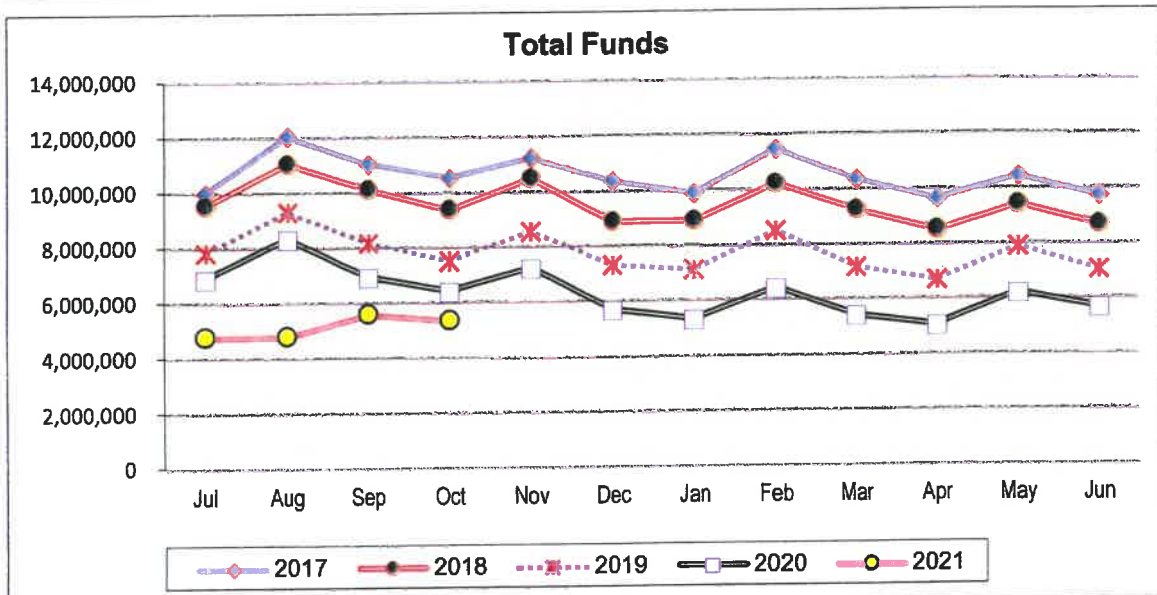
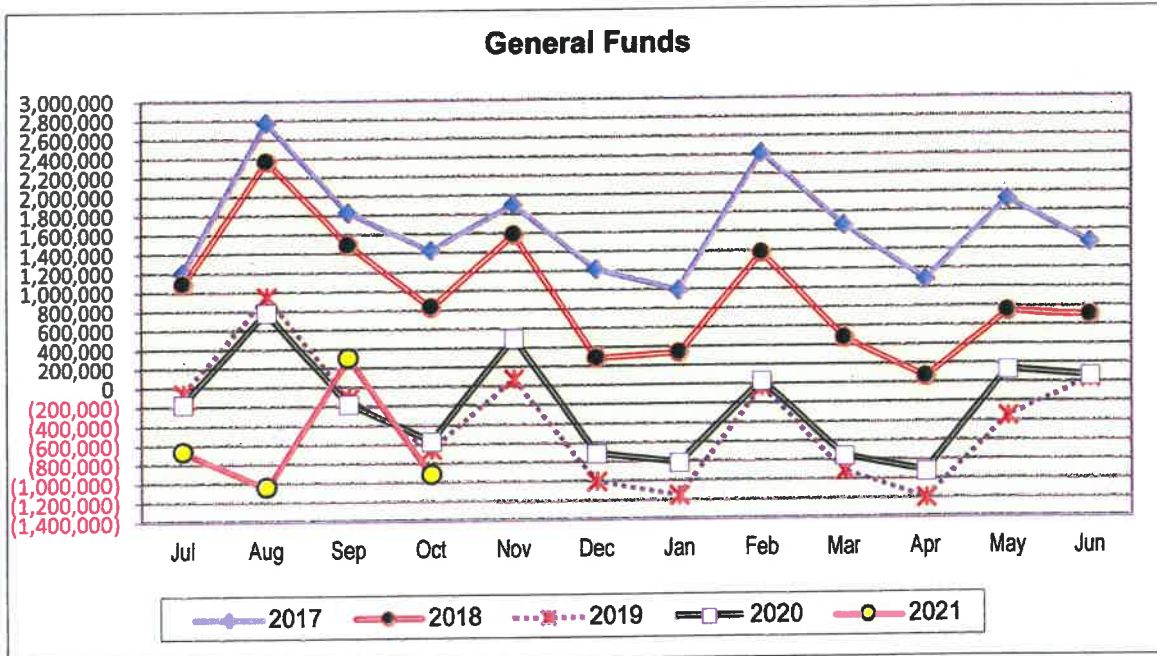
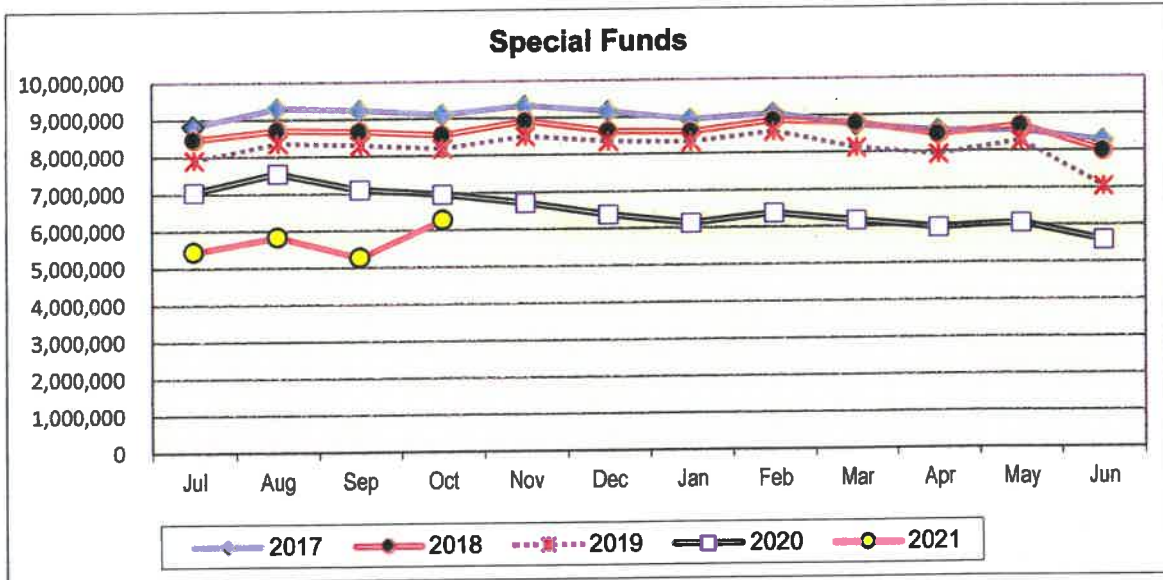
That the report "Treasury report to 31 October 2020" be received.



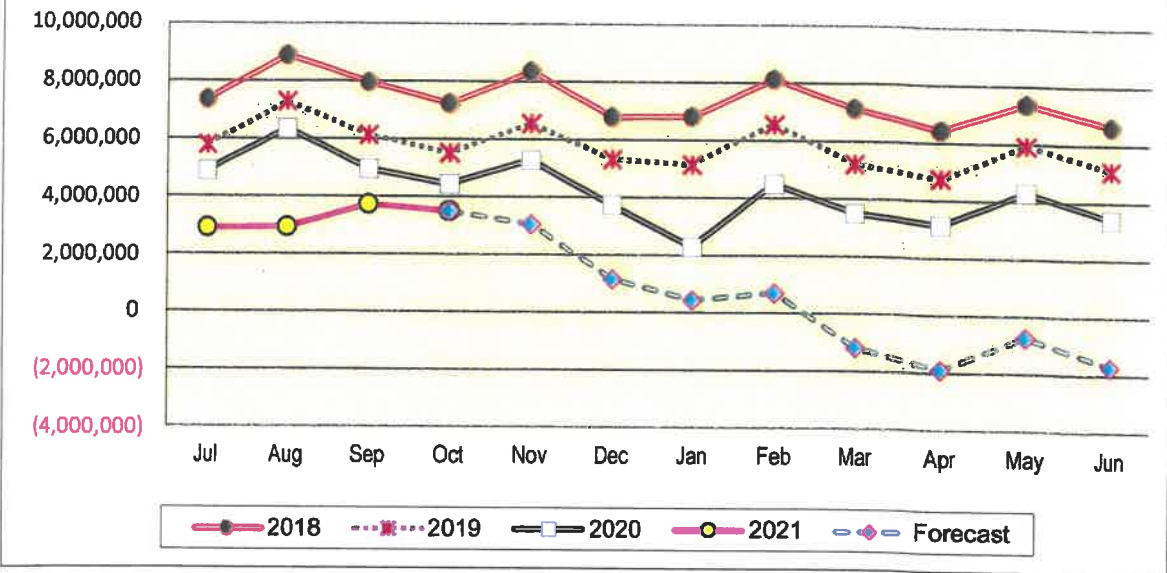
Peter Christophers, BBS, ACA
Manager, Finance & Corporate Services
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Funds Monitoring Graphs

October 2020



Cash Flow and Forecast



Meeting: Audit and Risk Committee

Meeting Date: 17 November 2020

Subject: Residential Developments (Central Cove, Te Ariki Place and Porritt Glade) – Progress and Risk Analysis Update

File No: 206700

1 Purpose

The purpose of this report is to further update the committee on the progress for these residential developments, highlight what the risks are for Council and also determine the mitigations that are in place to reduce these risks.

2 Background

Council acquired the Bowen Street land, which was formerly Central School at the end of 2014 for \$70,000. Following an increased demand for both houses and sections in Kawerau and a substantial increase in house and land prices, Council decided that it would look at developing the Bowen Street land.

Registrations of interest were sought from developers and Council selected Generation Homes to do the subdivision, development and sale of the land. Council has undertaken the development of the land prior to building taking place. Purchasers acquire a house and land package through Generation Homes and Council receives the payment for the land once the sale has been made. To date seven house and land packages have been acquired and Council has received payment for six of these sections. Construction of houses is currently underway with one nearing completion and another three being built.

Council also decided that the reserve at Te Ariki Place was surplus to the community's need and swapped the "reserve status" with freehold land near the skatepark. The land at Te Ariki Place has been subdivided into four sections and Council has developed the land. As with the Bowen Street development, Generation Homes will sell a house and land package. No sections have been sold to date.

Council has an option agreement with Generation Homes for a year which expires in December 2020. Prior to renewing the option agreement, Council will need to revalue the sections to determine the amount that Council is paid once a house and land package is sold

Finally, Council had been asked by the Kawerau Social Services Trust to make available the land next to Mountain View Resthome for further housing for the aged. Council managed to acquire the land and have it designated local purpose reserve. However, Kawerau Social Services Trust subsequently informed Council (27 August 2017) that they could not proceed with their proposed development and therefore no longer wanted to lease the land. Council decided that it would develop 29 retirement units, on the land and sell a "right to occupy".

Six units were initially built and all are paid for and occupied. A blessing and open day was held Saturday 18 July 2020. Generation Homes has also been engaged to undertake the construction of these units.

Council has resolved to construct another six units and construction is due to commence shortly. It is expected that the first two will be completed in Feb/Mar 2021 and the last two in May 2021. Council has received deposits for two of these units and applications for a further two have been received.

Council consulted the community on these proposals as part of the 2018 – 2028 Long Term Plan, which was adopted 26 June 2018.

The latest indicative costs for these developments, now that most costs have been received, are:

	Bowen Street	Te Arika Place	River Road (incl GST)
Number of sections	31	4	29
Development Cost – Land & Fence	\$1,400,000	\$127,400	\$1,640,000
Development Costs - buildings			\$250,500 per unit

3 Risks associated with the developments

There were a number of risks identified by Council when considering these developments. However, there were also risks identified with not proceeding with the developments, which Council took into consideration when deciding whether to proceed with these proposals.

Council had initially proposed re-purchasing the retirement units from occupants at the end of the tenancy, however, as this would have created an ongoing liability and possible risk for Council, it was decided that the units would be sold directly to a new occupant at the end of each tenancy. This is how the Mountain View Retirements are operated.

The following table lists the high level risks and the mitigations for these developments:

Description	Risk	Impact	Current Mitigation	Is risk acceptable? Y/N
Residential Developments (all):				
Demand for housing	There is a risk that a lack of residential housing availability is (and would) restrict growth for the town	Council has contributed significant investment into economic development, however, there is not sufficient housing to meet a potential growth in the workforce. This may result in future developers being reluctant to invest in commercial enterprises. Also the lack residential housing will restrict any future growth.	Council has developed 35 residential home and land packages (in conjunction with a contractor) as well as providing for the construction of a 29 unit retirement village. 6 retirement units have been sold and a further six are due to start construction. Also 6 sections have been sold in Central Cove	No (Council acknowledges that demand is likely to exceed supply and is continuing to investigate residential development options)

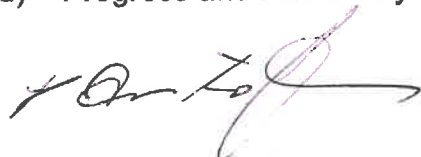
Description	Risk	Impact	Current Mitigation	Is risk acceptable? Y/N
Selling residential sections to developer	Sections (if sold to a developer) could be land banked and there would continue to be a shortage of residential houses	There is an immediate demand for residential housing and an even greater demand once planned commercial developments begin. Therefore, it is important that residential sections/houses be made available as soon as possible. Also a developer would keep the potential returns from the development (not the community)	Council did not sell the land to a developer, but instead undertook the development, so it could retain control and determine the timing for each development. Also the returns on these investments will be used for the benefit of the community	Yes. (Council has proceeded with the developments)
Community response to developments	There was a risk that the community responds negatively to Council getting involved in residential developments	Community could have been unhappy with Council getting involved in residential developments and may feel that Council should stick to delivering its existing services as efficiently as possible.	Council consulted extensively on the proposed residential developments as part of the 2018-28 Long Term Plan. The community was overwhelmingly in favour of the proposed developments.	Yes
Small rating base and reliance on small number of significant ratepayers	There is an ongoing risk that one or more of the major ratepayers could cease operating.	The loss of one or more major ratepayers would result in significant rate increases for other ratepayers. One ratepayer currently pays over 21% of the total council rates.	Council has undertaken a number of initiatives to promote growth and expand the rating database. The development of the residential sections is one of the initiatives to promote growth and will add 64 rateable properties.	No (Council will continue to assist economic development to further minimise this risk)
Potential financial loss The total outlay by Council (including 29 retirement units) is \$10.5 million	Financial risk. There is significant financial investment by Council in these developments and there is a potential risk that there will be a delay before Council sees a return on its investment.	Council will have less funds available for a period and will have to have to borrow funds. Council has spent \$3.8 mil to date on these developments and received \$640k from the sale of 6 sections in Bowen Street	Council will regularly monitor its cash flow projections for these developments. Council has initially only constructed 6 retirement units which have been sold and therefore will build a further 6 units	Yes
Lack of expertise in residential developments	There is a risk Council will incur more costs and be less efficient as it is not in the business of developing residential property.	Council may take longer to do residential developments and also incur more costs, which may result in potentially less return for the community	Council has engaged experts (John Pullar & Generation Homes) as well as consulting with it's lawyers, to assist with the development of the sections.	Yes
Change in economic outlook resulting from external influences such as COVID-19	There is a risk that the economic outlook and therefore "demand for housing" may be adversely affected by external factors such as COVID-19 and global recession	It may take considerably longer to sell the residential properties and retirement units. Therefore Council potentially could have a longer period before it recovers the investment in these developments	Council has consulted with the community on raising a loan to undertake the programmed capital work for 2020/21 if required. Council has become a member of LGFA, which will reduce the interest rate for any loans	Yes

Description	Risk	Impact	Current Mitigation	Is risk acceptable? Y/N
Porritt Lodge (Retirement Units):				
Demand for this type of housing	There is a risk that there is only limited demand for this type of residence	Council may have units that are vacant and not receive the funds that have spent building the units	Council initially constructed 6 units which are sold. There are a number of people that have registered an interest in these units	Yes
Lack of knowledge and expertise for managing retirement village	There is a potential risk that Council may not fulfil its legal obligations and also not provide sufficient resources to meet the day to day management of the retirement village	There are legal and operational demands when operating a retirement village. Council had considered the option of asking the Kawerau Social Services Trust to lease and manage the new retirement village.	Council has engaged its lawyers to advise the legal obligations for running a retirement village. Also Council has approached KSST about the possibility of managing these units Council has engaged a project manager to oversee to the construction of the units. Council has also appointed a statutory supervisor to minimise any risks associated with legal obligations or operational matters	Yes
Inflation	There is a risk that construction costs may escalate during the construction period.	Council will need to sign a contract with occupants that will include the cost of the unit. If costs rise and Council has to pay more for the construction, then there will be a loss incurred.	Council signed a fixed price contract with Generation Homes for the construction of 6 units This will mitigate the risk of construction costs exceeding the revenue	Yes

The above list is not exhaustive but it does identify most of the significant risks and the mitigations that are in place.

4 **RECOMMENDATION**

That the report "Residential Developments (Bowen Street, Te Arika Place and River Road) – Progress and Risk Analysis Update" be received.



Peter Christophers, BBS
Manager Finance and Corporate Services

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Meeting: Audit and Risk Committee
Meeting Date: 17 November 2020
Subject: Proposed Insurance Policies for 2020/21
File No: 201000

1 Purpose

The purpose of this report is to inform members of the proposed insurance policies for 2020/21 along with costs and comparisons to the previous year.

2 Background

Council insures both, its assets in order to mitigate the risk associated with the loss or destruction of those assets, and possible liabilities arising from staff undertaking their duties, which could result in significant costs for the community.

Council uses Aon as its insurance broker in conjunction with other Bay of Plenty Councils as part of a BOPLASS initiative.

Council's broker sources the insurance cover that provides the best value for Council.

The period for insurance is from 1 November to 31 October.

There has been significant increases in the cost of some insurances in the past and indications are that costs will continue to increase as it becomes more difficult to obtain insurance cover. The cost for these insurance policies for 2020/21 is currently not known.

3 Proposed insurances for 2020/21

The appendix to this report lists all the insurances that Council proposes to take out for 2020/21 which are the same as the previous year. These include:

- Material Damage
- Business Interruption
- Motor Vehicles
- Public/Liability/Professional Indemnity
- Statutory Liability
- Employers Liability
- Personal Accident
- Crime Policy
- Infrastructure Insurance

4 RECOMMENDATIONS

1. That the report "Proposed Insurance Policies for 2020/21" be received.
2. That the Audit and Risk Committee approves the proposed insurances for 2020/21.



Peter Christophers, BBS, ACA
Manager, Finance & Corporate Services

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APPENDIX

KAWERAU DISTRICT COUNCIL – PROPOSED INSURANCE POLICIES FOR 2020/21

Policy	Detail	Sum Insured	Excess	Insurance Company (Current)	
Brokerage	Professional fee for sourcing and arranging insurance as well as claims/advice.			Aon Group Ltd	
Infrastructure	Above and below ground infrastructure assets	\$15,000,000 (Policy extensions and cover limits apply)	\$100,000	Aon Group Ltd (London)	
Professional Indemnity / Public Liability	Claims for compensation in respect of: professional advice, errors, unexpected and unintended personal injury or property damage for which Council may be legally liable arising out of our business activities	General / Professional indemnity claims	\$50,000,000 (Any one Claim)	\$10,000 - PI \$2,000 - PL	NZI (A division of IAG NZ Ltd)
		Goods/Productivity	\$50,000,000 (Any one claim)		
		Care, custody & Control	\$1,000,000		
		Employees Property	\$1,000,000		
		Indemnity to Ratepayers	\$1,000,000		
		Forest and Rural Fires Act	\$1,000,000		
		Hall Hirers Liability	\$1,000,000		
		Punitive and Exemplary Damages	\$1,000,000		
		Service & Repair	\$500,000		
		Vibration and Removal or Support	\$500,000		
		Underground Services	\$50,000,000		
Employers Liability	Liability arising out of claims made by employees for injuries outside the scope of Accident Compensation legislation	\$2,000,000	\$1,000	NZI (A division of IAG NZ Ltd)	
Statutory Liability	Defence costs, Fines & Penalties arising from unintentional breaches of the Insured Acts	\$2,000,000	\$1,000	NZI (A division of IAG NZ Ltd)	
Personal Accident Policy	Death & sickness benefits for 9 Elected Members, 4 Managers and 1 Civil Defence Worker	\$1,000,000	\$Nil	Chubb Insurance NZ	
Crime Policy	Direct financial loss sustained by the Insured arising from any single act or repeated acts	\$2,000,000	\$25,000	AIG Insurance NZ Ltd	

Policy	Detail	Sum Insured	Excess	Insurance Company (Current)	
Commercial Motor Vehicles	i) Vehicles, Mobile Plant and Auxiliary equipment	Market Value or value in schedule (up to \$150,000 per vehicle)	1% of the sum insured with a minimum of \$500 (Drivers under 21 \$1,000)	Zurich Auto	
		Additional Vehicles = \$400,000	Fire or Theft = \$Nil		
		Goods in Transit = \$5,000	\$Nil		
	ii) Damage, bodily injury or financial loss to third parties arising from the use of any of the Insureds vehicles	Third Party	\$20,000,000		\$Nil
		Airside Liability	\$2,000,000		\$Nil
Business Interruption	Consequential loss resulting from damage to insured's property	Loss of revenue \$75,000 (rent) Additional expenses \$8,000,000	\$Nil	Vero Insurance NZ Ltd	

Policy	Detail	Sum Insured	Excess	Insurance company (current)	
Material Damage – Fire	Fire, including fire occasioned by natural disaster	\$13,000,000	\$10,000 (\$25,000 landslip & subsidence)	Vero Insurance NZ Ltd	
Material Damage – Excluding Fire	All Risks including Earthquake, but excluding Fire	\$46,556,338	Non Earthquake Perils – MD & BI combined - \$10,000 each and every claim	Vero Insurance NZ Ltd	
	Sub Limits	Money during Business Hours			\$100,000
		Money outside Business Hours			10,000
		Capital Additions			2,000,000
		Collapse or overheating of non-domestic boilers			\$25,000
		Hazardous Substances			\$100,000 (Any one loss)
		Landslip, combined any one loss for MD & BI			\$2,000,000
		Property in or on water			\$100,000 – Limit \$25,000 per item
		Protection Costs			\$200,000 (Any one loss)
		Refrigerated Goods			\$25,000 (Any one loss)
		Stolen Keys			\$25,000 (Any one loss)
		Subsidence	\$2,000,000		
	Transit	\$500,000			
	Machinery Breakdown	\$15,000	Earthquake, volcanic eruption, hydrothermal activity – 5% of Material Damage site value (other deductibles apply)		
	Portable Business Equipment	\$20,000			
	Contract Works	\$1,000,000			
	Curios or Works of Art	\$250,000			
	Maori Artefacts	\$10,000			
	Directors & Employees effects	\$20,000			
	Expediting costs	\$50,000			
	Destruction of undamaged property	\$50,000			
	Costs of rewriting records	\$500,000			
Buildings not declared under \$250,000	\$250,000				

KAWERAU DISTRICT COUNCIL

**The Meeting of the Audit and Risk Committee will be held on
Tuesday 17 November 2020 in the Council Chamber
commencing at 1.00pm**

AGENDA

Apologies

Declarations of Conflict of Interest

Any member having a “conflict of interest” with an item on the Agenda should declare it, and when that item is being considered abstain from any discussion or voting. The member may wish to remove themselves from the meeting while the item is being considered.

1 Confirmation of the Audit & Risk Committee Meeting Minutes dated 14 September 2020
Pgs. 1 - 3

Recommendation

That the Minutes of the Audit & Risk Committee meeting held on 14 September 2020 be confirmed as a true and accurate record.

2 Occupational Health and Safety Management System Status (Health and Safety Officer) (509500)

Pgs. 5 - 23

Attached is the report for the Health and Safety Manager covering The OSH Management System.

Recommendation

That the report “Occupational Health and Safety Management System Status” be received.

3 Treasury Report to 31 October 2020 (Manager, Finance and Corporate Services) (110551)

Pgs. 25 - 29

Attached is a report informing members of Councils cash and funding position at 31 October 2020.

Recommendation

That the report “Treasury report to 31 October 2020” be received.

4 **Residential Developments – Progress and Risk Analysis Update (Manager, Finance and Corporate Services) (206700)**

Pgs. 31 - 34

Attached is a report which updates members on the progress of the residential developments.

Recommendation

That the report “Residential Developments (Bowen Street, Te Arika Place and River Road) – Progress and Risk Analysis Update” be received.

5 **Proposed Insurance Policies for 2020/21 (Manager, Finance and Corporate Services) (201000)**

Pgs. 35 - 39

Attached is a report listing the proposed insurance policies for 2020/21.

Recommendation

1. *That the report “Proposed Insurance Policies for 2020/21” be received.*
2. *That the Audit and Risk Committee approves insurances for 2020/21.*

R B George

Chief Executive Officer

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