



**The Meeting of the
Audit and Risk Committee will be
held on Tuesday 7 June 2022
commencing at 1.00pm**

AGENDA

Meeting ID: 263 978 6884
Passcode: 190208

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 and Risk Committee held on 5 April 2022
Via Zoom commencing at 1.00pm**

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

In Attendance: Chief Executive Officer (R George)
Group Manager, Finance & Corporate Services (P Christophers)
Group Manager, Operations & Services (H van der Merwe)
Group Manager, Regulatory and Planning (Michaela Glaspey)
Health and Safety Officer (Paul Snook)
Administration Officer (T Barnett)

Apologies

No apologies were received.

Declarations of Conflict of Interest

No conflicts of interest were received.

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

The Committee reviewed the Health and Safety Officers report.

Resolved **Councillors Sparks / Rangihika**

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

2 Treasury Report to 28 February 2022 (Group Manager, Finance and Corporate Services) (110551)

The Committee reviewed the Treasury Report to 28 February 2022.

Resolved **Councillors Ion / Sparks**

That the report "Treasury Report to 28 February 2022" is received.

3 Risk Register – Monitoring Report (Group Manager, Finance and Corporate Services) (201000)

The Committee discussed the report “Risk Register – Monitoring Report”.

Resolved

His Worship the Mayor / Councillor Rangihika

1. *That the report “Risk Register – Monitoring Report” is received.*
2. *That the Audit and Risk Committee concluded no further amendments were needed at this time.*

4 Annual Plan Performance for the 6 Months Ended 31 December 2021 (Group Manager, Finance and Corporate Services) (110400)

The Committee reviewed the Annual Plan Performance for the 6 Months Ended 31 December 2021.

Resolved

Deputy Mayor Tunui / Councillor Sparks

That the report “Annual Plan Performance for the 6 Months Ended 31 December 2021” is received.

5 Insurance Policies – 2021 / 22 (Group Manager, Finance and Corporate Services) (201000)

The Committee reviewed the Insurance Policies – 2021 / 22 report.

Action Item

Group Manager, Finance and Corporate Services to clarify the insurance available for Elected Members.

Resolved

Chair Jones / Councillor Sparks

1. *That the report “Insurance Policies – 2021 / 22” is received.*
2. *That the Audit and Risk Committee deemed no additional insurance is needed for 2022 / 23.*

Meeting closed 1.59pm

P Jones

Chairperson

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Meeting: Audit and Risk Committee

Meeting Date: 7 June 2022

Subject: Occupational Health and Safety Management System Status

File No: 509500

1 Executive Summary

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	Completed	Target is: 20 Control Measures Completed	
				Control Measures	
				Completed	20
				Underway	0
		Not Started	0		
Stress	15 High	10 Moderate	Completed	Target is: 25 Control Measures Completed	
				Control Measures	
				Completed	25
				Underway	0
		Not Started	0		
Slips, Trips and Falls	15 High	10 Moderate	Completed	Target is: 24 Control Measures Completed	
				Control Measures	
				Completed	24
				Underway	0
		Not Started	0		
Lone Working	15 High	10 Moderate	Underway	Target is: 22 Control Measures Completed	
				Control Measures	
				Completed	21
				Underway	1
		Not Started	0		
Manual Handling	15 High	12 Moderate	Completed	Target is: 27 Control Measures Completed	
				Control Measures	
				Completed	27
				Underway	0
		Not Started	0		

Above is the top five hazards table based on the results of the staff survey in October 2020.

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 Health and Safety and Government Requirements	23/01/2020	HSO	Unknown - Ongoing	Underway
Hazard, Identification, Assessment and management	High	Create and manage a Hazard register. Registered hazards to achieve completed status. Ongoing Monitoring and review	June 2016	HSO and Work Groups and Managers	Unknown - Ongoing	Underway
Contractor/Contracted Worker Health and Safety Management	High	SHE prequalification Induction, Monitoring to KPI, Post Contract review.	June 2016	HSO	June 2019	Complete
Information, Training and Supervision	High	Reschedule relevant training previously postponed due to COVID.	June 2016	HSO	Ongoing	Underway
Worker Participation in Health and Safety Management	Medium	Ensure systems are in place and maintained. HSC meetings. HSR training. Team talks. Monitor and Review.	June 2016	HSO	June 2019	Complete
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
Near Miss, Incident and Injury Reporting, Recording and Investigation	Low	Monitor and review	June 2016	HSO	Ongoing	Underway

Data in this report aligns with Council's Financial Year period to 30 April 2022.

New Zealand moved from Traffic Light setting Red to Orange at midnight Wednesday 13 April.

The organisation continues to monitor the situation, react as necessary and communicate changes internally and externally to the community.

My Vaccine Pass (MVP) customer requirements at specified Council locations have been revoked.

Risk assessments relating to the Staff COVID Vaccination Policy are under review taking into account current WorkSafe NZ Guidance.

The organisation remains vigilant understanding that the Ministry of Health are currently monitoring international evidence about reinfection rates and the possibility of new variants of concern emerging.

There has been no evidence of workplace transmission of COVID – 19 indicating that safety measures implemented so far have been effective.

Ongoing COVID restrictions, rules and changes – sometimes with little forewarning have potential to negatively impact staff mental health.

All staff are frequently reminded by the Leadership team and people leaders to access the organisations professional Counselling services if required.

Recent staff Meetings have been a mixture of face-to-face in naturally ventilated rooms, and video conferencing technology.

Several health and safety related policies are under review.

No Contractors were audited during this report period.

Hazard management and reviews continue with workgroups and managers in particular the COVID – 19 risk assessment for specific job roles.

Health and Safety Committee (HSC) meetings continue as scheduled.

There have been no notifiable events reported to WorkSafe during this period.

The offer of flu vaccinations for staff is underway and annual occupational health monitoring is scheduled for May and June 2022.

Reinstatement of staff training is now a high priority due to postponements by trainers and/or the organisation during previous COVID restrictions.

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/Damstra Health and Safety software.

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/thorough event investigation.

Near Miss events are considered 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.

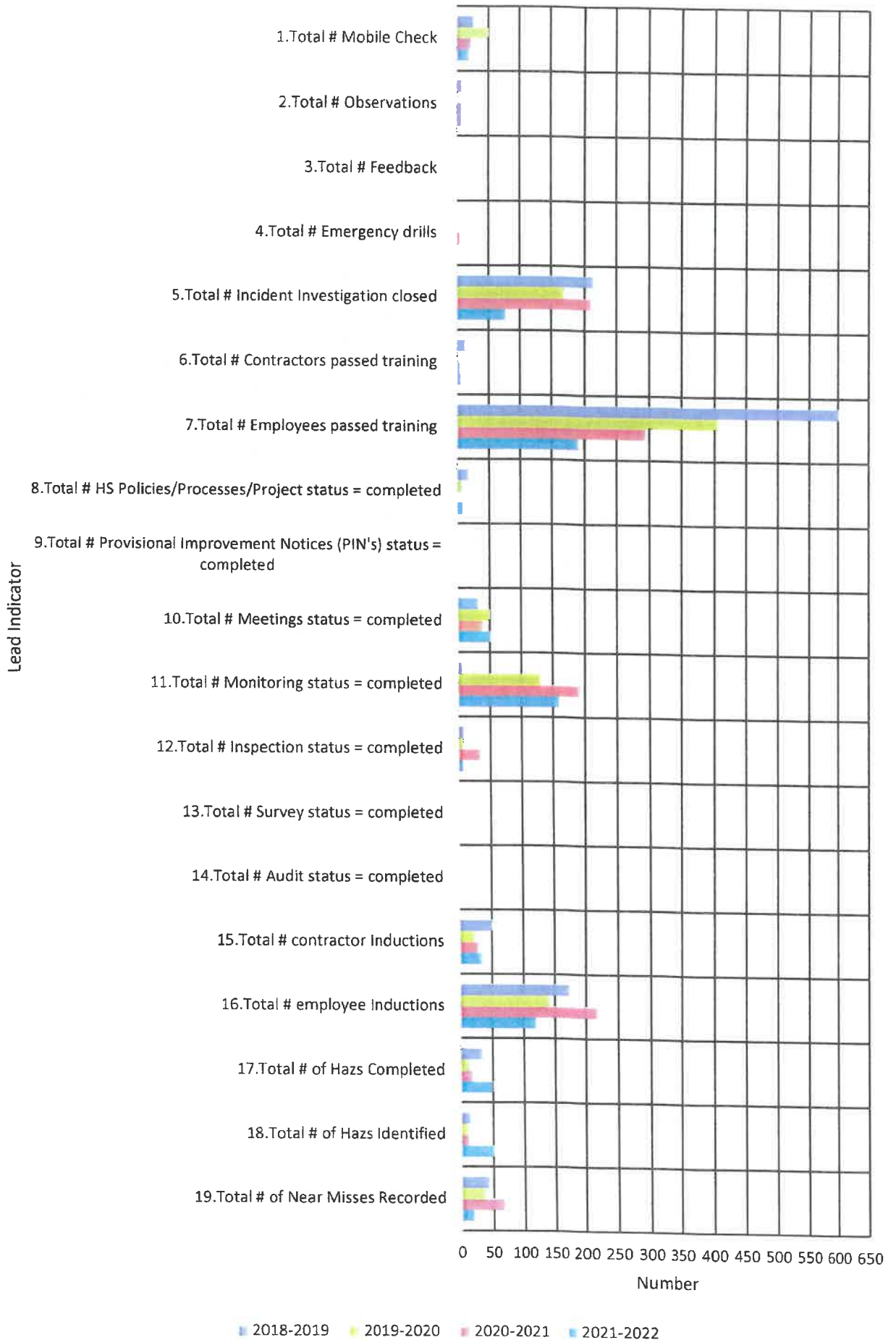
Near Miss events when reviewed will identify learning and continuous improvement opportunities potentially adding to the preventative approach in Health and Safety management.

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

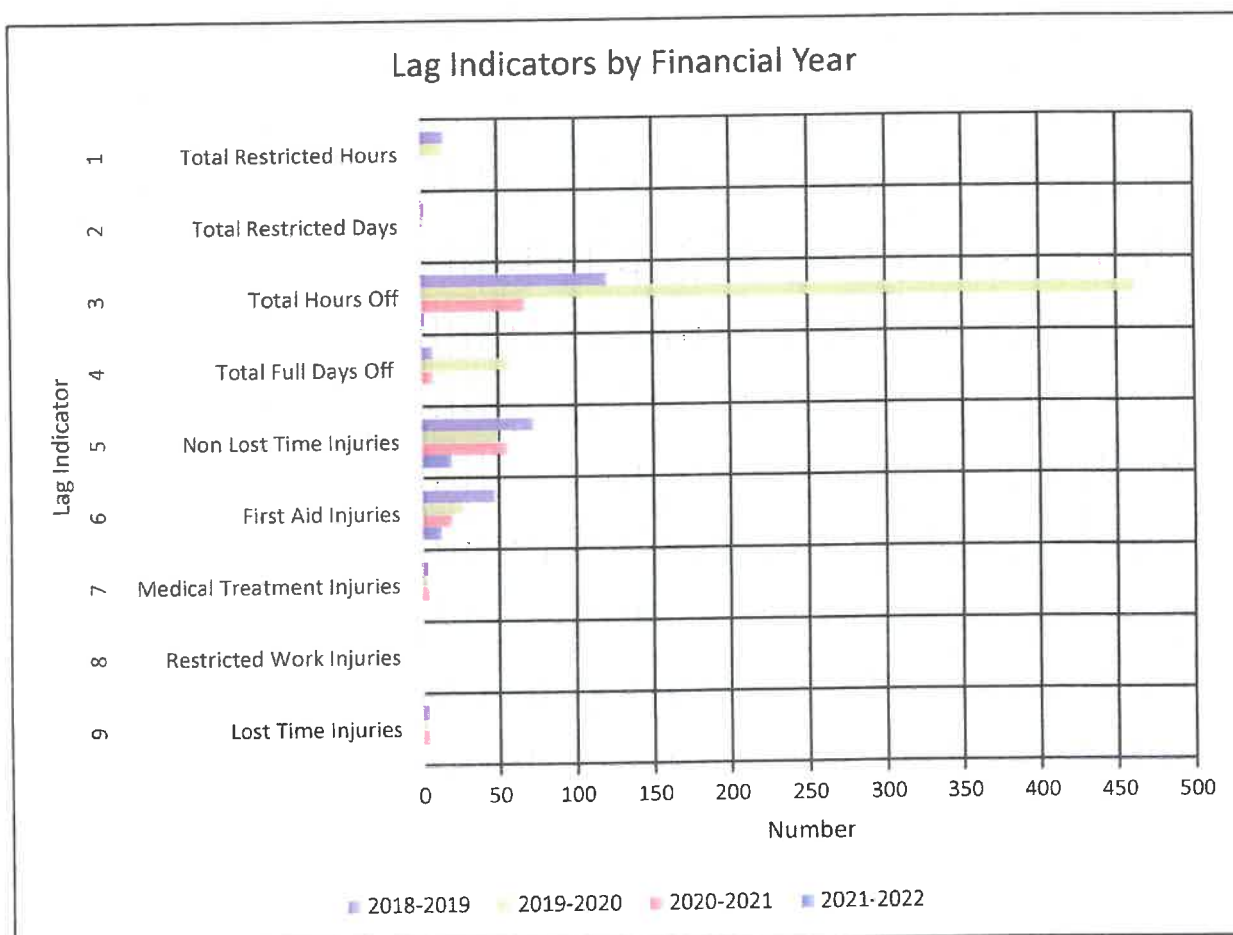
First aid events, medical events and lost working time are identified.

The bar graphs below identify lead and lag indicators by financial year.

Lead Indicators by Financial Year



Key for Lead Indicators	
1	Audit/Check Template Mobile Application e.g. Tablet Device used for – Contractor Audit, Site Audits or Workstation Assessment (Completed) Specific Contractor Audit data is identified in a bar graph near the end of this report.
2	Positive Observation Records e.g. Comments by staff - <i>Workers observed wearing appropriate PPE or Traffic Management site well managed...</i>
3	Positive 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...
4	Number of Emergency Drills – includes false alarms and evacuations.
5	Event Investigations – Designated Investigators have completed and closed the investigation into an event e.g. accident, near miss, incident, illness and pain or discomfort etc.
6	Contractors that have undergone training arranged by KDC.
7	Number of workers completing Health and Safety Related Training
8	Polices, Processes newly implemented or that have been reviewed
9	A record of PIN's (Provisional Improvement Notices) – where a specific health and safety improvement is legally required within a reasonable timeframe.
10	Health and Safety Meetings e.g. Committee meetings, toolbox, hazard reviews
11	Monitoring e.g. Panic Duress alarm test, Smartrak testing, Individuals or teams monitoring an issue – also records of Officer Due Diligence duties
12	Site Inspections – formal or informal e.g. Management by Walking About
13	Staff Health and Safety Surveys e.g. Safe Plus+ or Ask your Team
14	Audit e.g. Audit by internal or external auditors
15	Contractors inducted e.g. General and/or Site Specific Safety Inductions
16	Workers inducted e.g. General - and Site Specific Safety Inductions
17	Total number of Hazards/Risks completed all types e.g. site, task, plant, biological, environmental, psycho-social, ergonomic, substance, asbestos and physical
18	Total number of new Hazards/Risks identified all types (not previously listed)
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.



Key for Lag Indicators	
1	Restricted hours worked as part of a return to work rehabilitation plan
2	Restricted days worked as part of a return to work rehabilitation plan
3	Number of hours lost resulting from a workplace injury event
4	Number of full days lost resulting from a workplace injury event
5	Injury events resulting in no work time lost
6	Injury events resulting in a First Aid Response
7	Injury events resulting in medical treatment by a registered medical practitioner e.g. doctor or immediate treatment meaning urgent treatment including treatment by a medical practitioner, registered nurse or paramedic
8	Injury events resulting in a worker doing restricted or alternative work (Rehabilitation)
9	Number of injuries resulting lost working time

The 2019 - 2020 total hours and days off results identify as higher than other years because of one notifiable worker accident.

Recovery/rehabilitation time was needed to ensure a healthy, safe and sustainable return to work identified in the data.

4 Employer Commitment to Safety Management Practices

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

Policies are 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.

The Health and Safety Policy remains on an annual review cycle.

The CCTV Policy has camera locations included and is undergoing a Leadership Team review.

Organisational Policies/Documents

The table below identifies status of Policy/Document reviews.

Organisational Policy/Document	Status
Health and Safety Policy	Review 01/12/2022 HSC
Rehabilitation Policy	Review 01/03/2022 HSC (Underway)
Drug and Alcohol Policy	Review 01/08/2021 HSC (Underway) – Awaiting Union feedback
Cash Handling Policy	Review 01/04/2024 HSC
CCTV Policy	Developed and Approved 23/09/2021 - map of camera locations now included undergoing Leadership team review. (Underway)
Worker Engagement, Participation and Representation Agreement	Review 30/11/2022 HSC
HSR Induction Manual	Slideshow Developed for HSC Review 29/08/2021 HSO. Included for June Agenda (Underway)
HSR Position Description	Review 01/04/2022 HSC (Underway)
Safe Driving Policy	Review 06/04/2024 HSC

Organisational Policy/Document	Status
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 (Underway)
Working Alone Policy	Review 05/06/2022 HSC – June Agenda
Bomb threat, Lock down & Suspicious mail policy	Review 18/06/2022 HSC
VDU Management Policy	Review 03/09/2024
Bullying and Harassment Policy	Review 01/10/2024
Workplace Stress & Fatigue Policy	Review 30/08/2022
Retirement Planning Policy	Review 01/09/2024
COVID – 19 Vaccination Policy	Review 17/02/2025

5 Planning, Review and Evaluation

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

VAULT/Damstra status reports are scheduled electronically to managers.

6 Hazard Identification, Assessment and Management

Work associated with managing the top 5 hazards is outlined below:

1. Public/People
2. Stress
3. Slips, Trips and Falls
4. Lone Working
5. Manual Handling

1 Public/People

The Risk Assessment for public has been reviewed by the Health and Safety Committee (HSC) and is now with the Leadership team for review.

Face to face, training for Customer Conflict Awareness is scheduled 27 June.

2 Stress

KDC maintains a policy for the management of Workplace Stress and Fatigue and the hazard is recorded in the register.

The organisation is aware of the potential negative mental health effects of the COVID – 19 pandemic and continues to encourage staff to utilise the organisations free and confidential support services.

Face to face, training will recommence under COVID protocols and as the trainers become available.

3 Slips, Trips and Falls

The risk of death, injury, damage or loss from slipping tripping or falling is recorded with safety controls on the hazard register.

4 Lone Working

KDC maintains a policy and process for Lone Working Management and this is recorded in the KDC Hazard register.

The Working Alone Policy is planned for review by the HSC in June 2022.

Smartrak lone worker tracking and duress devices continue to be monitored using live web based mapping and regular testing and response checks.

5 Manual Handling

The risks associated with manual handling and safety controls is recorded on the hazard register.

Training is ongoing.

Early pain, discomfort and injury reporting is encouraged.

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 staff perceptions of danger.

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

Learning and opportunities to improve continue.

COVID - 19

A significant amount of work involving staff and managers is underway reviewing the Risk Assessments related to the Staff Vaccination Policy.

44 roles are being reassessed based on Omicron, National Vaccination status and current Government knowledge and recommendations.

Health Monitoring

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

Annual Occupational Health Monitoring is scheduled for May and June 2022

Monitoring/Vaccination	Status
Audiometry (Hearing monitoring)	Scheduled May - June 2022
Self Contained Breathing Apparatus (SCBA) annual health assessment	Scheduled May - June 2022
Immunisations/vaccinations (Tetanus, Hep A, B & Diphtheria)	Ongoing/Underway
Work station assessments	Ongoing/Underway
Monitoring/Vaccination	Status

Monitoring/Vaccination	Status
COVID – 19 My Vaccination Pass (MVP)	Ongoing/Underway as per Staff Vaccination Policy requirements
Spirometry (Lung Function Monitoring)	Scheduled May - June 2022
Full Asbestos Medical (Workers doing Asbestos Related/Removal Work)	Scheduled May - June 2022
Pre-Employment-Medicals (PEM's)	Ongoing/Underway
Face Fit Assessment & Monitoring (RPE)	Ongoing/Underway
Drug & Alcohol Pre-Employment, Random, Reasonable Cause and Post Event testing	Ongoing/Underway
Eye Health and Vision Check	Ongoing/Underway for staff spending over 50% of their working day 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.

The annual flu vaccination is on offer to staff.

Staff are frequently reminded by the Leadership team and people leaders access the organisations' free and confidential counselling services when needed.

Opportunity on Offer to Workers	Status
Employee Assistance Programme (EAP Services)	Available 24/7 free & confidential
Employee Counselling Provider (VITAE)	Available 24/7 free & confidential
COVID – 19 Immunisation	KDC supports staff to maintain their vaccination status
Annual Flu vaccine	Underway – April 2022
Skin Checks (Melanoma/Skin Cancer)	To be scheduled for August 2022
Yoga Class	Available weekly
Zumba Dance Class	Available weekly
Domestic Violence Victims Protection Standard Operating Procedure	Available on the KDC SharePoint

Drug & Alcohol Policy

Tests identified in the policy are:

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

The organisation awaits the findings of the Unions review of this Policy.

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.

Face to face training is being rescheduled with trainers coming here using either larger area training facilities or working in smaller groups to minimise the risk of exposure to COVID – 19 indoors.

Some courses are being completed on line where this learning pathway is effective for trainees.

COVID MVP's are no longer required at external training courses.

Training is now a high priority catch up for lost time caused by previous COVID restrictions.

7 Incident and Injury Reporting, Recording and Investigation

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).

There have been no events requiring notification to WorkSafe during this report period.

Event Statistics

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

- Total 230 averaging 19 events per month for financial year 2018 - 2019
- Total 155 averaging 13 events per month for financial year 2019 - 2020
- Total 206 averaging 17 events per month for financial year 2020 - 2021
- Total 76 averaging 8 events per month for financial year 2021 - 2022
(As at 30 April 2022)

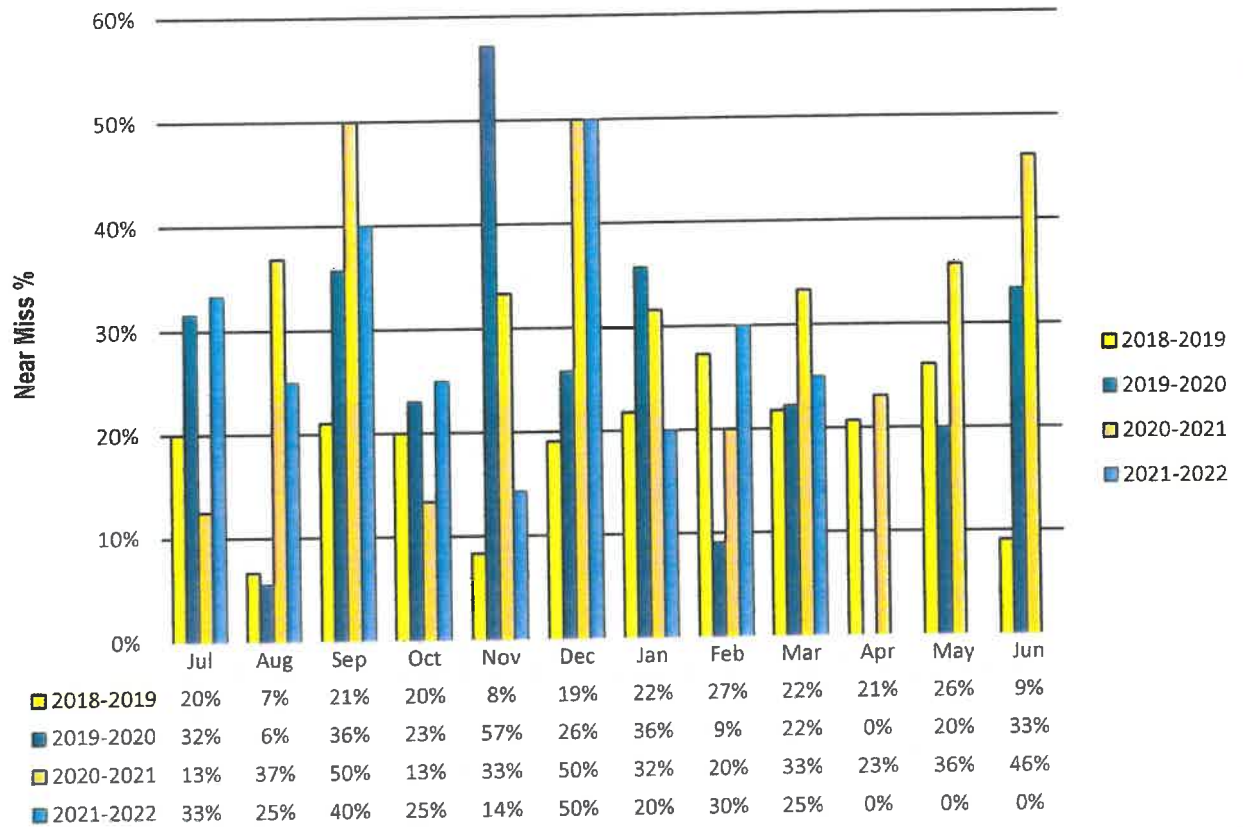
Event Statistics are lower than usual for 2021 - 2022 due to COVID – 19 and the swimming pools being temporarily closed for essential maintenance.

Near Miss events

The organisation values near miss events being reported understanding the learning potential and opportunity to improve health and safety preventative control measures.

- Near miss events contributed to 18% of total events for financial year 2018-2019
- Near miss events contributed to 25% of total events for financial year 2019- 2020
- Near miss events contributed to 32% of total events for financial year 2020-2021
- Near miss events contributing to 26% of total events for financial year 2021-2022

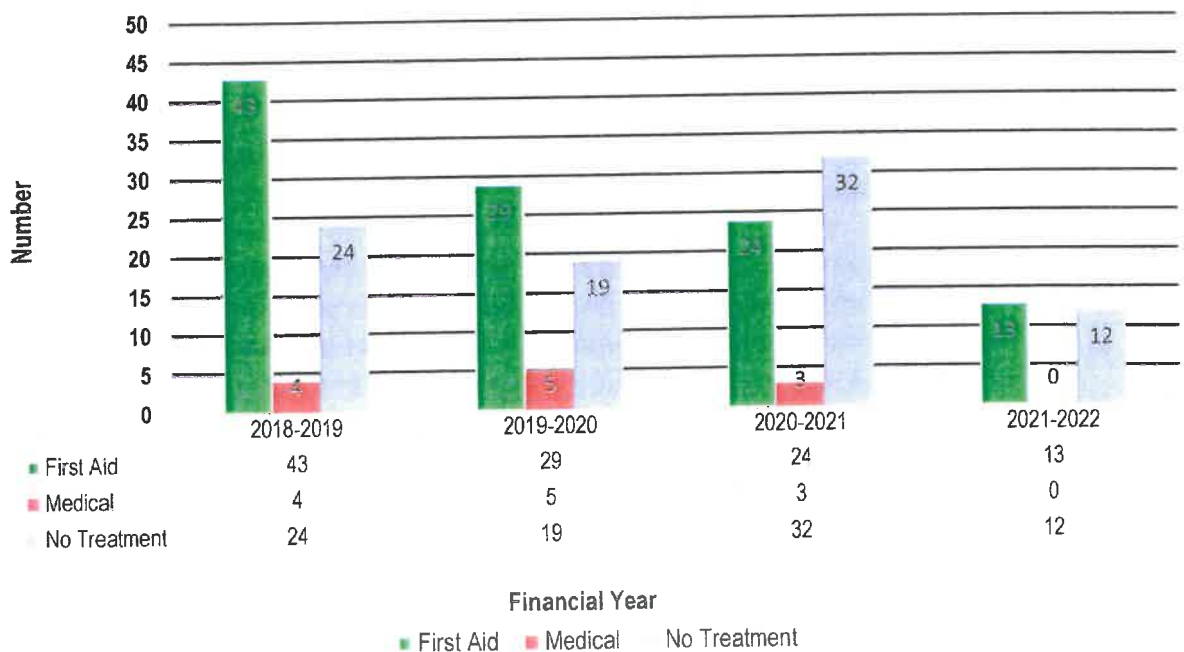
Near Miss % of Events by Financial Year



The column combination graph above identifies the financial year focusing on the percentage of near misses recorded for each month.

Accidents

Injury Treatment Required by Financial Year



The column combination graph above identifies injury/illness treatment outcomes by financial year.

All sites and all person types are included in the data.

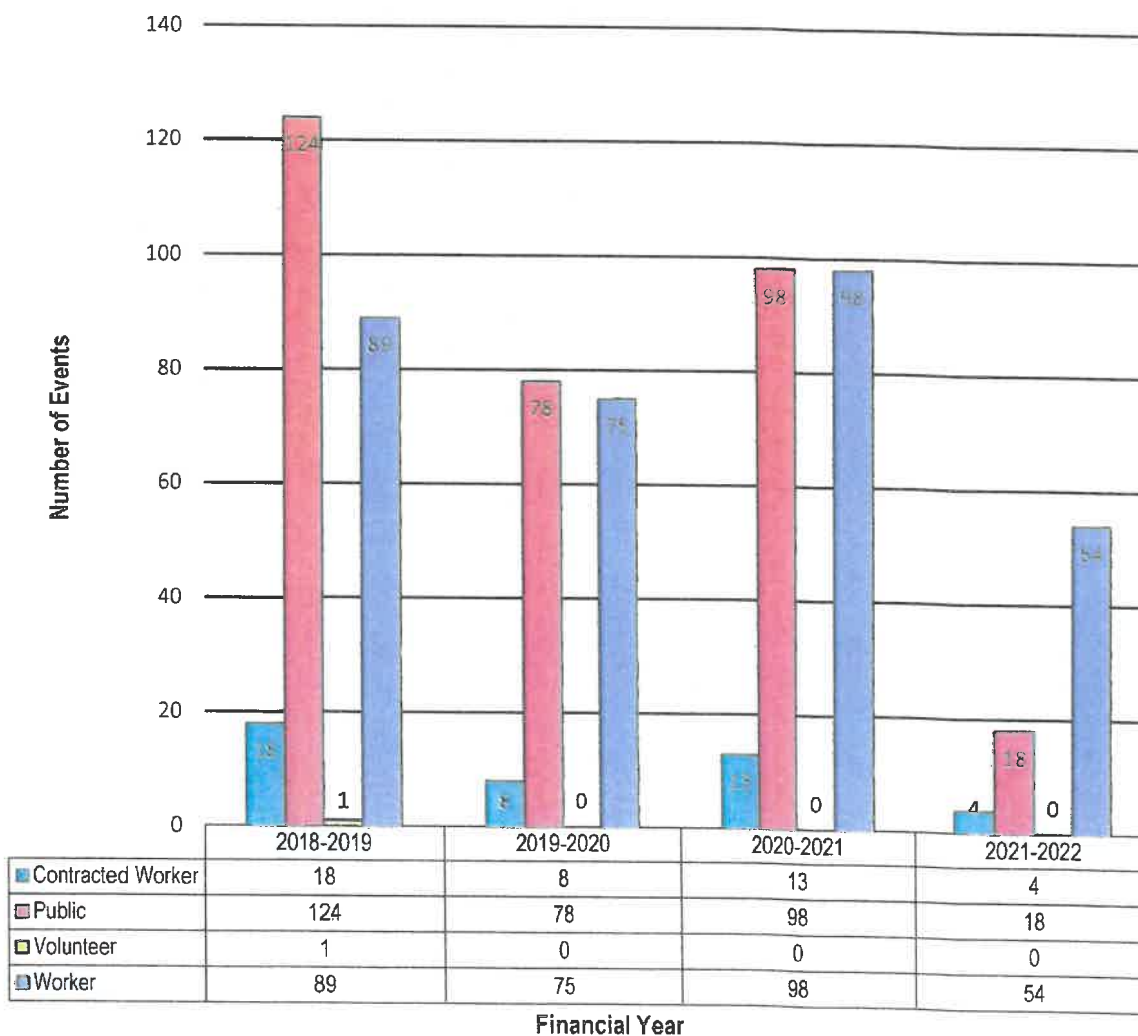
- First Aid means attention given to reduce the effects of the injury or illness by a first aider or staff at a medical centre or hospital but the person is not admitted.
- Medical means professional medical attention has been required to manage the effects of an injury/illness e.g. General Practitioner, Registered Nurse or Paramedic and immediate treatment is required other than First Aid and/or admission to hospital is required.
- No treatment means the injury did not require first aid attention - or First Aid assistance was refused.

Types of Person Involved in Events

The organisation records the type of person involved in events.

Most of the public events occur at the Swimming pool site but this has been closed for several weeks impacting event data results for this financial year.

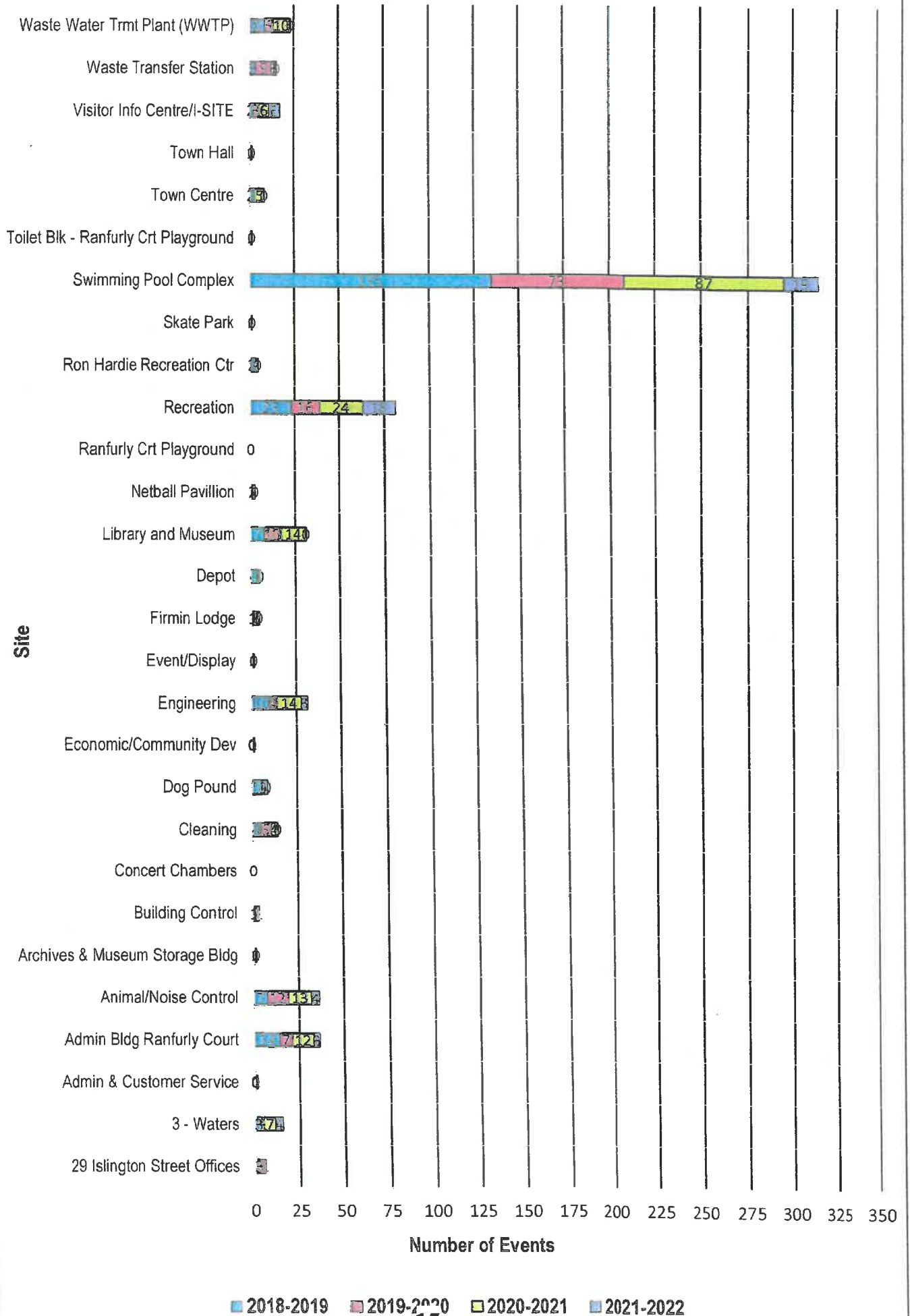
Types of Persons Involved in Events by Financial Year



The column combination graph above identifies the type of person involved in all events for the financial year.

- Contracted worker means a contractor or sub-contractor engaged by Council
- Public means the general public including customers or visitors
- Volunteer means a Volunteer worker engaged to work for Council unpaid
- Worker means any person employed by Council

Site Event Records by Financial Year



The stacked bar chart above identifies the sites where an event has been reported and recorded for financial years 2018-2019, 2019-2020, 2020-2021 and 2021-2022.

Event reports from the swimming pool site are lower than previous years due to a temporary closure for essential maintenance and COVID restrictions previously.

8 Employee Participation in Health and Safety Management

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

Health and Safety is an agenda point for departmental business improvement meetings, management meetings and Leadership team meetings.

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 annually.

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 Bay Building Company.

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

First Aid equipment, training and provision is maintained.

Duress Alarms and Emergency Lock Down

All Council counter services have duress alarms and emergency lockdown buttons which are tested regularly and records of testing maintained in VAULT.

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

Contractor Monitoring Key Performance Indicator (KPI)

Contractors can be subject to site audits by the HSO and the relevant Kawerau District Council (KDC) contract manager.

Contractor auditing measurement uses a Key Performance Indicator (KPI) with a target set at one Audit per month – except during holiday periods when contractor activity is low.

Individual or combined factors influence the KPI target being met - like; unplanned or reactive work taking priority, leave, availability of a variety of contractors, suitable projects to audit, pandemic alert level restrictions and weather.

The KPI target was 10 for the financial year 2020 – 2021.

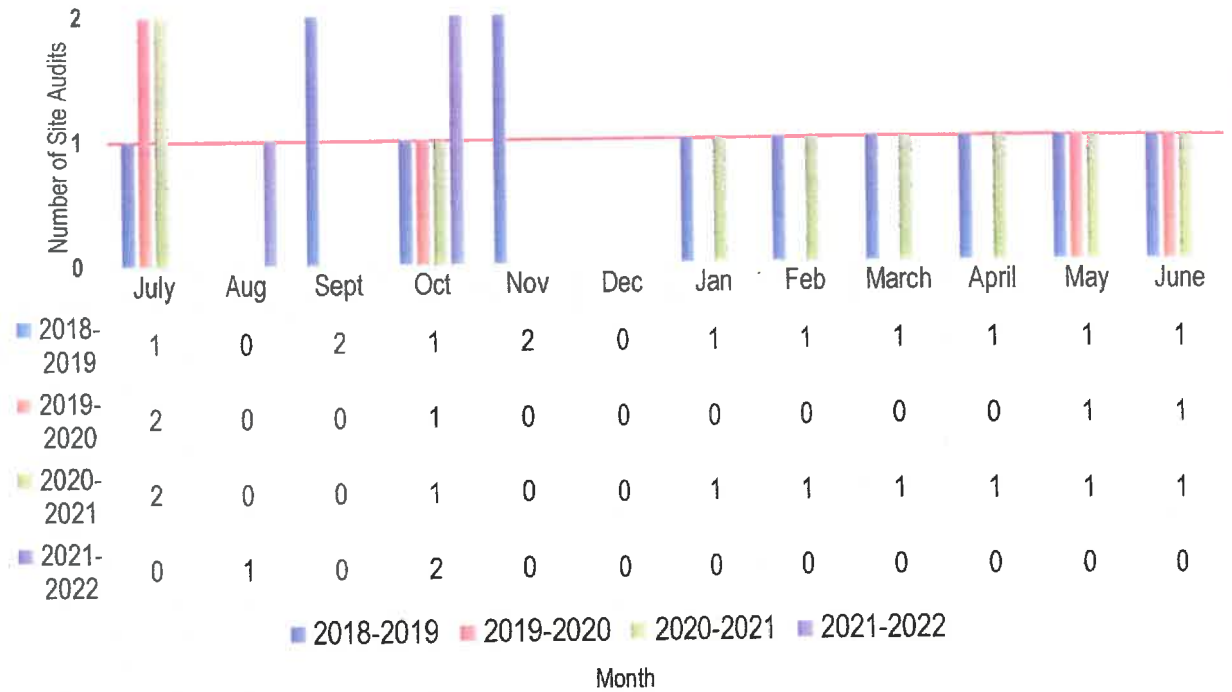
9 audits were completed for that year.

No audits were completed during this report period due to the impact of COVID – 19.

Key Performance Indicator (KPI) Contractor Health and Safety Monthly Monitoring Financial Year 1 July 2020 – 30 June 2021				
Month	Monthly Site Inspections Required	Monthly Site Inspections Completed	Monthly KPI Achieved	Comment
July 2021	1	0	No	-
Aug 2021	1	1	Yes	<i>Poplar Tree removal – Tarawera High School</i>
Sept 2021	1	0	No	-
Oct 2021	1	2	Yes	<ul style="list-style-type: none"> • <i>Building Contractors – works stopped - awaiting Building Inspection 21/10/21 audit cancelled</i> • <i>Water Pipe Contractors 21/10/21 audit completed</i> • <i>Carpark surface Repairs 26/10/21 audit completed</i>
Nov 2021	1	0	No	<i>COVID-19 work prioritised</i>
Dec 2021	0	-	-	<i>Contractor Activity Low</i>
Jan 2022	0	-	-	<i>Contractor Activity Low</i>
Feb 2022	1	0	No	<i>HSO working from home at COVID - 19 Traffic Light Red Phase 3</i>
March 2022	1	-	No	<i>HSO working from home at COVID - 19 Traffic Light Red Phase 3</i>
April 2022	1	-	No	<i>HSO working from home at COVID - 19 Traffic Light Red returning to office working late April</i>
May 2022	1	-	-	
June 2022	1	-	-	
Totals	10	3		-
KPI: 1 Monthly Site Inspection			Assigned to: Health & Safety Officer (HSO)	
Review: as a minimum - Annually Next Review Date 31/09/22			Review team: Chief Executive Officer (CEO), Manager Economic & Community Development (MECD) & HSO.	
Review Objectives: Identify opportunities for improvement ensuring KPI remains Specific, Measurable, Achievable, Realistic and Time bound.			Method of Review: Team Meeting to review objectives identify and implement opportunities for improvement.	

The combination chart below identifies the number of contractor site audits for the financial years 2018-2019, 2019-2020, 2020-2021 and 2021-2022.

Contractor Monitoring by Financial Year



11 Conclusion

The Occupational Health and Safety Management system is in place and continues to be monitored, developed and improved.

12 RECOMMENDATION

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

Paul Snook, ProfNZISM. MIIRSM. HASANZ

Health & Safety Officer

Z:\2021\04\AUDIT & RISK\21.10.05 R-ARC - Health Safety report 5 Oct. 2021.docx

Meeting: Audit and Risk Committee
Meeting Date: 7 June 2022
Subject: Treasury Report to 30 April 2022
File No: 110551

1 Purpose

The purpose of this report is to inform members of the funds held by Council as at 30 April 2022 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.

The investment policy was amended in 2020/21 to increase the limit to 50% of total funds that can be invested with a single institution and also introduce a limit of \$1.5 million being invested with any one bank.

The exception is Council's principal bank where funds can exceed 50% and/or \$1.5 million.

The reason for the change is that with less funds it is more difficult to spread investments but Council still needs to act prudently.

3 Funds Held

The following funds were held at 30 April 2022:

	April - 2022	April - 2021
Special Funds		
Depreciation Funds	\$7,126,116	\$5,103,273
Development Feasibility	\$11,000	\$11,000
Total Special Funds	\$7,137,116	\$5,114,273
General Funds	(\$957,803)	(\$1,157,550)
Total – comprising cash & internal loans	\$6,179,313	\$3,956,723

The figures show that overall Council has \$2.2 million more funds than this time last year which is mostly as a result of \$900k (net) being received for the sale of sections since March 2021. The depreciation reserves are \$2.0 million more than they were a year ago due to many renewal projects still to commence or are just underway.

The projected cash-flow graph shows that Council is likely to continue to have a surplus at least until early in the new financial year. Staff will arrange loan funding prior to Council going into deficit.

Funds held @ 30 April 2022 were as follows:

Invested in	\$	Interest (Average) %	% External
ANZ – on call	831	0.30%	0.02%
BNZ – current & on-call	3,096,009	0.25%	69.46%
Rabobank (on-call)	1,360,374	1.20%	30.52%
Total Funds (Cash)*	4,457,214		100.00%
Internal Loans	1,722,099		
Total Investments	\$6,179,313		
Interest Rates	Average interest rate		0.58%
	Weighted Average interest rate		0.55%

*These figures include the accrued interest to 30 April 2022

4 **RECOMMENDATION**

That the report "Treasury report to 30 April 2022" be received.

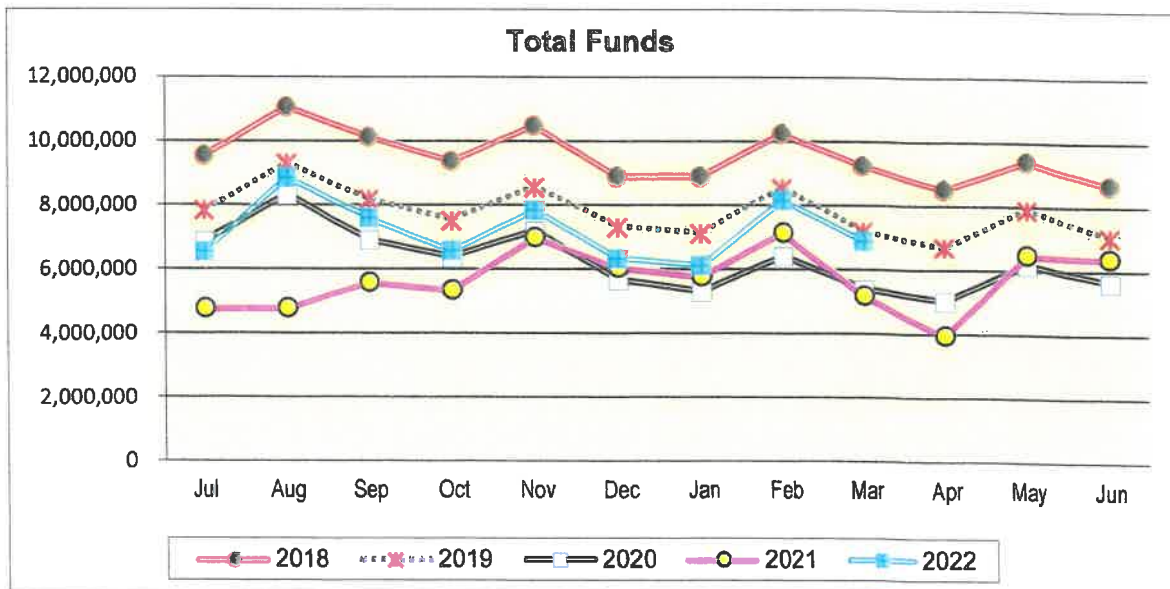
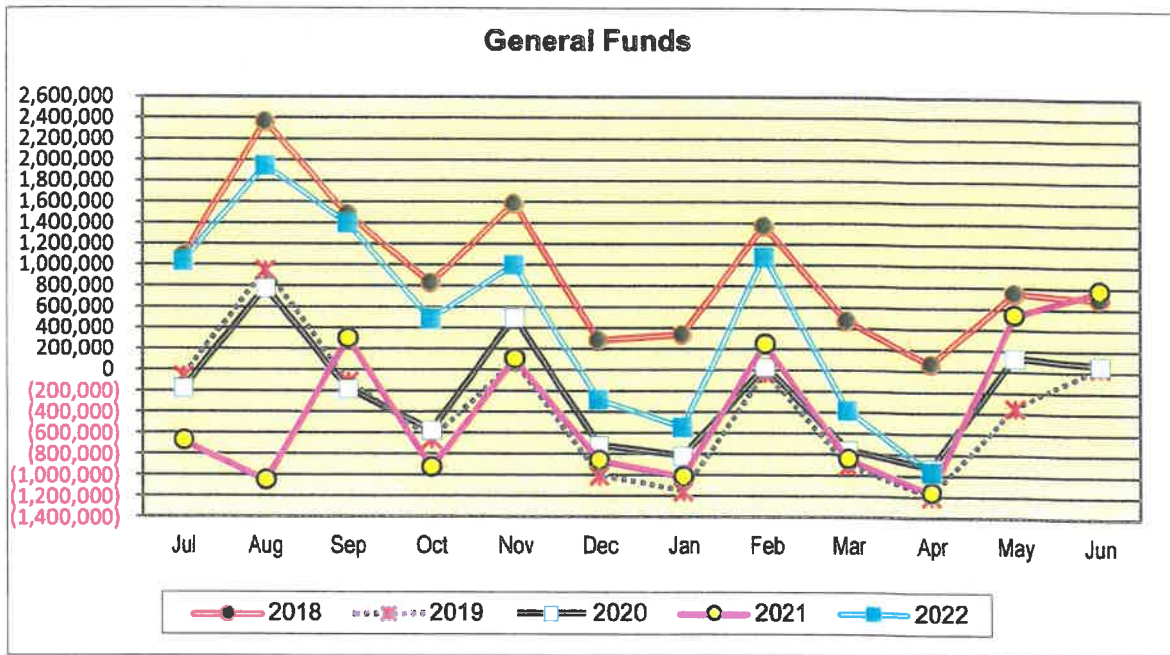
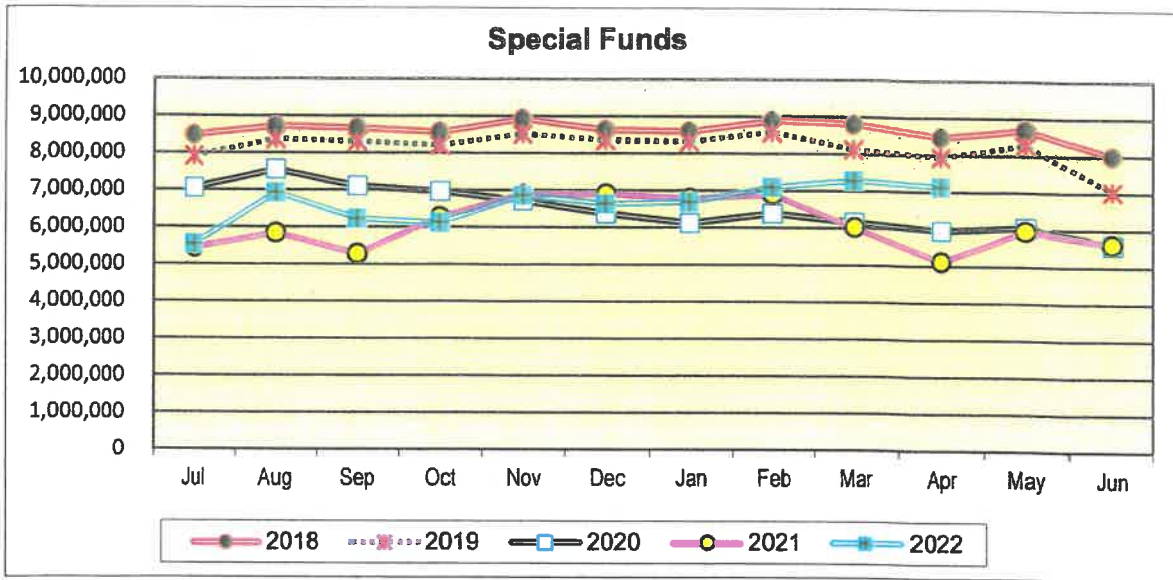


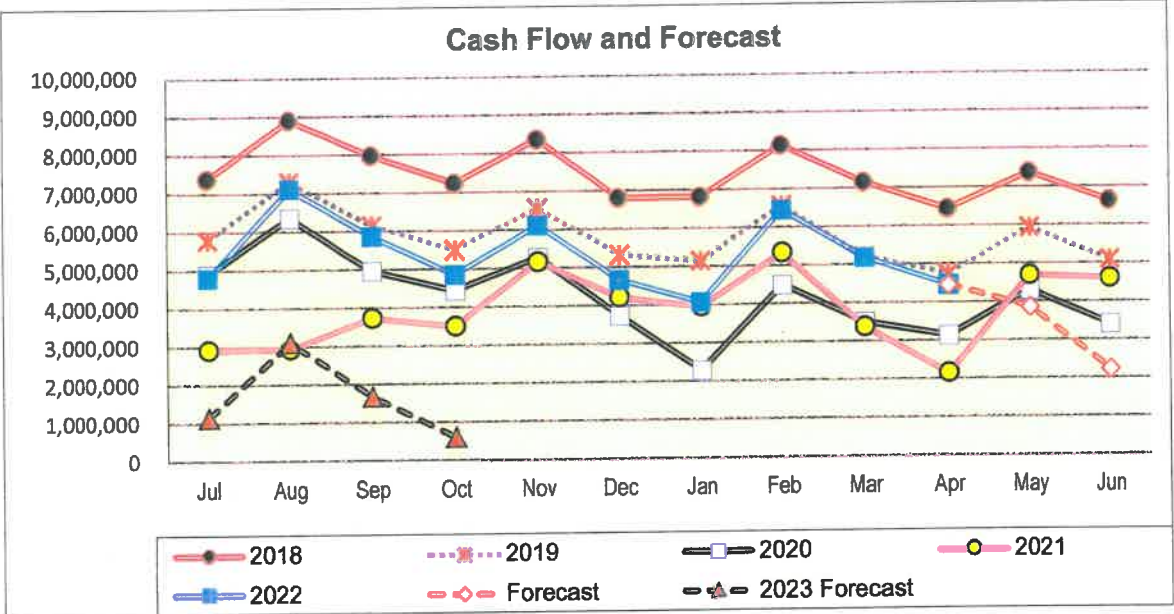
Peter Christophers, BBS, ACA

Group Manager, Finance & Corporate Services

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Appendix
Funds Monitoring Graphs
April 2022





Meeting: Audit and Risk Committee
Meeting Date: 7 June 2022
Subject: 2021/22 Annual Report Timetable
File No: 110400

1 Purpose

The purpose of this report is to inform the committee of the proposed timetable for the 2021/22 Annual Report.

2 Background

The Local Government Act 2002 requires Council to prepare an annual report each year.

The Annual Report must be adopted within four months of the end of the financial year and be available to the public. Therefore, staff have prepared a timetable to ensure that all the necessary tasks are undertaken so that it is adopted within the statutory deadline.

The annual report will need to include the appropriate recognition of the residential developments and a separate set of audited accounts for the retirement village.

Also, there are new reporting standards (PBE IPSAS 34 – 38, 39 and 41) which relate to accounting treatment for: Council Controlled Organisations, employee benefits and financial instruments which will need to be incorporated into the annual report.

Audit New Zealand produced a set of Local Government Model Financial Statements (Te Motu) for 2020/21, which will assist staff with the necessary disclosures required for the Annual Report.

A re-valuation of Council's assets will need to be undertaken for the annual report as it is now 3 years since the last valuation was carried out. Staff have engaged CBRE Ltd to do the land and buildings and Frank Knight Ltd to do the infrastructure assets. These valuations will be used for insurance purposes as well.

Staff engaged Quotable Value Ltd to re-value its land assets for the year ended 30 June 2021, as the auditors believed there had been a significant movement in these values since 30 June 2019 (when they were last re-valued).

3 Proposed timetables

The appendix to this report contains the proposed timetable for the completion of 2021/22 Annual Report.

4 **RECOMMENDATIONS**

1. That the report "2021/22 Annual Report Timetable" be received.
2. That the Audit and Risk Committee recommend any amendment(s) to the proposed timetable to ensure that Council meets its statutory requirements.



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

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APPENDIX**Project Plan for 2021/22 Annual Report**

Non Financial Tasks:		
Performance Target results including supporting documents	Managers	15 August
Review/Update: <ul style="list-style-type: none"> Interest Register and "conflicts of interest" 	GMFCS	30 June
Availability of Council minutes for 2021/22	GMFCS	21 Sept
Schedule of authorised cheque signatories	Accountant	30 June
Preparation of "pro-forma" financial statements (including any changes arising from Financial Reporting Requirements)	GMFCS	15 August
Financial Tasks:		
GL balances agreed to Annual Report @ 1 July 2021	GMFCS	30 June
Reconciliations done (and authorised) for: <ul style="list-style-type: none"> Cash (unpresented cheques & deposits in transit) Accounts Payable EPO Payroll Other liabilities Debtors (Rates, Water & Sundry) Bonds/Suspense Accounts GST FBT Public Debt Internal Loans Stock 	Accountant	31 July
Accruals for (and schedules of): <ul style="list-style-type: none"> Prepayments Creditors Income in advance Employee entitlements Provisions (Doubtful debts, landfill aftercare) Interest 	Accountant	15 August
Inventories: <ul style="list-style-type: none"> Carrying out stock takes Reconciliation to GL 	Accountant	1 July 31 July
Schedule of journal entries for year	Accountant	15 August
List of investments and cash at bank (accounts) <ul style="list-style-type: none"> Shares Impairment consideration Split between "current" and "term" 	Accountant	31 July

Schedule of Debtors (Rates, water and sundry): <ul style="list-style-type: none"> • Aged Debtors • Doubtful debts calculation • Write-offs 	Finance Officer	31 July
Revaluation of Council assets <ul style="list-style-type: none"> • Preparation of asset schedules • Send to CBRE & Frank Knight 	GMFCS	31 July
Investment properties (& movements)	GMFCS	15 August
Fixed Assets including: <ul style="list-style-type: none"> • Balancing of register to GL • Determine if material value changes for PP&E • Recognizing additions • Expensing depreciation • Recognising disposals • Determining if obsolete (write off) • Determine "deterioration" (vs dep) • Work in progress schedule 	GMFCS	15 August
Allocation (final) of corporate overheads including: <ul style="list-style-type: none"> • List "drivers" for allocating costs • List any changes to drivers from 2018/19 	GMFCS	15 August
Schedule of commitments and contingencies	GMFCS	15 August
Annual Report Preparation:		
Preparation of: <ul style="list-style-type: none"> • Trial Balance – Management Book (2nd draft) • FIS (for activities) • Financial Statements (including notes) • Cashflow and supporting documents • Financial Prudence Reports • Mayor's and CE's report • Maori Contribution to Decision-Making 	Accountant	31 August
	GMFCS	31 August
	GMFCS	31 August
	GMFCS	31 August
	GMFCS	31 August
	Com Mgr	15 Sept
	Com Mgr	15 Sept
Draft Financial Statements prepared	GMFCS	19 Sept
Preparation and audit of Retirement Village Annual Report	GMFCS	30 September
Final draft Financial Statements (& Summary) – Audit changes	GMFCS	7 October
Financial Statements available for adoption	GMFCS	18 October
Financial Statements adopted	Council	25 October
Audit visits: <ul style="list-style-type: none"> • Interim – still to be confirmed • Final commences – still to be confirmed 		

GMFCS = Group Manager Finance and Corporate Services

Com Mgr = Communication Manager

Meeting: Audit and Risk Committee

Meeting Date: 7 June 2022

Subject: Annual Plan performance for the 9 months ended 31 March 2022

File No.: 110400

1 Purpose

The purpose of this report is to review and compare Council's financial and non-financial performance to 31 March 2022 with what is in the Long Term Plan for 2021/22.

The report provides a summary of the financial performance, capital renewals and performance targets for the year. The annual report will include further amendments to these figures with the inclusion of additional accrued costs and revenues.

Comments are provided where expenditure/revenue is likely to vary from the budget and the performance targets may not be achieved for the year.

This is a summary of the report that went to the Council meeting – 31 May 2022.

2 Financial Performance

2.1 Statement of Comprehensive Revenue and Expense

The following table shows Council's financial performance, the annual budget and the amended annual budget. The amended budgets include the carried forward figures as well as any additional expenditure approved by Council.

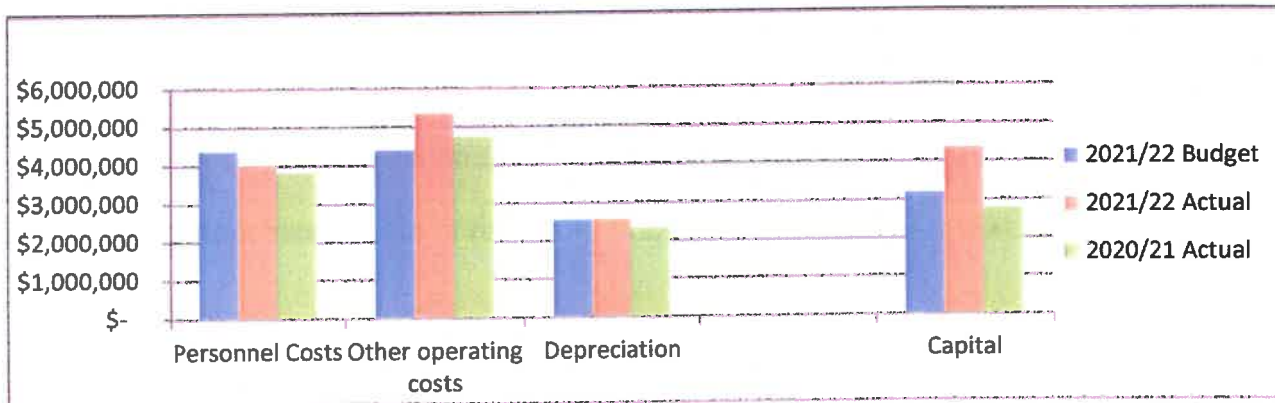
There is an operating surplus for the year to date, and explanations are provided where there are significant variances from the budget.

	Adopted Budget	Actual	Comments
Revenue:			
Rates	11,244,050	8,477,127	
Subsidies and Grants	1,241,850	659,778	Roading work done in 2 nd half of year
Interest Revenue	16,990	8,647	
Fees and Other	2,400,300	3,197,084	Includes section sales & MTFJ funding
Petrol Tax	70,000	35,968	Petrol Tax
Total Revenue	14,973,190	12,378,604	

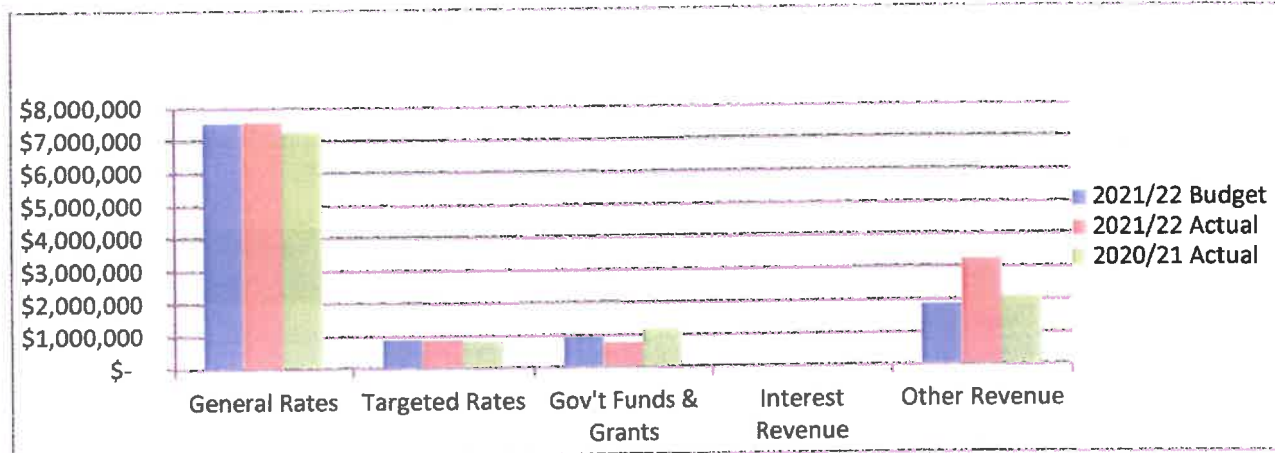
	Adopted Budget	Actual	Comments
Expenditure			
Personnel Costs	5,868,230	4,038,529	Some staff vacancies
Depreciation	3,238,240	2,565,421	
Finance Costs	28,980	1,059	
Other Expenses	5,945,730	5,355,873	Additional expenditure for refuse disposal, MTFJ & asbestos disposal
Total Expenditure	15,081,180	11,960,882	
Surplus/ (Deficit)	(107,990)	417,722	

Council's expenditure and revenue for the year to 31 March 2022 is shown in the graphs below, compared to the budget and expenditure/revenue for 2020/21.

Expenditure to 31 March 2022



Revenue to 31 March 2022



Personnel costs are below budget, mostly as a result of staff vacancies. Other operating costs are ahead of budget due to expenditure for employment project initiatives for which additional funding has been received. There is also additional costs for removing contaminated material (\$450k to 31 March 2022) from the Central Cove subdivision.

The capital projects are on track and it is expected that most of these projects will be completed by 30 June 2022.

Council has received \$865k from the sale of 8 sections at Central Cove and there has also been additional revenue for employment initiatives, which has resulted in revenue being ahead of the year to date budget.

Government funds (subsidy) is below budget as most of the roading projects will be undertaken later in the year.

2.2 Statement of Financial Position

The following table shows Council's financial position at 31 March 2022 compared to the budget. The financial position figures do not include all the accruals for receivables and payables, which will be done at year end for the Annual Report.

	Budget @ 30/6/2022	Actual to 31 Mar 2022	Comments
Assets:			
Current assets:			
Cash & cash equivalents	\$4,839,694	\$5,165,607	
Receivables	\$1,736,730	\$1,136,043	
Inventories	\$778,550	\$1,167,908	Includes residential developments
Non-current assets:			
Property, plant and equipment	\$71,417,175	\$84,090,011	
Intangible assets	\$58,070	\$40,389	
Other financial assets	\$36,250	\$36,252	
Total Assets	\$78,866,469	\$91,636,210	
Liabilities:			
Current liabilities:			
Payables, provisions & employee benefits	\$3,560,676	\$2,109,787	
Borrowing	\$16,500	\$1,998	
Non-current liabilities:			
Provisions & employee benefits	\$214,189	\$220,820	
Borrowing	\$2,040,420	\$5,046	Budget includes \$2.0 mil for water renewal loan
Total Liabilities	\$5,831,785	\$2,337,651	
Ratepayers Equity	\$73,034,684	\$89,298,559	
Total liabilities & ratepayers equity	\$78,866,469	\$91,636,210	

2.3 Statement of Cashflow

The cashflow statement shows that Council is in a reasonably healthy position financially and overall there was an increase of \$549k in Council cash position to 31 March.

	Budget @ 30/6/2022	Actual to 31 March 2022
Cashflow from operating activities:		
Rates	\$11,250,300	\$8,471,506
Subsidies	\$1,241,850	\$959,778
Fees & Charges	\$2,464,357	\$3,327,555
Interest Received	\$16,990	\$8,916
Payments to suppliers and employees	\$(11,593,013)	\$(11,089,637)
Interest paid on debt	\$(28,980)	\$(1,059)
Net cashflow from Operations	\$3,351,504	\$1,677,059
Net cashflow from investing:		
Disposal of Assets	\$3,500,000	\$3,165,000
Property, Plant & Equipment purchase (less asset disposals)	\$(6,991,450)	\$(4,280,209)
Net cashflow from investing:	\$(3,491,450)	\$(1,115,209)
Net cashflow from financing:		
Loan raised/(repaid)	\$2,037,000	\$(12,874)
Net cash inflow/(outflow)	\$1,897,054	\$548,976
Opening balance (1/7)	\$2,942,640	\$4,616,631
Closing cash balance	\$4,839,694	\$5,165,607

3 Non-Financial Performance

The following is a summary of the non-financial targets performance to March 2022:

Activity	2021/22 No. of Targets	On track to achieve	2020/21 Achievement Rate
Democracy	3	2	80%
Economic & Community Development	5	4	86%
Environmental Services (excludes N/As)	13	10	56%
Roading (including Footpaths)	7	4	50%
Stormwater	3	3	100%
Water Supply	12	12	75%
Wastewater	7	5	57%
Solid Waste Management	2	2	100%
Leisure and Recreation	14	9	63%
TOTAL	66	51	68%

Council has reduced the number of targets in line with the recommendations of the auditors and is tracking close to the previous year. However, the COVID-19 restrictions have impacted on some targets and will possibly result in more targets not being achieved.

4 Capital Expenditure

The following is Council's capital budget (excluding carry forwards) and expenditure for the year to date:

Activity	2021/22 Budget	Actual	Comments
Economic & Community Development	\$1,831,400	\$1,592,906	Residential developments – Porritt Glade
Environmental Services	\$720,000	\$17,777	Dog Pound building
Roading	\$1,175,960	\$438,354	
Stormwater	\$221,400	\$0	Pipe renewal
Water Supply	\$2,293,000	\$1,083,169	Pipe replacement
Wastewater	\$1,075,000	\$252,337	WW pipe renewals
Solid Waste	\$23,000	\$14,450	Includes Recycle Shed
Leisure & Recreation	\$1,860,340	\$717,955	Pool & Library renewals
Plant, Depot and Office	\$410,350	\$243,261	New plant/vehicles, PCs & office building
Total	\$9,620,450	\$4,360,209	

There have some holdups due to resourcing and the difficulty in obtaining materials. However, it is expected that most of these projects will be completed at year end.

5 RECOMMENDATION

That the report "Annual Plan Performance for the nine months ended 31 March 2022" be received.



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

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Meeting: Audit and Risk Committee
Meeting Date: 7 June 2022
Subject: Insurance Policies 2022/23 – Additional Information
File No: 201000

1 Purpose

The purpose of this report is to update members on the queries that were raised at the last committee meeting following a review of Council's insurance policies.

2 Background

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

Council uses Aon Ltd as its insurance broker in conjunction with other Bay of Plenty Councils as part of the 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.

The queries raised by members at the last committee meeting were:

- What insurance cover is provided to elected members while undertaking their role
- What is the excess layer for professional indemnity and public liability insurance
- Is there insurance cover for the cost of a by-election following death/incapacity of a member

3 Responses to queries

The following is an explanation of the questions raised:

3.1 Insurance for cost of by-election

Council has not taken out insurance to cover the cost of a by-election resulting from the death or incapacity of an incumbent member. This cover is available, however, the risk is considered to be very low, as Council needs to carry out a by-election only if the vacancy has occurred in the 2 years following the last election.

There has not been a by-election needed for the last 20 years at least. The cost of the insurance would be \$2,500.00 while Council's budget for the 2022 elections is only \$25,000 and the cost of a by-election is likely to be considerably less.

3.2 Cover for elected members

Elected members are covered by all Council's liability policies for their council work just like staff. Elected members are unable to obtain cover for fines issued by the courts under the Health and Safety in Work Act. However, there is cover under the statutory liability policy for fines under other acts such as the Resource Management Act.

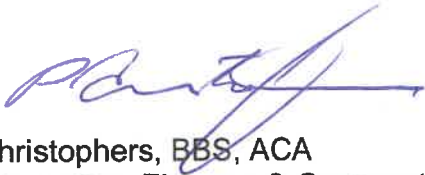
3.3 Excess Layer Cover for Professional Indemnity and Public Liability Insurance

Insurance companies are generally reluctant to carry the total risk associated with insurance policies that have a very high potential loss. Therefore, they will only provide cover up to a maximum amount or add a premium to cover beyond a certain amount.

Therefore, Council's brokers (Aon Ltd) obtained separate additional cover (excess layer insurance) for professional indemnity and public liability insurance for losses exceeding \$15 mil up to \$145 mil.

4 RECOMMENDATION

That the report "Insurance Policies for 2022/23 – Additional Information" be received.



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

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KAWERAU DISTRICT COUNCIL

**The Meeting of the Audit and Risk Committee will be held on
Tuesday 7 June 2022
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 Occupational Health and Safety Management System Status (Health and Safety Officer) (509500)

Pgs. 1 - 18

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.

2 Treasury Report to 30 April 2022 (Group Manager, Finance and Corporate Services) (110551)

Pgs. 19 - 22

Attached is a report showing Councils cash position at 30 April 2022 and where the funds are invested.

Recommendation

That the report “Treasury report to 30 April 2022” be received.

3 2021/ 2022 Annual Report Timetable (Group Manager, Finance and Corporate Services) (110400)

Pgs. 23 - 26

Attached is a report which shows the planned timetable for Councils 2021 / 2022 Annual Report

Recommendation

1. That the report “2021 / 2022 Annual Report Timetable” be received.

2. That the Audit and Risk Committee recommend any amendment(s) to the proposed Timetable to ensure that Council meets its statutory requirements.

4 Annual Plan Performance for the 9 Months ended 31 March 2022 (Group Manager, Finance and Corporate Services) (110400)

Pgs. 27 - 31

Attached is a summary of Council Finances and non-financial performance to 31 March 2022.

Recommendation

That the report “Annual Plan Performance for the 9 Months ended 31 March 2022” be received.

5 Insurance Policies 2022 / 2023 – Additional Information (Group Manager, Finance and Corporate Services) (201000)

Pgs. 33 - 34

Attached is a report which provides the additional information requested regarding Councils insurances.

Recommendation

That the report “Insurance Policies for 2022 / 2023” be received.

R B George
Chief Executive Officer

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