



**The Meeting of the
Audit and Risk Committee will be
held on Monday 12 June 2023
commencing at 1.00pm**

AGENDA

AUDIT AND RISK COMMITTEE

Her Worship the Mayor – F K N Tunui

Councillor C J Ion

Councillor A Rangihika

Councillor B J Julian

Philip Jones – Consultant - P J Associates (Chair)

KAWERAU DISTRICT COUNCIL

**The Meeting of the Audit and Risk Committee will be held on
Monday 12 June 2023
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 AUDIT AND RISK COMMITTEE MINUTES

1.1 Audit and Risk Committee – 3 April 2023

Pgs. 1 - 2

Recommendation

That the minutes of the Audit and Risk Committee Meeting held on 3 April 2023 be confirmed as a true and accurate record.

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

Pgs. 3 - 20

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 2023 (Group Manager, Finance and Corporate Services) (110551)

Pgs. 21 - 24

Attached is a Treasury report from the Group Manager, Finance and Corporate Services covering the period to 30 April 2023.

Recommendation

That the report “Treasury report to 30 April 2023” be received.

3 Annual Plan Performance for the Nine Months Ended 31 March 2023 (Group Manager, Finance and Corporate Services) (110400)

Pgs. 25 - 28

Attached is a report informing members of Councils Annual Plan Performance for the nine months ended 31 March 2023.

Recommendation

That the report "Annual Plan Performance for the Nine Months Ended 31 March 2023" be received.

4 2022 / 23 Annual Report Timetable (Group Manager, Finance and Corporate Services) (110400)

Pgs. 29 - 32

Attached is a report on the 2022 / 23 Annual Report Timetable.

Recommendation

- 1. That the report "2022 / 23 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.*

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

Pgs. 33 - 48

Attached is a report on the Risk Register.

Recommendation

- 1. That the report "Risk Register – Monitoring Report" be received.*
- 2. That the Audit and Risk Committee consider and recommend any amendments to the identified risks.*

R B George
Chief Executive Officer

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**Kawerau District Council Minutes of an
Audit and Risk Committee held on 3 April 2023
commencing at 1.00pm**

Present: Philip Jones – P J Associates (Chair)
His Worship the Mayor – F K N Tunui
Councillor A Rangihika
Councillor C J Ion
Councillor B Julian – via Zoom

In Attendance: Chief Executive Officer (R George)
Group Manager, Finance & Corporate Services (L Butler)
Group Manager, Operations and Services (H van der Merwe)
Group Manager, Regulatory and Planning (M Glaspey)
Health and Safety Officer (P 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 Audit and Risk Committee reviewed the Health and Safety Officers report.

Resolved **Her Worship the Mayor / Deputy Mayor Rangihika**

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

2 Treasury Report to 28 February 2023 (Group Manager, Finance and Corporate Services) (110551)

The Audit and Risk Committee discussed the report Treasury Report to 28 February 2023 from the Group Manager, Finance and Corporate Services.

Resolved **Councillor Ion / Chair Jones**

That the report "Treasury Report to 28 February 2023" be received.

3 Annual Plan Performance for the Six Months Ended 31 December 2022 (Group Manager, Finance and Corporate Services) (110400)

The Audit and Risk Committee reviewed the report on Councils Annual Plan Performance for the Six Months Ended 31 December 2022.

Resolved

Deputy Mayor Rangihika / Councillor Julian

That the report "Annual Plan Performance for the Six Months Ended 31 December 2022" is received.

4 Audit and Risk Review Timetable for 2023 (Group Manager, Finance and Corporate Services) (101300)

The Audit and Risk Committee discussed the report Treasury Report to 31 December 2022 from the Group Manager, Finance and Corporate Services.

Resolved

Chair Jones / Her Worship the Mayor

That the report "Audit and Risk Review Timetable for 2023" be received.

Meeting closed 1.58pm

P Jones

Chairperson

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Meeting: Audit and Risk Committee

Meeting Date: 12 June 2023

Subject: Occupational Health and Safety Management System Status

File No: 509500

1 Executive Summary

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

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.

Data in this report aligns with Council's Financial Year period to 30 April 2023. Source data is identified and accessed from VAULT/Damstra Health and Safety software.

My Everyday Wellbeing web platform for staff was launched 15 May.

Health and safety related policies continue to go through a review cycle by the Health and Safety Committee (HSC) and Leadership team.

The Policy review process is included in this report.

Staff and Contractor Health and Safety Inductions and Site Specific Safety Inductions (SSSI) are ongoing.

Annual occupational health monitoring and face fit testing is scheduled for June.

Staff have been informed of vaccination opportunities for COVID – 19, influenza and Measles, Mumps and Rubella (MMR).

Drug and Alcohol testing continues as per policy.

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

Near Miss Events continue to be reported by staff providing opportunities to review risk management and implement potential learning opportunities.

Sites recording events are consistent with previous years – Pools and Recreation are identified as the top two.

Persons involved mostly in events are the public and workers.

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

Appropriate training is ongoing for new staff and refresher training for existing staff.

Contractors safety performance monitoring is ongoing and on track with the KPI.

The KDC Annual Health and Safety Awards took place at the Aquatic Centre on 27 April.

The organisation is replacing VAULT/Damstra with BWARE Health and Safety Software 1 July 2023 and work is underway setting up the new system.

BWARE is an acronym for Business and Workplace Activity Reporting Engine and was developed by Health, Safety and IT Professionals in New Zealand.

It is cloud based and can be accessed from desk top PCs or portable devices.

Priorities

The table below identifies current areas of work that are priorities.

	Priority Task	Status
1	Set up BWARE Transfer Data from VAULT Damstra	April 2023 Underway
2	Prepare to Launch My Everyday Wellbeing Website for Staff	May 2023 Completed
3	Hazard, Identification, Assessment and management	June 2016 Ongoing
4	Information, Training and Supervision	June 2016 Ongoing
5	Worker Participation in Health and Safety Management	June 2016 Ongoing
6	Near Miss, Incident & Injury Reporting, Recording & Investigation	June 2016 Ongoing
7	Contractor Health and Safety Management	June 2016 Ongoing
8	Emergency Planning and Readiness	June 2016 Ongoing
9	Employer Commitment to Safety Management Practices	June 2016 Ongoing
10	Planning, Review and evaluation	June 2016 Ongoing
11	Monitor Covid - 19 situation.	Jan 2020 Ongoing

2 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 lead 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.

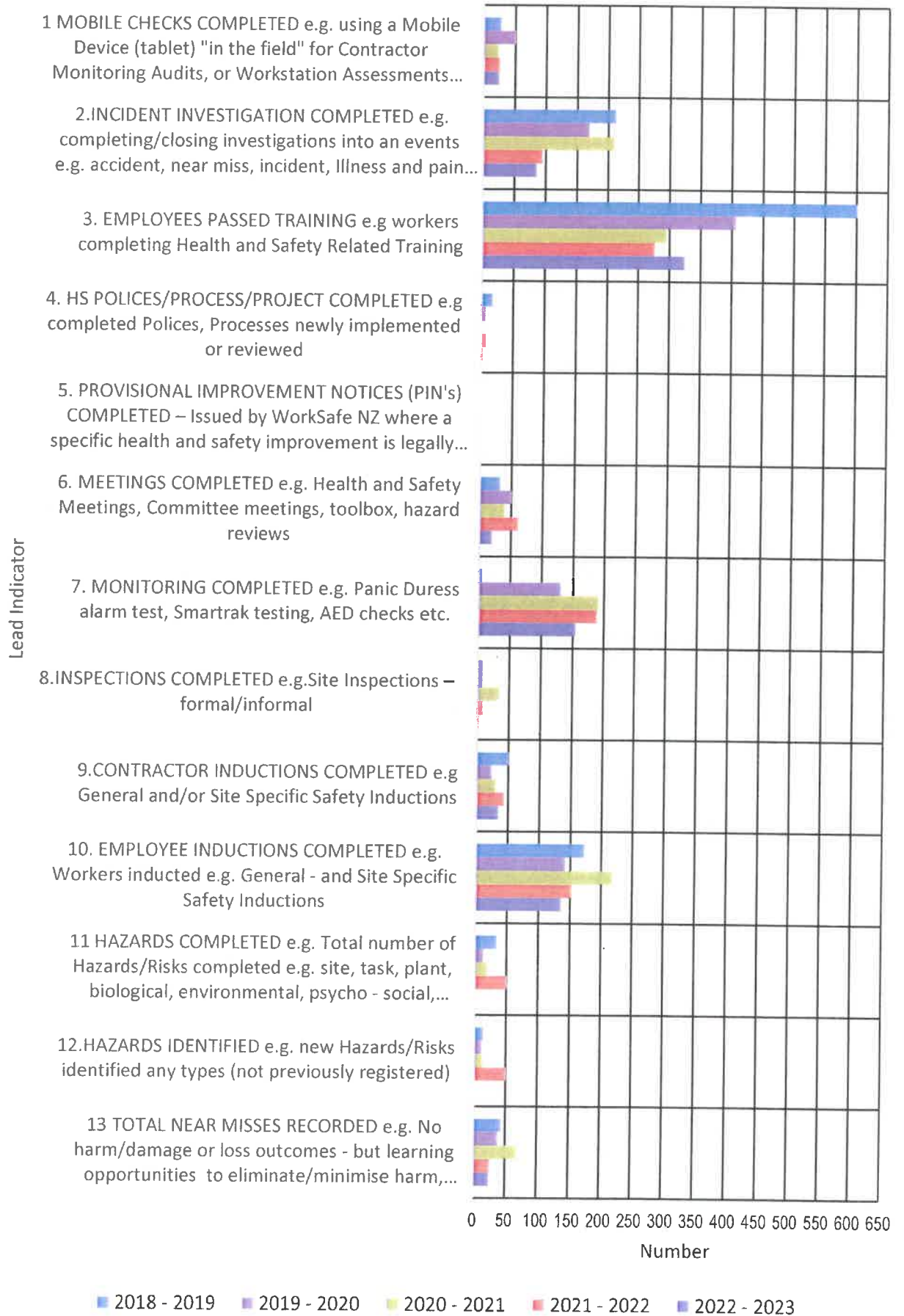
Near Miss events when reviewed will identify learning and continuous improvement opportunities, potentially adding to the preventative approach in Health and Safety management.

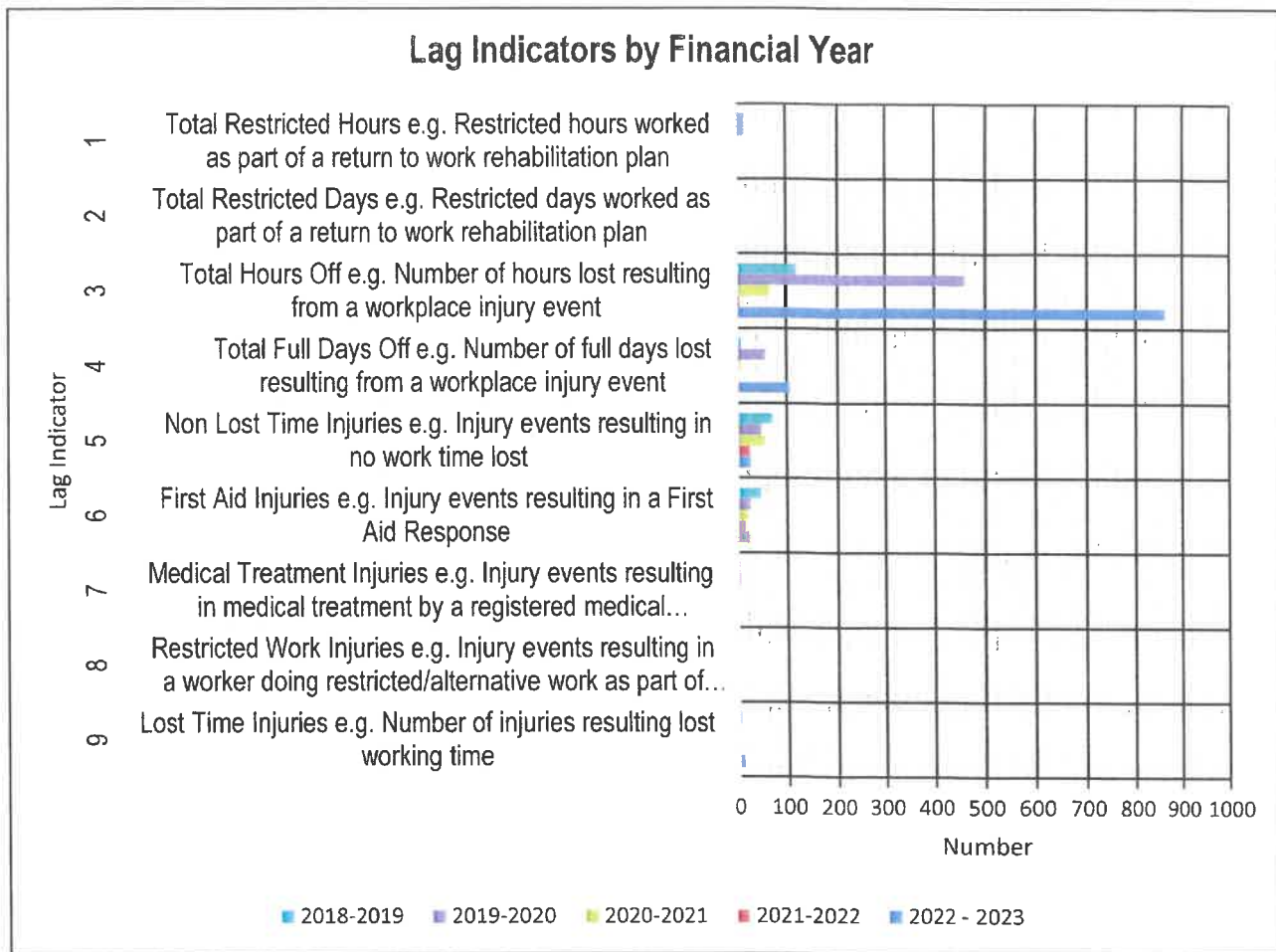
Lag Indicators identify data that has resulted from a work related injury or illness.

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





2022 – 2023 hours lost identify higher than other years due to one outdoor team member recovering from a manual handling - Elbow/Upper Arm Sprain Injury recorded on 17 February 2023.

3 Employer Commitment to Safety Management Practices

All Health & Safety related Policies are reviewed by the HSC and approved by Leadership team.

The organisation ensures provision of appropriate facilities and resources like safe workplaces, equipment, training, supervision, PPE and emergency procedures.

Resources to promote and support staff participation in health and safety and staff physical and mental wellbeing are provided.

Organisational Policies/Documents

The table below identifies Policy Documents under review.

Organisational Policy/Document	Status
Workplace Stress & Fatigue Policy	Review 30/08/2022 (Underway) HSC
Trespass Policy	Review 29/10/22 HSC (Underway) Leadership Team
Health & Safety Policy	Review 01/04/23 (Underway) HSC
Drug and Alcohol Policy	Review 01/08/2022 (Underway) HSC & TDDA
Contractor Monitoring Template	Review 06/04/2023 HSC (Underway) HSC

Feedback from the HSC identified the Workplace Stress and Fatigue Policy needing further development and this is currently underway.

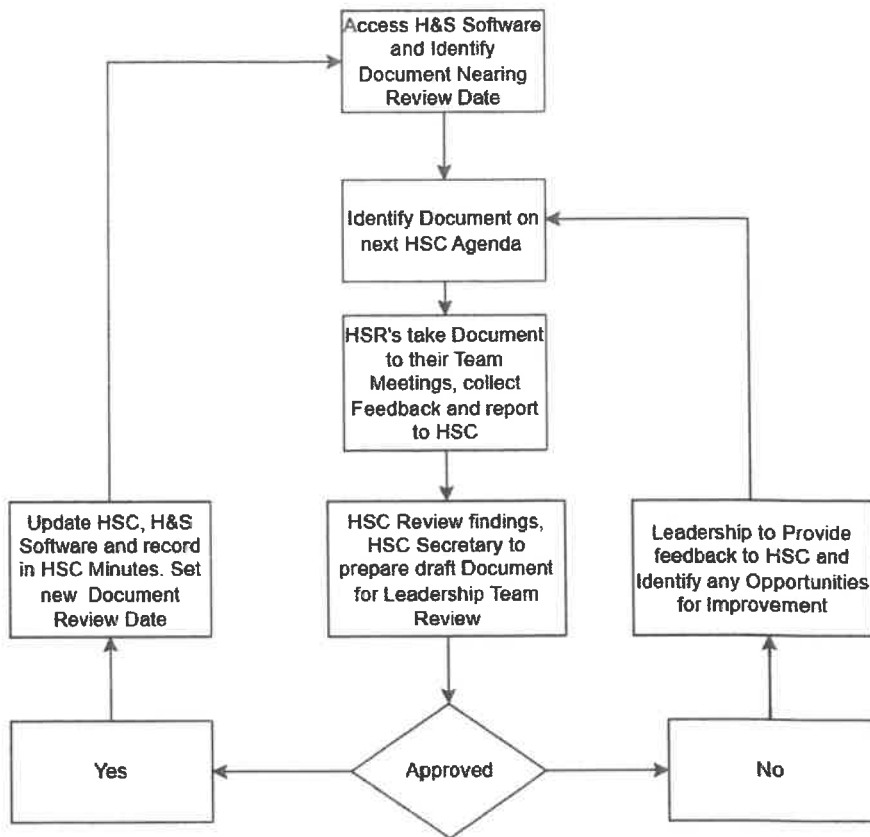
The Drug and Alcohol Policy has been reviewed by the HSC and TDDA (the Drug Detection Agency) legal team. Improvements were identified.

It will continue through the review process to the Leadership team.

Policy/Document Review Process

These are the steps or flow that a document goes through when it is reviewed.

- Access H&S Software and Identify Document Nearing Review Date
- Identify Document on next HSC Agenda
- HSR's take Document to their Team Meetings, collect Feedback and report to HSC
- HSC Review findings, HSC Secretary to prepare draft Document for Leadership Team Review
- If approved, records are updated and document reviewed again at next review date
- If not approved – Leadership team returns document with notes to HSC for improvement – the flow continues until approval is given.



4 Planning, Review and Evaluation

VAULT/Damstra status reports are scheduled electronically to managers, supervisors and Health and Safety Representatives for review.

5 Hazard Identification, Assessment and Management

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

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

1 Public/People

Face to face Customer Conflict Awareness training and refresher training will be scheduled for mid-2023.

2 Stress

The Workplace Stress and Fatigue policy is under review as of August 2022. Input from staff has been helpful and the improvements identified are being incorporated.

Mental Health Awareness training and refresher training – a new training provider is being reviewed.

Employee assistance support programmes are in place for staff to freely and confidentially access 24/7.

My Everyday Wellbeing - a web based Wellbeing platform has been approved for staff as another layer of support the organisation can offer.

Staff have the option to provide free access to their family members.

The launch date was 15 May 2023.

Pre-launch information in the form of flyers and videos were distributed prior.

The platform provides current information and support using a science based approach to all things related to mental and physical health e.g. exercise, diet, sleep, men and women's health, stress and mental wellbeing etc.

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. Staff ownership of slip and trip hazards is strongly encouraged to help maintain a safe workplace.

4 Lone Working

The Working Alone policy and process has been reviewed by the HSC and is now with the Leadership team for their review.

GPS tracking devices are in use for lone workers in higher risk work situations. The systems are monitored by staff and tested weekly. All vehicles and mobile plant are GPS tracked.

5 Manual Handling

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

Early pain, discomfort and injury reporting is encouraged along with seeking professional medical advice.

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.

BWARE Health and Safety Software

It has been approved for the organisation to finish using VAULT Damstra as its health and safety management software tool on 30 June 2023.

It is being replaced by BWARE software (Business & Workplace Activity Reporting Engine).

BWARE is a cloud based Health and Safety Software package designed by Health and Safety Professionals and software developers in New Zealand.

Staff feedback from the test system provided has been positive and the package will meet the needs of the organisation as its Health and Safety risk management tool.

It has the potential to reduce paper use – and works well on cell phones or devices.

There is the ability to design and build fillable forms which can be used for risk management or safety checklists accessed on cell phones by field staff.

The cell phone application is user friendly and can also be used for Incident reporting.

System set up by BWARE and the HSO is currently underway.

Staff training will happen prior to the launch date 1 July 2023.

BWARE will be the data source for this report in future.

COVID - 19

The organisation continues to follow Government health advice.

Communications were sent internally to staff about free COVID – 19, Flu and MMR Vaccination opportunities 18 April.

Health Monitoring

Planning is underway with the organisation's Occupational Health Provider to commence annual Health Monitoring in June. It includes Audiometry and Spirometry.

Health & Wellbeing

Face-Fit testing and training for staff who use respirators during their work is scheduled for 19 June.

The HSO maintains a Respiratory Register in accordance with standard AS/NZS 1715, the selection and Use of Respirators.

Information about influenza and free vaccination was offered to staff 5 April 2023.

The heart foundation visited KDC for a free staff presentation and blood pressure check on 6 April with another date to be confirmed for later in the year.

On 23 March staff were provided with the opportunity to access dedicated and specialist critical incident service from our Employee Assistance Provider in the wake of the Kawerau Earthquake Swarm. Some Staff were experiencing sleep interruption and anxiety. Also some had personal experiences reawakened from the Edgecumbe and Christchurch events also leading to anxiety.

The KDC Staff Health and Safety Awards went ahead on 27 April at the KDC Aquatic Centre.

The date chosen is aligned closely with World Health and Safety Day which remembers those who have been lost or harmed at work and promotes new initiatives aimed at improving workplace health and safety.

The ILO (International Labour Organisation) this year focused on enhancing social dialogue towards a culture of safety and health.

Staff nominate those they believe should receive an award.

The awards were presented by Her Worship the Mayor, the Chief Executive Officer and the Group Manager – Regulatory and Planning.

Drug & Alcohol Policy

Tests identified in the policy are:

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

Random testing is on track and all new staff are tested prior to engagement while completing their pre- employment medical.

Workplace Monitoring

Naturally occurring Hydrogen Sulphide (H₂S) gas levels are continually monitored at the Aquatic Centre. Any excavation at or near that site – requires hand held gas monitors to be used. The gas is heavier than air and potentially can accumulate at the bottom of excavations.

The Ron Hardie Recreation Centre is monitored due to its proximity to the naturally occurring Sulphur pits. Being an enclosed building gas potentially can accumulate.

At the Waste Water Treatment Plant - one of the steps during Sewage processing results in Methane and H₂S being produced which is continually monitored.

All types of monitors are subject to an inspection, maintenance and calibration programme.

Information, Training and Supervision

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

The organisation aims for NZQA endorsed training to be refreshed biennially.

Other trainings are scheduled triennially e.g. staff core training like Mental Health, Customer Conflict, Drug and Alcohol awareness and Bullying & Harassment.

These do not have NZQA Units attached and are mostly presented as workshops.

All Managers and staff are required to attend core trainings.

6 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).

No notifiable events have been reported during this period.

Event Statistics

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

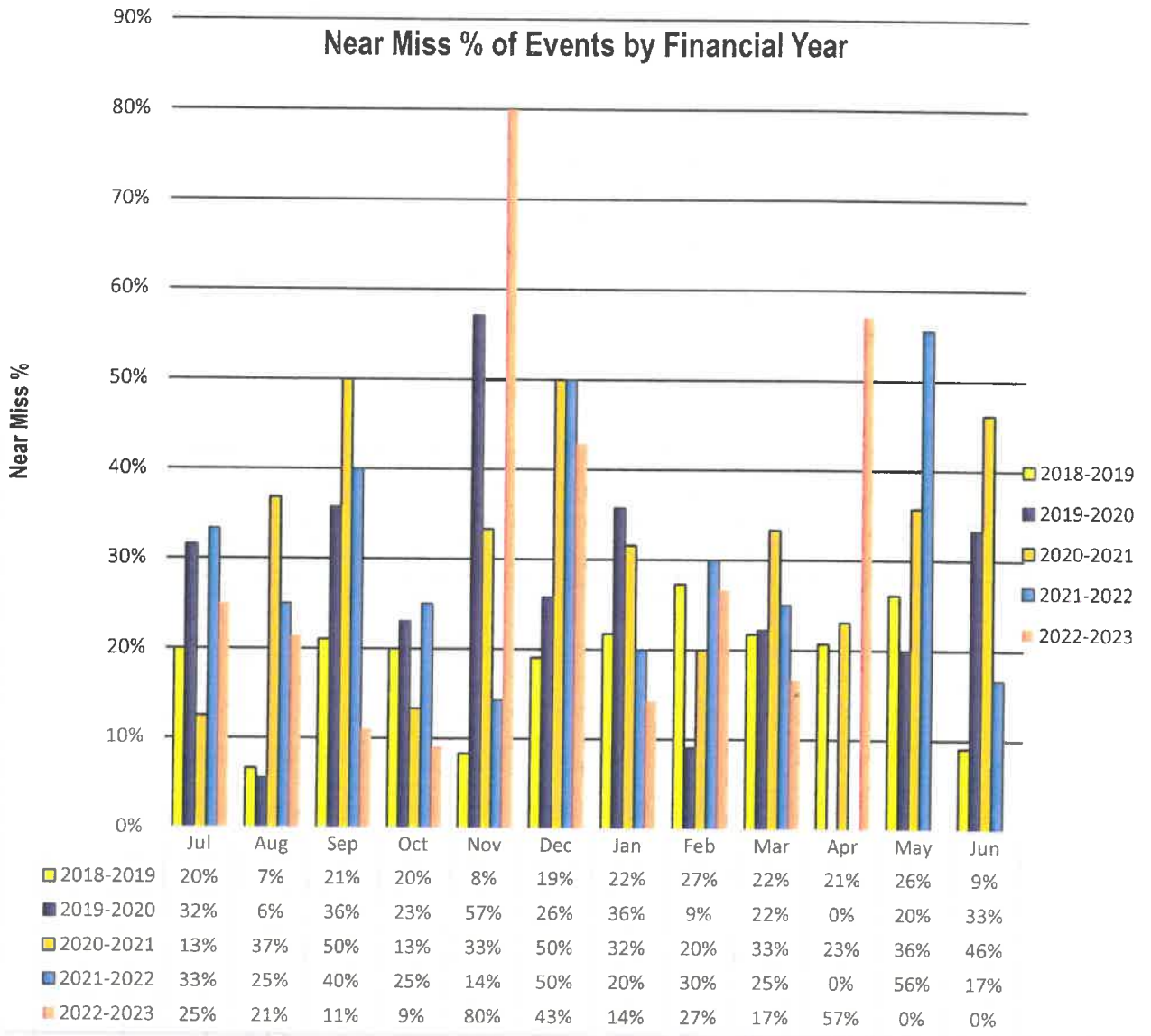
Total 230 averaging 19 events per month for financial year 2018 - 2019
Total 155 averaging 13 events per month for financial year 2019 - 2020
Total 206 averaging 17 events per month for financial year 2020 - 2021
Total 91 averaging 8 events per month for financial year 2021 - 2022
Total 97 averaging 10 events per month for financial year 2022 - 2023

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.

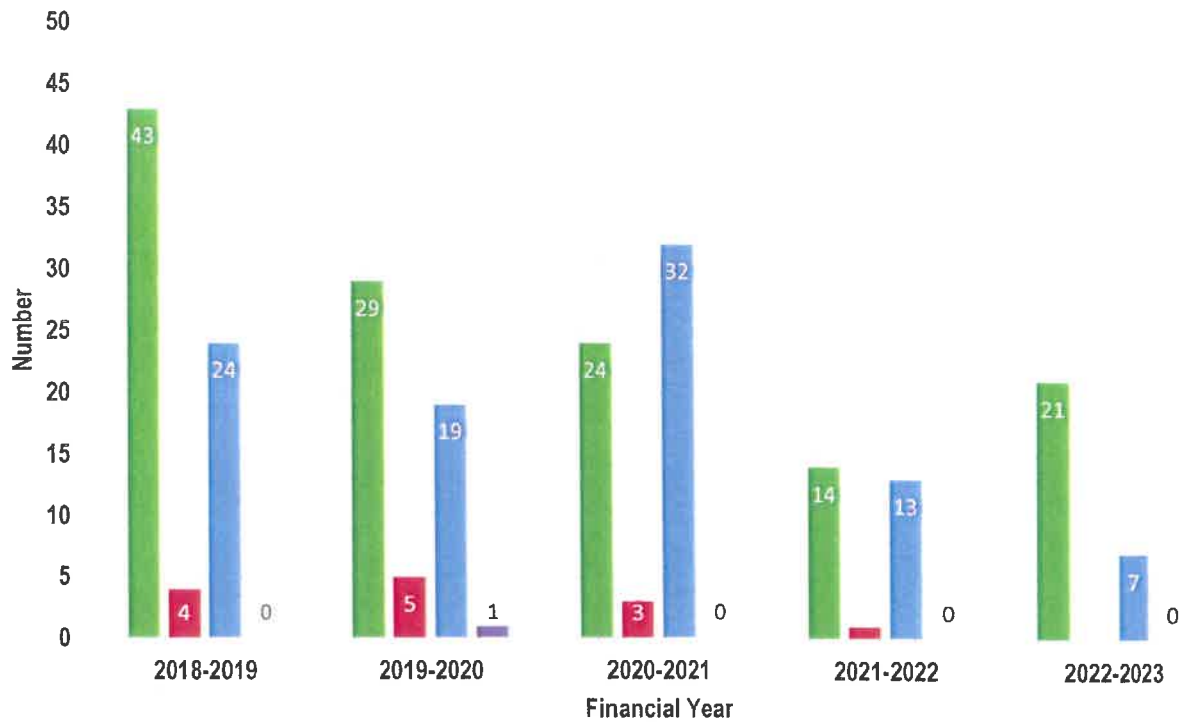
- Near miss events contributed to 18% of total events for financial year 2018-2019
- Near miss events contributed to 25% of total events for financial year 2019- 2020
- Near miss events contributed to 32% of total events for financial year 2020-2021
- Near miss events contributed to 29% of total events for financial year 2021-2022
- Near miss events currently contributing to 31% of total events for the financial year 2022-2023

Near Miss % of Events by Financial Year



Accidents

Injury Treatment Required by Financial Year



- First Aid given to reduce the effects of the injury or illness by a first aider
- 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.
- No Treatment injury did not require first aid attention - or First Aid assistance was offered but the offer was refused.
- Admission to Hospital - Worker admitted (not outpatient)

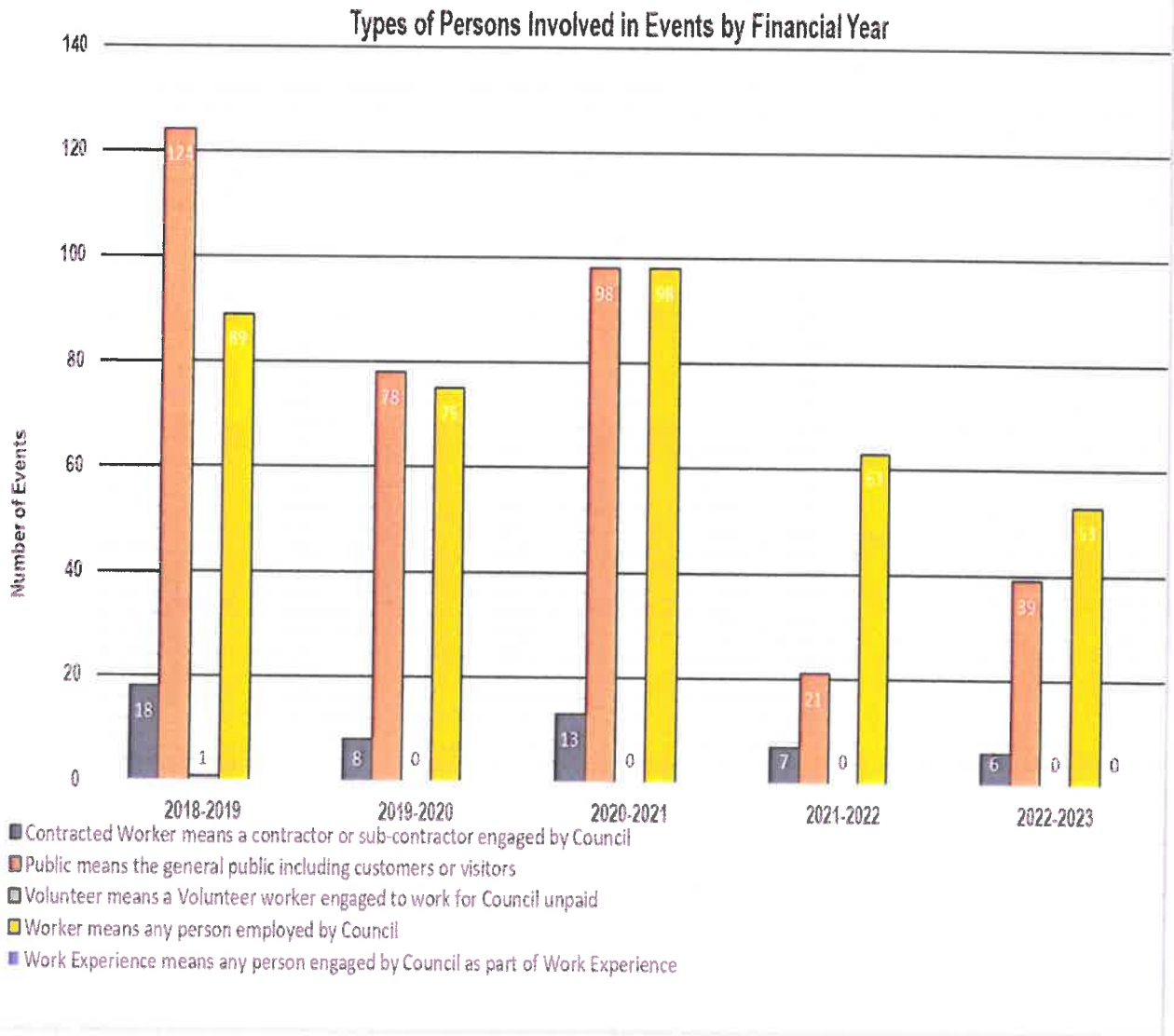
The column combination graph above identifies injury/illness treatment outcomes by financial year for all sites. All sites and all person types are included in the data.

A person can choose not to consent to staff providing First Aid assistance for them.

This is according to the NZ Bill of Rights Act 1990 s.11 Right to refuse to undergo medical treatment. Everyone has the right to refuse to undergo any medical treatment.

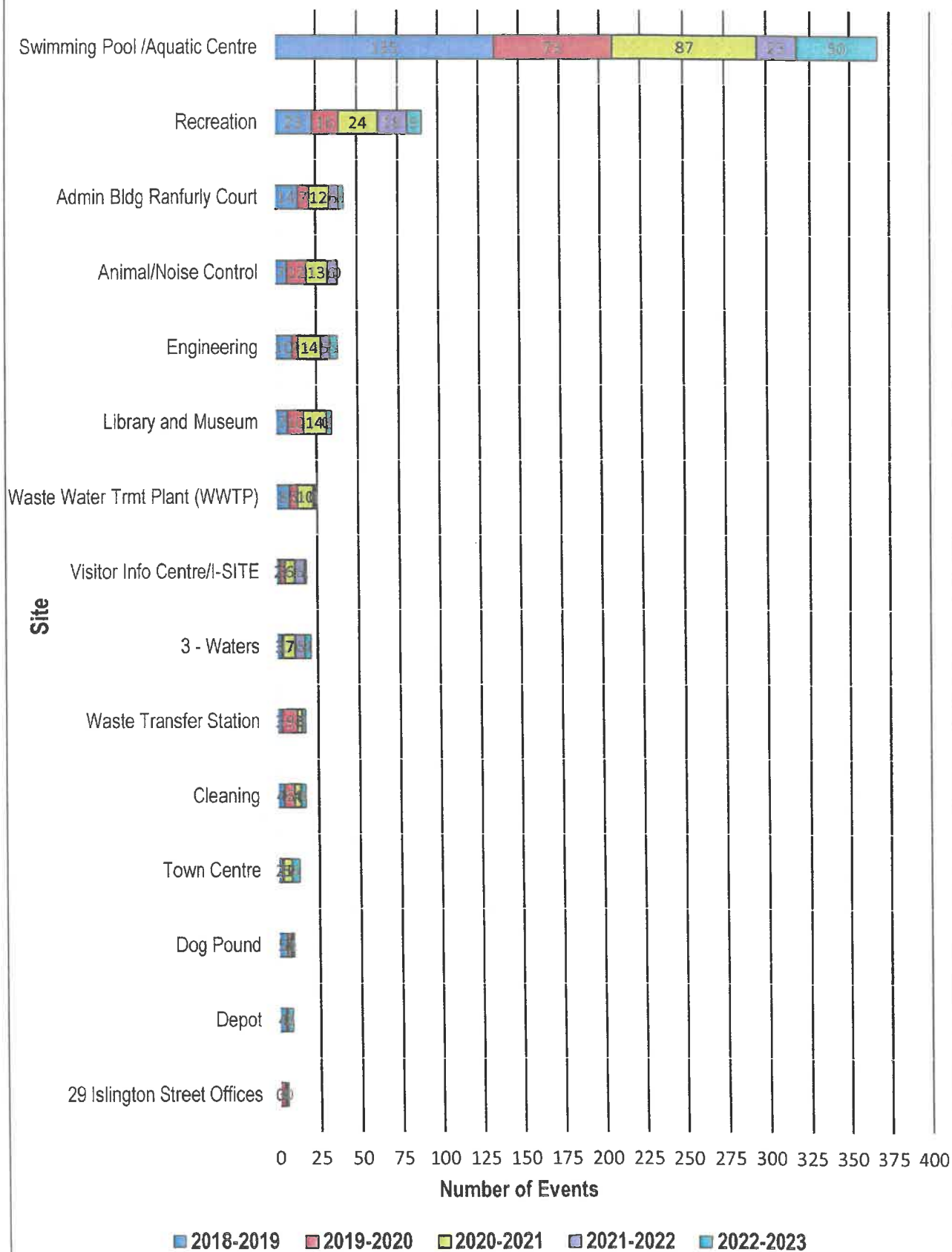
Types of Person Involved in Events

The organisation records the type of person involved in events.



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

Site Event Records by Financial Year Top 15



The stacked bar chart above identifies the top 15 sites out of 29 where an event has been reported and recorded for financial years 2018-2019, 2019-2020, 2020-2021, 2021-2022 and 2022-2023.

7 Employee Participation in Health and Safety Management

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

The HSC develops and reviews Policies and Processes and reviews Accidents, Incidents and Near Misses.

HSC members undergo Health and Safety training starting with their NZQA qualification as a HSR.

The organisation is split into different workgroups with a HSR representing each.

The Aquatic Centre HSR position is currently vacant.

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

8 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. These 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.

The organisation currently owns and maintains two Automatic External Defibrillators (AED'S) – one at the Aquatic Centre and one at the District Office.

Including Council's two AED's there are a total of nine identified in the community according to AED Locations <https://aedlocations.co.nz/>

An Emergency Response Team guideline document is being reviewed by the HSC.

The aim is to provide opportunities for the organisation's Fire Wardens to use their skills and training during other types of emergencies like assisting in Lockdown or Earthquake situations.

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.

9 Contractors and Sub-contractors

Contractor Monitoring Key Performance Indicator (KPI)

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

Contractor monitoring is measured using a Key Performance Indicator (KPI) with a target set at one Audit per month – except during holiday periods when contractor activity is usually low.

The monitoring template is currently under review by the HSC.

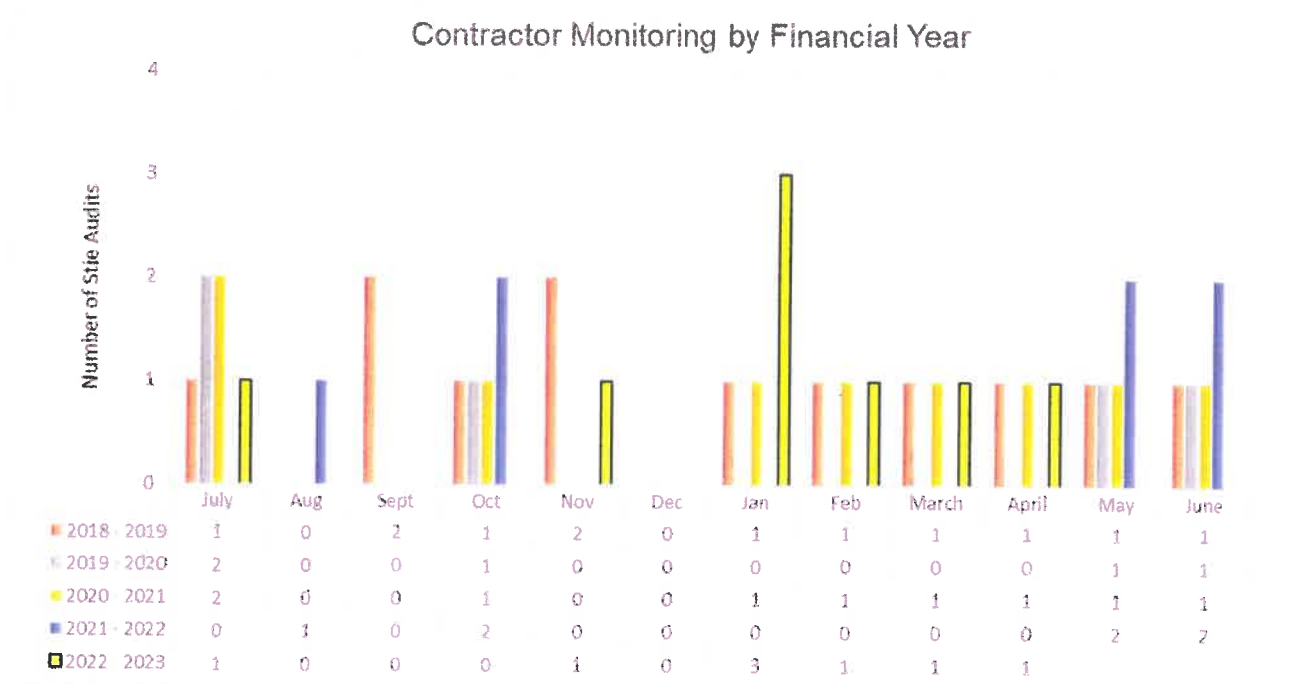
The KPI target is 10 for the financial year.

- 2020/2021 9 completed
- 2021/2022 7 completed
- 2022/2023 8 completed to reporting date (on track)

Key Performance Indicator (KPI) Contractor Health and Safety Monthly Monitoring Financial Year 1 July 2022 – 30 June 2023				
Month	Monthly Site Inspections Required	Monthly Site Inspections Completed	Monthly KPI Achieved	Comment
July 2022	1	1	Yes	<i>Asbestos Removalists – Aquatic Centre club rooms. No issues identified. Tree Removal/Logging monitoring Monika Lanham basin scheduled. Contractors not on site – heavy rain.</i>
Aug 2022	1	0	No	<i>No Contractors identified for Monitoring</i>
Sept 2022	1	0	No	<i>No Contractors identified for Monitoring</i>
Oct 2022	1	0	No	<i>Swimming Pool office builders – monitoring scheduled. Company not on site for monitoring.</i>
Nov 2022	1	1	Yes	<i>Painters – Swimming Pool Maintenance. Recommended empty pools are fully fenced to manage the risk falling below ground level. No other issues identified.</i>
Dec 2022	0	0	N/A	<i>No contractors identified for monitoring</i>
Jan 2022	0	3	Yes	<i>18/01/23 Roading Contractor – kerb and channel project no issues identified, some opportunities for improvement. 19/01/23 Arborists – KDC Reserve – emergency dangerous tree removal. Warning signage to be improved, First Aid kit replenishment overdue no other issues – since followed up. 23/01/23 Civil Engineers – Water line project – some opportunities for improvement- Spill containment and Event reporting – since rectified.</i>
Feb 2022	1	1	Yes	<i>22/02/23 Arborist – tree removal from bank in KDC Reserve - follow up monitoring. No issues identified opportunities for improvement all implemented.</i>
March 2022	1	1	Yes	<i>29/03/2023 Arborist – tree removal from South School. No opportunities for improvement identified.</i>
April 2022	1	1	Yes	<i>26/04/23 Drain layer – River Rd. Opportunity for Improvement regarding PPE identified. HSO</i>

				<i>discussed how the situation shall be improved with contract supervisor. HSO provided WorkSafe information and educational material. Monitor this Contractor again in May.</i>
May 2022	1			
June 2022	1			
Totals	10	8		-
KPI: 1 Monthly Site Inspection			Assigned to: Health & Safety Officer (HSO)	
Review: as a minimum - Annually Next Review Date 31/09/23			Review team: Chief Executive Officer (CEO), Group Manager Regulatory & Planning (GMRP) & 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, 2021-2022 and 2022 – 2023.



10 Conclusion

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

11 RECOMMENDATION

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

Paul Snook, ProfNZISM. MIIRSM. HASANZ

Health & Safety Officer

Meeting: Audit and Risk Committee

Meeting Date: 12 June 2023

Subject: Treasury Report to 30 April 2023

File No: 110551

1 **Purpose**

The purpose of this report is to inform members of the funds held by Council as at 30 April 2023 and provide explanations for any significant variances from the previous year.

2 **Background**

This report also went to the Regulatory and Services Committee on 17 May 2023, 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.

Council's investment policy allows up to 50% of total funds to be invested with any one bank but up to a limit of \$1.5 million.

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

Council now has less surplus funds making it more difficult to spread investments but it is still required to act prudently.

Council raised a loan of \$2.0 million in December, which will be used to fund water renewal projects. The interest rate for this loan is 5.75% (fixed) and the maturity date is April 2025. Staff recommended a relatively short-term loan due to the increasing interest rates and the uncertainty around the 3 waters and other reforms that are currently being undertaken.

3 **Funds Held**

The following table shows Council's reserve and general funds balances as at 30 April 2023:

	April 2023	April 2022
Special Funds		
Depreciation Funds	\$3,381,528	\$7,137,117
Loan	\$2,000,000	\$0
Total Special Funds	\$5,381,528	\$7,137,117
General Funds	(\$608,156)	(\$957,804)
Total – comprising cash & internal loans	\$4,773,372	\$6,179,313

The figures show that overall Council has \$1.4 million less funds at the end of April than this time last year, which is as a result of:

- Less revenue (than budgeted) from Central Cove section sales, due to asbestos contamination and slowing of the market.
- Increased costs for refuse transport and disposal.
- The construction costs for the completion of the remaining 11 retirement units. One further Occupation Right Agreement settled in April, offsetting the construction costs incurred.

The following funds were held at 30 April 2023:

Invested in	\$	Mean Interest	% External
ANZ – on call	776	0.09%	0.02%
BNZ – current & on-call	2,620,197	0.15%	83.59%
Rabobank (on-call)	513,621	2.00%	16.39%
Total Funds (Cash)	3,134,594		100.0%
Internal Loans	1,638,778		
Total Investments	4,773,372		

*These figures include the accrued interest to 30 April 2023

4 **RECOMMENDATION**

That the report “Treasury Report to 30 April 2023” be received.

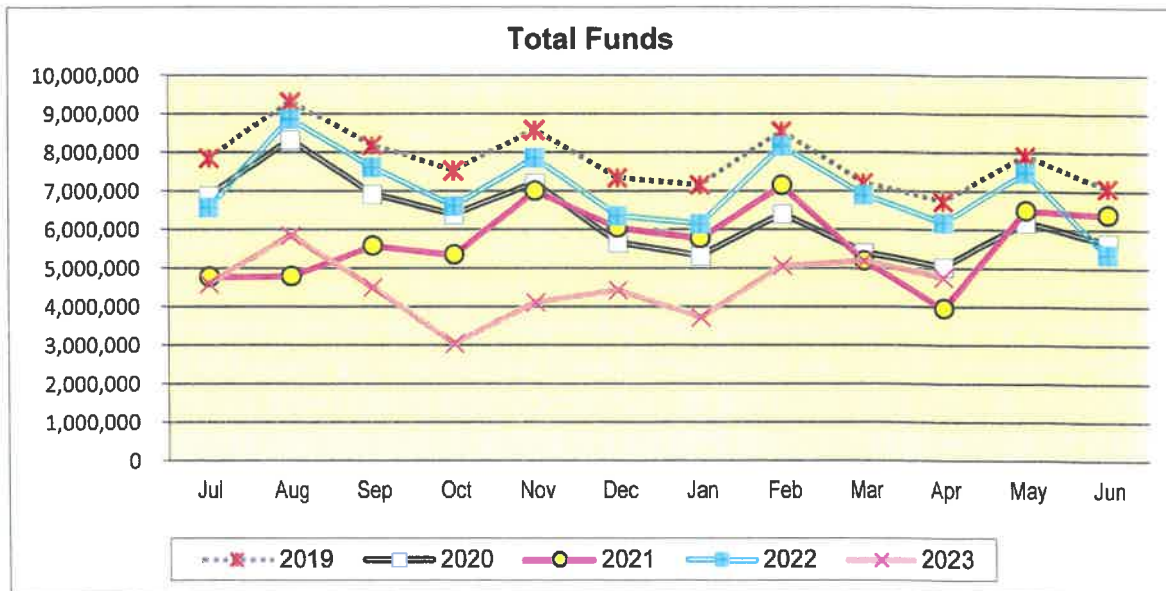
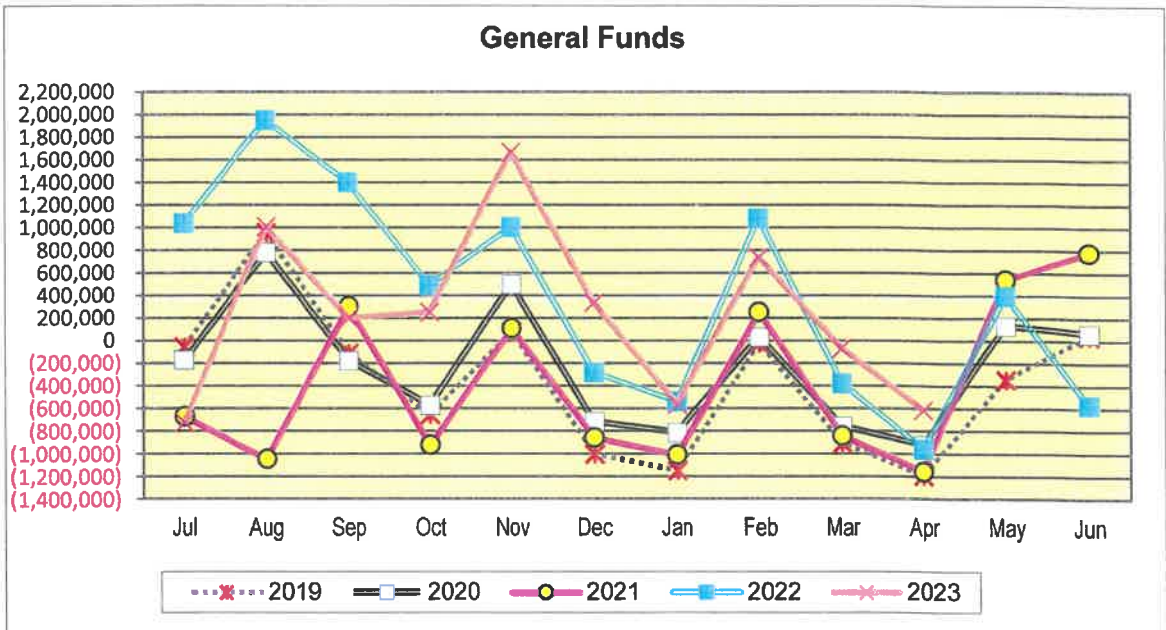
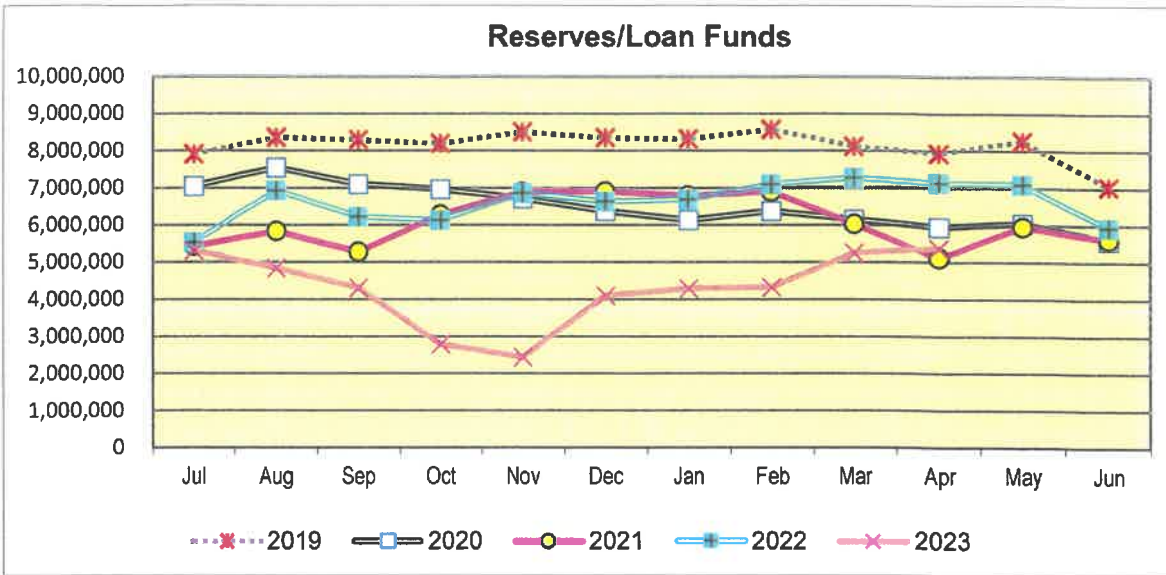
Lee-Anne Butler, CA, BMS

Group Manager, Finance & Corporate Services

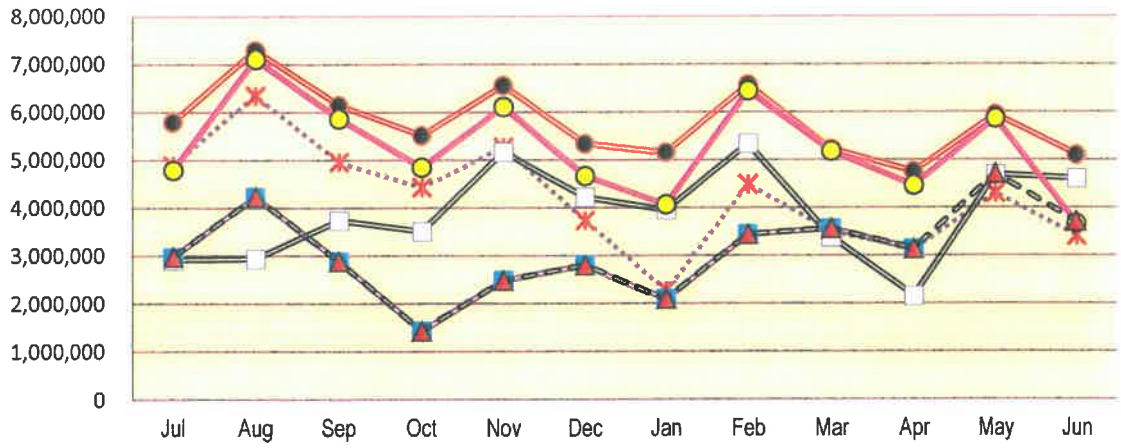
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Appendix

April 2023



Cash Flow and Forecast



● 2019
 x 2020
 □ 2021
 ○ 2022
 ■ 2023
 ▲ 2023 Forecast

Meeting: Audit and Risk Committee

Meeting Date: 12 June 2023

Subject: Annual Plan Performance for the nine months ended 31 March 2023

File No.: 110400

1 **Purpose**

The purpose of this report is to review Council's financial and non-financial performance for the first nine months of the year compared to the Annual Plan budget for 2022/23.

Comments are provided where expenditure/revenue is likely to vary from budget, or the performance target is unlikely to be achieved for the year.

2 **Financial Performance**

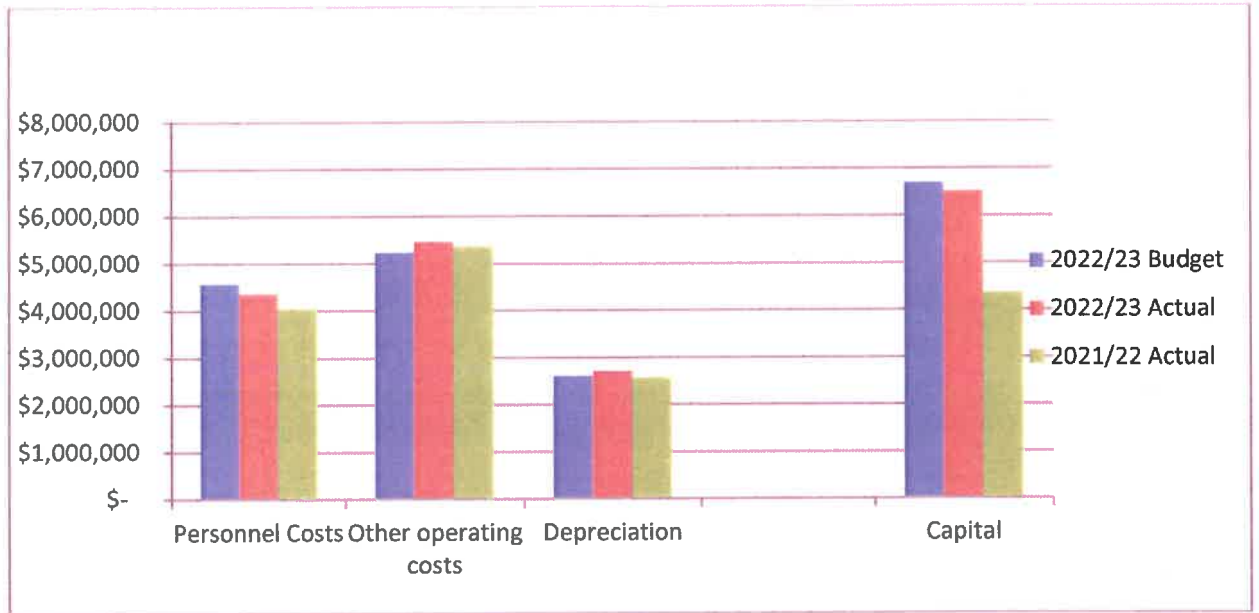
2.1 **Statement of Comprehensive Revenue and Expense**

The following table shows Council's financial performance for the nine months compared to the adopted annual budget. The capital budget for 2022/23 has been amended to include the carried forward figures as well as any budget amendments approved by Council. NB: There will be timing differences for some revenue and expenditure such as grants as well as subscriptions which generally occur at the beginning of the year.

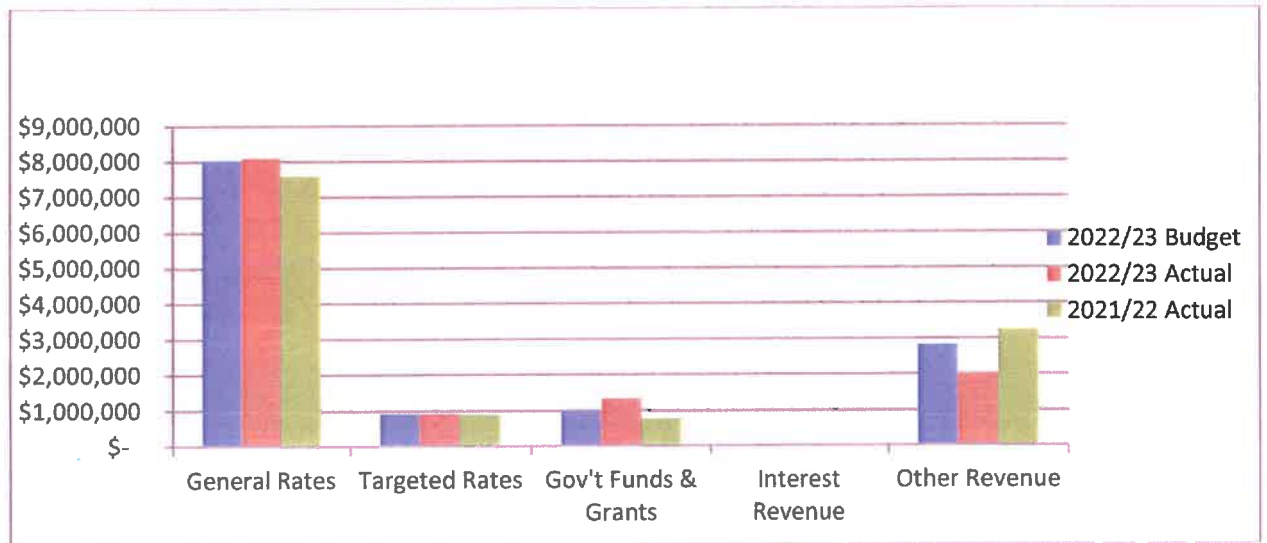
	Adopted Budget	Actual 31-03-2023	Comments
Revenue:	\$	\$	
Rates	11,953,620	9,005,585	
Subsidies and Grants	1,075,800	1,335,016	
Interest Revenue	34,390	50,543	
Fees and Charges	3,610,500	1,930,179	Includes additional refuse fees
Other Revenue	70,000	33,326	Petrol Tax
Total Revenue	16,744,310	12,354,649	
Expenditure:			
Personnel Costs	6,111,890	4,363,986	Some staff vacancies
Depreciation	3,316,270	2,717,080	
Finance Costs	110,000	29,856	
Other Expenses	6,967,200	5,432,977	Additional expenditure for refuse disposal and Mayors Taskforce for Jobs
Total Expenditure	16,505,360	12,543,899	
Surplus (Deficit)	238,950	(\$189,250)	
	Revised Budget	Actual 31-03-23	
Capital	11,126,253	6,509,104	

Council's expenditure and revenue for the year to date are shown in the graphs below, compared to the budget and expenditure/revenue for 2022/23.

Expenditure to 31 March 2023



Revenue to 31 March 2023



2.2 Statement of Financial Position

The following table shows Council's financial position at 31 March 2023 compared to the budget.

The financial position does not include all accruals for receivables and payables.

	Budget @ 30/6/2023	Actual at 31 March 2023	Comments
Assets:			
Current assets:			
Cash & cash equivalents	\$5,074,310	\$3,570,168	
Receivables	\$1,720,340	\$1,700,326	
Inventories	\$417,910	\$1,305,973	Includes sections
Non-current assets:			
Property, plant and equipment	\$96,502,730	\$110,424,311	
Intangible assets	\$60,240	\$123,108	
Other financial assets	\$36,250	\$36,252	
Total Assets	\$103,811,780	\$117,160,138	
Liabilities:			
Current liabilities:			
Payables, provisions & employee benefits	\$3,565,870	\$2,358,276	
Borrowing	\$16,500	\$0	
Non-current liabilities:			
Provisions & employee benefits	\$242,460	\$67,813	
Borrowing	\$2,034,000	\$2,000,000	
Resident's Liability/Amenity Fees	\$10,634,600	\$7,120,930	
Total Liabilities	\$16,493,430	\$11,547,019	
Ratepayers Equity	\$87,318,350	\$105,613,119	
Total liabilities & ratepayers equity	\$103,811,780	\$117,160,138	

2.3 Statement of Cashflow

The cashflow statement shows a decrease of \$1,504k in Council's cash position.

	Budget @ 30/6/2023	Actual to 31 March 2023	Comments
Cashflow from operating activities:			
Rates	\$11,970,010	\$8,642,985	
Subsidies	\$1,075,800	\$1,583,131	
Fees & Charges & Other Revenue	\$3,680,500	\$1,539,539	
Interest Received	\$34,390	\$50,543	
Payments to suppliers and employees	\$(12,497,310)	\$(8,633,470)	
Interest paid on debt	\$(110,000)	\$(29,856)	
Net cashflow from Operations	\$4,153,390	\$3,152,872	
Net cashflow from investing:			
Disposal of Assets/Contributions	\$0	\$0	
Property, Plant & Equipment	\$(8,850,360)	\$(6,897,556)	
Net cashflow from investing:	\$(8,850,360)	\$(6,897,556)	
Net cashflow from financing:			
Loans raised	2,034,000	\$2,000,000	Loan raised in December
Residents ORA Contributions	\$3,986,000	\$1,653,171	
Debt repayment	\$(11,500)	\$(5,044)	
Net cashflow from financing	\$6,008,500	\$3,648,127	
Total Net cash inflow/(outflow)	\$1,311,530	\$(96,557)	
Opening balance (1/7)	\$3,762,780	\$3,666,724	
Closing cash balance	\$5,074,310	\$3,570,167	

3 Non-Financial Performance

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

Activity	2022/23 No. of Targets	On target to achieve	2021/22 Achievement Rate
Democracy	5	3	33%
Economic & Community Development	6	6	80%
Environmental Services (excludes N/As)	14	11	64%
Roading (including Footpaths)	9	5	57%
Stormwater	3	3	100%
Water Supply	13	12	83%
Wastewater	8	7	43%
Solid Waste Management	5	5	50%
Leisure and Recreation	22	19	58%
TOTAL	85	71	65%

4 Capital Expenditure

The following is Council's capital budget (including carry forwards and amendments) and expenditure for the first nine months.

Activity	2022/23 Budget	Actual	Comments
Economic & Community Development	\$3,311,600	\$3,884,331	Residential developments – Porritt Glade
Roading	\$1,129,000	\$318,919	
Stormwater	\$390,000	\$67,348	Pipe renewal
Water Supply	\$2,781,000	\$1,321,365	Pipe renewal
Wastewater	\$1,473,639	\$227,261	WW pipe renewals
Solid Waste	\$50,000	\$18,207	Recycle Bins
Leisure & Recreation	\$1,558,894	\$445,771	Pool & Library renewals
Plant, Depot and Office	\$432,120	\$225,901	New plant/vehicles, PCs & office building renewals
Total	\$11,126,253	\$6,509,103	

5 RECOMMENDATION

That the report "Annual Plan Performance for the year ended 31 March 2023" be received.



Lee-Anne Butler, CA, BMS

Group Manager, Finance & Corporate Services

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Meeting: Audit and Risk Committee
Meeting Date: 12 June 2023
Subject: 2022/23 Annual Report Timetable
File No.: 110400

1 Purpose

The purpose of this report is to inform the committee of the proposed timetable for the 2022/23 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 the Annual Report is adopted within the statutory deadline.

The annual report will need to include the appropriate recognition of the Porritt Glade Lifestyle Village and a separate set of audited accounts for the retirement village will be completed.

The Auditors have begun the initial planning of the audit of the Annual Report to 30 June 2023. Council received verbal assurance at the Council meeting on 26 April from Audit New Zealand, Director René van Zyl that the 30 June 2023 audit will be completed to meet all statutory deadlines.

3 Proposed Timetable

The appendix to this report contains the proposed timetable for the completion of 2022/23 Annual Report. The timetable ensures the annual report will be ready to meet audit timeframes. The initial tentative dates for the audit are:

- Audit planning – May 2023.
- Interim audit – Two weeks from 19 to 30 June 2023.
- Final audit – From 18 September to 25 October 2023, with 25 October being the planned date for adoption of Council's Annual Report and Summary Report, as well as the Porritt Glade Lifestyle Village's separate financial reports.

The auditors plan to have the audit completed to meet Council's statutory timeframe of adoption by 31 October 2023.

4 **RECOMMENDATIONS**

1. That the report "2022/23 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.



Lee-Anne Butler, CA, BMS

Group Manager, Finance & Corporate Services

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APPENDIX

Project Plan for 2022/23 Annual Report

Non Financial Tasks:		
Performance Target results including supporting documents	Managers	11 August
Availability of Council minutes for 2022/23	GMFCS	4 Sept
Schedule of bank signatories	Accounting Team Lead	30 June
Preparation of "pro-forma" financial statements (including any changes arising from Financial Reporting Requirements)	GMFCS	18 August
Financial Tasks:		
GL balances agreed to Annual Report @ 1 July 2022	Financial Accountant	14 July
Reconciliations done (and authorised) for: <ul style="list-style-type: none"> • Cash • Accounts Payable • EPO • Payroll • Other liabilities • Debtors (Rates, Water & Sundry) • Bonds/Suspense Accounts • GST • FBT • Public Debt • Internal Loans • Stock 	Accounting Team Lead	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 	Accounting Team Lead	11 August
Inventories: <ul style="list-style-type: none"> • Carrying out stock takes • Reconciliation to GL 	Accounting Team Lead	1 July 31 July
Schedule of journal entries for year	Accounting Team Lead	11 August
List of investments and cash at bank (accounts) <ul style="list-style-type: none"> • Shares • Impairment consideration • Split between "current" and "term" 	Financial Accountant	31 July

Schedule of Debtors (Rates, water and sundry): <ul style="list-style-type: none"> • Aged Debtors • Doubtful debts calculation • Write-offs 	Accounting Team Lead	31 July
Investment properties (& movements)	Financial Accountant	11 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 • Recognizing disposals • Determining if obsolete (write off) • Determine "deterioration" (vs dep) • Work in progress schedule 	Financial Accountant	11 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	11 August
Schedule of commitments and contingencies	GMFCS	11 August
Annual Report Preparation:		
Preparation of: <ul style="list-style-type: none"> • Review of supporting documentation and all reconciliations • 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 	GMFCS Accounting Team Lead GMFCS GMFCS GMFCS Financial Acc Com Mgr Com Mgr	14 August 31 August 31 August 31 August 31 August 6 Sept 4 Sept 4 Sept
Draft Financial Statements prepared	GMFCS	11 Sept
Preparation of Retirement Village Annual Report	Financial Accountant	31 August
Final draft Financial Statements (& Summary) – Audit changes	GMFCS	16 October
Financial Statements available for adoption including Porritt Glade Lifestyle Village	GMFCS	18 October
Financial Statements adopted, including Porritt Glade Lifestyle Village	Council	25 October
Audit visits: <ul style="list-style-type: none"> • Interim – (tentative) • Final commences – still to be confirmed 		19-30 June 18 Sept

GMFCS = Group Manager Finance and Corporate Services
Com Mgr = Communication Manager

Meeting: Audit and Risk Committee
Meeting Date: 12 June 2023
Subject: Risk Register – Monitoring Report
File No: 201000

1 Purpose

The purpose of this report is to list and monitor those risks that have been identified as being high (or extreme) following Council mitigations, to see what further mitigations are possible and if the risk status has changed since they were last reviewed.

2 Background

Council's risk register identifies the high level risks, the mitigations, and the associated risk scoring both prior to mitigation, and then following the mitigation measures that are in place. The register has previously been reviewed by KPMG, who made a number of recommendations which were included in the register.

The risk register was last updated and reviewed by the committee on 7 December 2021 and there were a number of changes to the risk analysis since the previous review. These changes to the risk profiles mostly resulted from: the 3 waters reforms, the planned local government reforms, the impact of COVID-19 on Council operations, and a significant ratepayer (Norske Skog) ceasing operations. Therefore, the risk associated with these had increased.

The attached schedule lists Council's significant risks and the mitigations that Council has in place. Also, two further risks have been identified and added to the schedule for consideration.

3 Risk Updates

The attached schedule of risks has been reviewed by management, with two additional significant risks being identified and added to the schedule as follows:

- Geothermal Significant Event – the risk of a geothermal event damaging Council assets and property, or potentially causing injury or death.
- Cyber Attacks – this risk has increased significantly in the last few years, with recent examples of organisations being either locked out of their computer systems or private information being stolen.

A risk assessment has been completed for the additional risks above, including Council's actions to mitigate the risks.

There have been no other changes to the risk assessments, however the risk assessment of the Global Pandemic (Covid-19) may be worth reviewing.

On-going insurance is a key component in mitigating financial losses for Council should there be a significant event, such as an earthquake or floods that damages Council's assets and property. To provide all Elected Members with an understanding of the "current risk climate" and the cost of insurance, AON (Council's insurers) will be presenting at a Council Workshop on 12 July 2023.

4 RECOMMENDATIONS

1. That the report "Risk Register – Monitoring Report" be received.
2. That the Audit and Risk Committee consider and recommend any amendments to the identified risks.



Lee-Anne Butler, CA, BMS
Group Manager, Finance & Corporate Services

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Risk Register

(Material – High Level Risks)

Kawerau District Council

Updated: May 2023

RISK REGISTER

Definitions:

The common definitions for terms used in risk management documents, include:

- **Risk:** Effect of uncertainty on objectives.
- **Risk Management Strategy:** A structured approach for the assessment, management and mitigation of risk
- **Risk Management Process:** Systematic application of management policies, procedures and practices to the activities of communicating, consulting, establishing the context, and identifying, analysing and evaluating, treating, monitoring and reviewing risk.
- **Risk Mitigation:** Those measures that manage the risk.
- **Risk Owner:** Person or entity with the accountability and authority to manage/monitor a particular risk.
- **Risk Register:** A record of identified risks.
- **Risk Appetite:** The amount and type of risk that the Council is prepared to pursue, retain or tolerate.

Risk Management Strategy

Council's risk management strategy is: *to identify, assess and mitigate known risks to the point that Council determines is acceptable after taking into account the possible outcomes should the event occur and the cost of further mitigation.*

Risk Appetite

Risk appetite is the level of risk Council is prepared to tolerate before it takes action to reduce (or further reduce) the risk. It is not always practical or feasible to totally eliminate risk and to attempt to do so would not be value for money.

Council has adopted the **ALARP** principle (**As Low As Reasonably Practical**) after taking into account the likelihood and consequence of the particular risk as well as the cost of further mitigation, for the management of its risks. Very few risks can be reduced to zero – there will always be some level of potential risk.

Description	Risk	Impact	Raw Risk			Current Mitigation	Residual Risk (total)	Future Mitigation/Monitoring	Costs of future mitigation	Is Residual risk Acceptable? (ALARP)	Time-frame for further mitigation	Staff Responsible (monitoring & mitigation)
			Likelihood	Consequence	Total							
Local Government Reforms (3 reforms, RMA & Future of Local Government)	Potential changes to role/ structure of Council.	Changes to structure could have destabilising effect on district. Representation and local decision making powers may be reduced. Services may change. Conversely role/ structural changes could also be a positive benefit for the district.	5	5	25	No direct controls in place as Council unable to control central government decisions. However, keeping abreast of the emerging issues and having strategies to deal with proposed changes in place via workshops and regular Council briefings. Refinement and development of corporate processes ensures organisation is high functioning and resilient to any change. Also undertaking shared services where appropriate to ensure efficiencies and savings where possible. Provide feedback to central government on any possible negative outcomes of proposed reforms	4.5	Maintain close watching brief of possible central government changes. Submit on relevant consultation opportunities. Ongoing feedback to minister and prime minister of any negative consequences of reforms.	No additional costs identified although there will be indirect costs with staff needing to provide significant amount of information	No	N/A	CEO
			5	5	25							

Description	Risk	Impact	Raw Risk			Current Mitigation	Residual Risk (total)	Future Mitigation/Monitoring	Costs of any future mitigation	Is Residual Risk Acceptable? (ALARP)	Time-frame for further mitigation	Staff Responsible (monitoring & mitigation)
			Likelihood	Consequence	Total							
Environmental Impact												
Major earthquake	Natural significant regional disaster.	Assets destroyed, buildings destroyed and residents displaced. Utilities pipes broken, bridges collapsed. Injury and death. Public access denied.	3	5	15	<p>Civil defence planning and testing in place, Reserves Act powers, RMA powers, building code compliance. Insurance coverage annually. Earthquake prone and insanitary buildings review recommendations acted on over time.</p> <p>Earthquake assessments have been undertaken for all Council facilities and buildings.</p> <p>Earthquake strengthening for Concert Chamber (EOC) completed November 2017.</p> <p>All council buildings are now to code</p>	2,5 10	<p>On-going insurance of council assets to mitigate losses arising from earthquake.</p> <p>On-going civil defence education of staff and residents as to what to do in the event of an earthquake and how to prepare for a disaster</p>	Annual insurance cost for council assets Training for emergencies	Yes	On-going	GMOS

Description	Risk	Impact	Raw Risk			Current Mitigation	Residual Risk (total)	Future Mitigation/Monitoring	Costs of any future mitigation	Is Residual Risk Acceptable? (ALARP)	Time-frame for further mitigation	Staff Responsible (monitoring & mitigation)
			Likelihood	Consequence	Total							
Storm Events (Flooding and wind damage)	Climate change, extreme weather events increase including tornados. Widespread storm flooding over a sustained period of time.	Damage to assets, property, utility systems unable to cope, bridges washed out, streams and drains become torrents. Death and injury.	4	5	20	Civil defence, Reserves Act powers, RMA powers, District Plan (hazard zones), maintenance contract. Insurance for Council assets including infrastructure. Council financial reserves available to fund infrastructure replacement. Stormwater network, and improvements to capacity of stormwater system Removal of high risk trees	3,5 15	On-going insurance. Mitigation improvements are identified in the AMP's and LTP. Capital expenditure to improve stormwater capacity. On-going identification of at risk trees. Stormwater infrastructure will not mitigate possible damage for all heavy rain events and floods. Development of Climate Change action-plan	Annual insurance cost for council assets. Regular maintenance of stormwater systems Programmed capital expenditure on stormwater \$390K for 2023/34	No	2023/24	GMOS
Geothermal Significant Event	Natural significant geothermal event.	Damage to assets, property, utility systems due to a geothermal event. Risk to public of injury or death.	3	5	15	Monitoring of potential hot spots and restricting access to high risk geothermal areas on any Council land by the public. Fencing off any unsafe areas with active geothermal activity and have good signage warning of dangers.	2,5 10	On-going insurance of council assets to mitigate losses arising from an unexpected geothermal event. Continued monitoring of potential hot spots and restricting access. Ensuring good signage warning of danger.	Annual insurance cost for council assets. Fencing to restrict access and risk of issues. Monitoring of any areas of concern and assessing any issues that may arise.	Yes	On-going	GMOS

Description	Risk	Impact	Raw Risk			Current Mitigation	Residual Risk (total)	Future Mitigation/Monitoring	Costs of any future mitigation	Is Residual Risk Acceptable? (ALARP)	Time-frame for further mitigation	Staff Responsible (monitoring & mitigation)
			Likelihood	Consequence	Total							
Global Pandemic (COVID-19)	Pandemic will result in Council being unable to provide services to community. Staff could be exposed to virus	Restrictions to residents. Limited Council services provided. Reduced quality of life. Inability of community to pay for services. Council unable to keep staff safe	5	5	25	<p>Civil defence provisions, protective equipment for staff, restrictions to Council services to reduce spread. Communication with community concerning vaccinations and undertaking preventative practices</p>	5.4	Continued communication with the community. Continuing to follow MoH guidelines	No additional costs identified although could be potential loss of revenue (fees and rates – if job losses)	N	N/A	CEO

Description	Risk	Impact	Raw Risk			Current Mitigation	Residual Risk (total)	Future Mitigation	Costs of future mitigation	Is Residual Risk Acceptable? (ALARP)	Time-frame for further mitigation	Staff Responsible (monitoring & mitigation)
			Likelihood	Consequence	Total							
Human Resources												
Loss of institutional knowledge 41	Loss of key staff and with them institutional knowledge.	Inefficiencies and poor decision making in the absence of prior knowledge. Could be financial costs for fixing mistakes.	4	3	12	Business Improvement Teams documenting processes and making available on the Council intranet. Some succession planning being undertaken, but restricted by size of organisation and limited resources Significant work on AMPs during development of 2018-2028 LTP to provide asset information for the organisation.	4,2 8	Implement electronic document management system (EDMS) - Objective. On-going succession planning including management courses Ongoing improvements to asset data in AMPs.	Implementation of EDMS is likely to cost \$100k and management courses will be \$15k. There will be minimal additional costs to update and review Council's AMPs	Yes (mitigation will be on-going)	Ongoing	CEO
Organisational Structure	Inability to attract suitable staff.	Inability to effectively deliver services.	4	3	12	Ability to enter into service contracts and shared service arrangements. Competitive salary packages. Good work environment and reputation as good employer. Close proximity to larger towns with greater employee base.	3,3 9	Providing competitive salary packages by regularly obtaining market data. Continue providing excellent work environment Maintain good employer reputation	No additional cost	Yes	Ongoing	CEO

Description	Risk	Impact	Raw Risk			Current Mitigation	Residual Risk (total)	Future Mitigation	Costs of future mitigation	Is Residual Risk Acceptable? (ALARP)	Time-frame for further mitigation	Staff Responsible (monitoring & mitigation)
			Likelihood	Consequence	Total							
Fraud and Defalcation:												
42	Potential for fraud including the misappropriation of funds	Loss of ratepayer funds. Reputational risk. Lack of confidence in management and reporting	3	4	12	System of internal controls and policies/strategies in place. Police check for new employees Annual audit of Council's Annual Report and control systems. Auditors have identified potential weaknesses with current controls: <ul style="list-style-type: none"> • Journals may be cancelled • Lack of segregation when raising EPOs • Delays in preparing monthly reconciliations • SRs can be adjusted The cancellation of journals and amendments to SRs are permitted by Council's operating system (OZONE), however, there is only a limited number of staff that are able to do this, and Council considers the risk to be acceptable.	2,3 6	On-going review of internal controls. Review and update of policies/strategies in line with best practice. Annual review of Council's performance (financial and non-financial). Monthly reconciliation of bank accounts and reports to Council. High risk reconciliations always done in timely manner.	No significant additional costs identified to date.	Yes	Ongoing	CEO

Description	Risk	Impact	Raw Risk			Current Mitigation	Residual Risk (total)	Future Mitigation	Costs of future mitigation	Is Residual Risk Acceptable? (ALARP)	Time-frame for further mitigation	Staff Responsible (monitoring & mitigation)
			Likelihood	Consequence	Total							
Finance:												
Significant nature of major ratepayers	That one or more of these ratepayers ceases to exist	Ratepayer burden increases jeopardising sustainability of Council long term.	5	4	20	Involvement in economic development to increase the rating base and reduce reliance on a few individual ratepayers	5,3 15	On-going involvement in economic development to encourage development and increase the rating base. Reviewing revenue and costs to reduce impact.	On-going cost of providing economic development activity. Also cost of reduced revenue to community	No	Ongoing	EDM

Description	Risk	Impact	Raw Risk			Current Mitigation	Residual Risk (total)	Future Mitigation/Monitoring	Costs of future mitigation	Is Residual risk Acceptable? (ALARP)	Time-frame for further mitigation	Staff Responsible (monitoring & mitigation)
			Likelihood	Consequence	Total							
Information Technology Systems												
Cyber Attacks 44	Risk that Council's data is hacked by a cyber attacker, with data stolen or inability to use Council computer systems due to being locked out.	Access to Council computer systems is blocked, normal business processing is stopped. Council database data is stolen, breaching privacy and possible illegal use of personal data.	3	4	12	<p>Back-up of Council data is performed daily, with back up data kept in a managed data centre (BOPRC), with back-ups easily retrievable.</p> <p>Processes and procedures are in place to minimise threats, including fire walls, client npoint protection, multifactor authentication, all computers behind secure doors and extra security for server room.</p> <p>Training and awareness of all staff and Elected Members to minimise the opportunity for threats to occur.</p>	2,3 6	<p>Continual investment in technology and software to protect against threats.</p> <p>Continual training and awareness of all staff and Elected Members of potential threats.</p> <p>Adoption of best practice for IT systems and solutions.</p> <p>Ensure qualified and trained IT staff to monitor and maintain security standards.</p>	<p>On-going cost for technology and software to protect against threats.</p> <p>Training and cyber awareness programs to keep staff up to date on potential issues</p>	Yes	On-going	GMFCS

Description	Risk	Impact	Raw Risk		Current Mitigation	Residual Risk (total)	Future Mitigation/Monitoring	Costs of future mitigation	Is Residual risk Acceptable? (ALARP)	Time-frame for further mitigation	Staff Responsible (monitoring & mitigation)
			Likelihood	Consequence							
Service Delivery											
Infrastructure planning not adequate	Unplanned asset failure. Assets not where thought to be. Insufficient capacity or over capacity Renewal of assets undertaken when not needed.	Essential services not able to be provided. Repairs and reconstruction costs prohibitive. Residents / businesses unable to function.	2	4	8	1,4 4	Project management, business case and procurement practices are in place. On-going review of AMPs (living documents) and community's need for infrastructure	No additional costs except for on-going renewal of infrastructure (as identified in AMPs)	Yes	Ongoing	GMOS
Land supply	Significant portion of undeveloped land held in private ownership.	Inability to access sufficient land for development and therefore town stagnates.	3	3	9	2,3 6	On-going liaison with major land owners	Unknown	Yes	Likely to be ongoing	EDM

Description	Risk	Impact	Raw Risk			Current Mitigation	Residual Risk (total)	Future Mitigation/Monitoring	Costs of future mitigation	Is Residual risk Acceptable? (ALARP)	Time-frame for further mitigation	Staff Responsible (monitoring & mitigation)
			Likelihood	Consequence	Total							
Capital projects	<p>Risk that completed project is not fit for purpose.</p> <p>Risk that capital projects are poorly managed and costs are not affordable.</p>	<p>Capital project costs going over budget Council's reputation is affected.</p> <p>Council doesn't adhere to Annual Plan/LTP commitments. Potential level of service may not be achieved.</p>	3	4	12	<p>The Council approval process for capital projects is required by legislation to be undertaken as part of the existing Annual Plan process and included in the Annual Plan budget setting.</p> <p>Monthly monitoring of capital projects</p> <p>Quarterly reporting of all significant capital projects to be reported to Council.</p> <p>Retention and contractual recourse to remedy.</p> <p>Critical Path Plans for all significant projects.</p> <p>Health and Safety completion audit. Implementation of project management policy and methodology.</p>	2,4 8	<p>On-going requirement for all new proposed capital projects are to be presented to Council as part of the Annual Plan / Long-Term Plan process.</p> <p>On-going staff training in project management.</p>	<p>Additional costs will be incurred as part of any business improvement process.</p> <p>These are not expected to be significant.</p>	Yes	Ongoing	GMOS

Description	Risk	Impact	Raw Risk			Residual Risk (total)	Future Mitigation	Costs of future mitigation	Is Residual Risk Acceptable? (ALARP)	Time-frame for further mitigation	Staff Responsible (monitoring & mitigation)
			Likelihood	Consequence	Total						
Legal and Regulatory											
Council negligence or mismanagement of an issue or non-compliance with legislation.	Litigation, Reputational Risk	Lack of trust and confidence in Council. Possible statutory management.	2	4	8	1,4 4	<p>Centralised communications management.</p> <p>Use of independent internal audit programme.</p> <p>Staff training on compliance required for activities.</p> <p>Improvements made to Council activities and processes as a result of audit findings, review of essential processes as part of the Business Improvement Teams.</p>	<p>Training for staff.</p> <p>Ongoing legal advice. No additional costs for business improvements.</p> <p>Business as usual.</p>	Yes.	On-going	CEO
Health and Safety											
Health and safety.	Council does not meet its requirement to be a responsible employer and/or does not comply with the Health and Safety in Employment Act.	<p>Possible avoidable death and injury.</p> <p>Reputational risk.</p> <p>Costs of not being a good employer.</p>	4	5	20	2,5 10	<p>Health and Safety external and internal audits regularly performed including audits of Council's contractors.</p>	No significant additional costs identified to date.	Yes	Ongoing	CEO

Risk Summary

		Likelihood					Consequence						
		5 Likely (>60%)	4 Moderate (25% - 60%)	3 Rare (5% - 25%)	2 Very Rare (1% - 5%)	1 Unanticipated (<1%)	1 Minor	2 Moderate	3 Significant	4 High	5 Extreme		

Key: Risk Total = Likelihood x Consequence

