

**The Meeting of the
Audit and Risk Committee will be
held on Monday 4 December 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 4 December 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 – 2 October 2023

Pgs. 1 - 2

Recommendation

That the minutes of the Audit and Risk Committee Meeting held on 2 October 2023 be confirmed as a true and accurate record.

2 Health, Safety and Wellbeing Report for Period 1 September 2023 – 31 October 2023 (Group Manager, Regulatory and Planning (509500))

Pgs. 3 - 11

Attached is the report from the Group Manager, Regulatory and Planning covering Health, Safety and Wellbeing report for period 1 September 2023 – 31 October 2023.

Recommendation

That the report “Health, Safety and Wellbeing report for period 1 September 2023 – 31 October 2023” be received.

3 Treasury Report to 31 October 2023 (Group Manager, Finance and Corporate Services) (110551)

Pgs. 12 - 15

Attached is a Treasury report from the Group Manager, Finance and Corporate Services covering the period to 31 October 2023.

Recommendation

That the report “Treasury report to 31 October 2023” be received.

4 **Annual Plan Performance for the Twelve Months Ended 30 September 2023 (Group Manager, Finance and Corporate Services) (110400)**

Pgs. 16 - 19

Attached is a report on the Annual Plan Performance for the 12 months ended 30 September 2023

Recommendation

That the report “Annual Plan Performance for the 12 months ended 30 September 2023” be received.

C Marjoribanks
Interim Chief Executive Officer

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**Kawerau District Council Minutes of an
Audit and Risk Committee held on 2 October 2023
commencing at 1.00pm**

Present: Philip Jones – P J Associates (Chair)
Her Worship the Mayor – F K N Tunui
Deputy Mayor – A Rangihika
Councillor B J Julian

In Attendance: Chief Executive Officer (R George)
Group Manager, Finance and Corporate Services (L Butler)
Group Manager, Regulatory and Planning (M Glaspey)
Administration Officer (T Barnett)

Apologies

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

Apologies from Councillor Ion were received.

Declarations of Conflict of Interest

No conflicts of interest were received.

1 CONFIRMATION OF AUDIT AND RISK COMMITTEE MINUTES

1.1 Audit and Risk Committee – 7 August 2023

Resolved **Her Worship the Mayor / Chair Jones**

That the minutes of the Audit and Risk Committee Meeting held on 7 August 2023 be confirmed as a true and accurate record.

2 Health, Safety and Wellbeing Report for Period 1 July 2023 – 31 August 2023 (Group Manager, Regulatory and Planning (509500))

Attached is the report from the Group Manager, Regulatory and Planning covering Health, Safety and Wellbeing report for period 1 July 2023 – 31 August 2023.

Correction – Page 4 – Item 3 Incident and Injury Report – Figures on Outcomes of Incidents to be updated, and Shape Objects to be changed to Sharp Objects.

Resolved **Deputy Mayor Rangihika / Councillor Julian**

That the report “Health, Safety and Wellbeing report for period 1 July 2023 – 31 August 2023” be received.

3 Treasury Report to 31 August 2023 (Group Manager, Finance and Corporate Services) (110551)

The Committee received a Treasury report from the Group Manager, Finance and Corporate Services covering the period to 31 August 2023.

Resolved

Chair Jones / Her Worship the Mayor

That the report "Treasury report to 31 August 2023" be received.

4 Annual Plan Performance for the Twelve Months Ended 30 June 2023 (Group Manager, Finance and Corporate Services) (110400)

The Committee received the report for the Annual Plan Performance for the Twelve Months Ended 30 June 2023.

Resolved

Deputy Mayor Rangihika / Her Worship the Mayor

That the report "Annual Plan Performance for the Twelve Months Ended 30 June 2023" be received.

5 Three Waters Risk Monitoring Report (Group Manager, Finance and Corporate Services) (201000)

The Committee received the Three Waters Risk Monitoring Report.

**Resolved
Rangihika**

Councillor Julian / Deputy Mayor

1. That the report "Three Waters Risk Monitoring Report" be received.

2. The Audit and Risk Committee had no further recommendations for any further actions that were considered to mitigate the risks.

Meeting closed 1.49pm

P Jones

Chairperson

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Meeting: Audit and Risk Committee

Meeting Date: 4 December 2023

Subject: **Health, Safety and Wellbeing Report for period – 1 September 2023 – 31 October 2023**

File No: 509500

1 Purpose

This report provides a summary of the activities Kawerau District Council undertakes to meet the requirements of the Health and Safety at Work Act 2015 and our efforts to ensure everyone goes home healthy and safe.

2 Executive Summary

The core systems and controls in place to manage Council's health, safety and wellbeing risks include:

- Ensuring Elected Members and all Council Staff are aware of their specific and general duties under current Health and safety legislation, through inductions and training.
- Development of a health and safety culture that encourages the identification, reporting and mitigation of new and existing health, safety and wellbeing risks, with ongoing risk monitoring and reviews.
- Dedicated Health and Safety Officer engaged to monitor compliance with health and safety legislation, driving continuous improvement and continual learning.
- Maintaining an effective Health and Safety Committee by engaging with staff, which enables participation and provides leadership, guidance and support across the organisation to better inform health and safety decisions and policies for Council staff, contractors and visitors.
- Implementation of health, safety, and wellbeing software (BWARE) to enable reporting, investigation and ongoing monitoring of identified risks.
- Provision of an employee assistance programme, a wellbeing service, policies and training for staff.

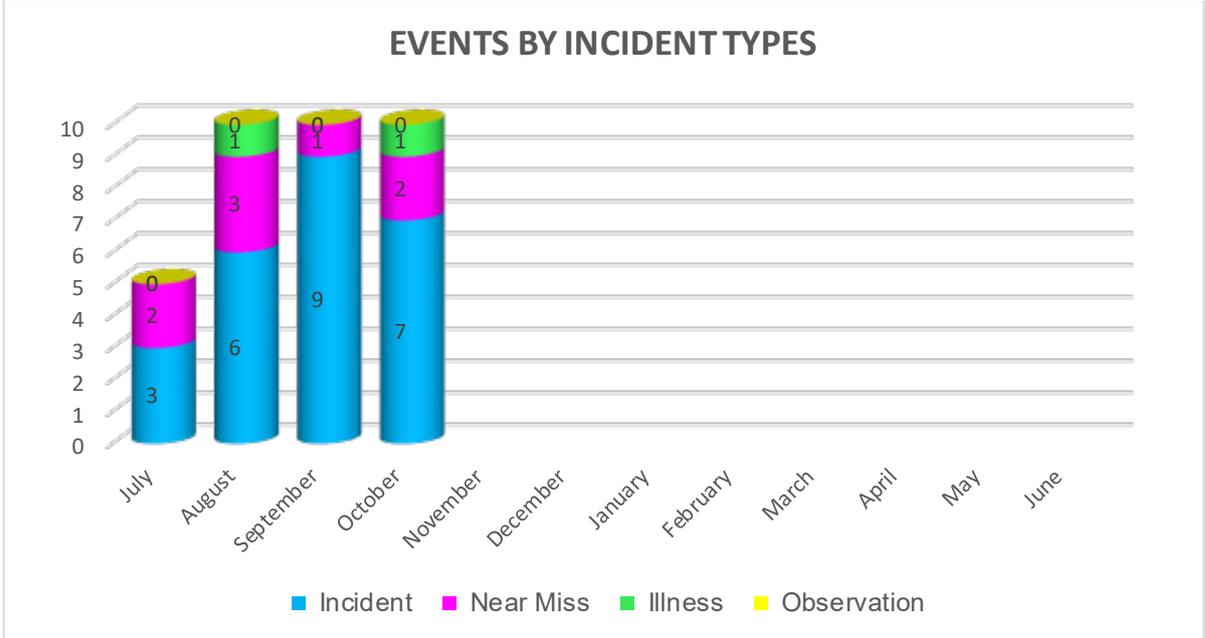
The key items which elected members should note from this report are:

- A total of 20 incidents reported for the two month period of 1 September 2023 to 31 October 2023.
- No notifiable events.
- Contractor site safety monitoring is completed for the year meeting this year's key performance indicators (10 per year).

3 Incident and Injury Reporting

**Incidents for period - 1 September 2023 – 31 October 2023
(Brackets – Year to Date)**

Incidents 17 (26)	Near Miss 5 (8)	Illness 1 (1)	Observations 0 (0)
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Note: Illness does not include Covid - 19 cases, these are sicknesses such as breathing issues, heat exhaustion, dehydration

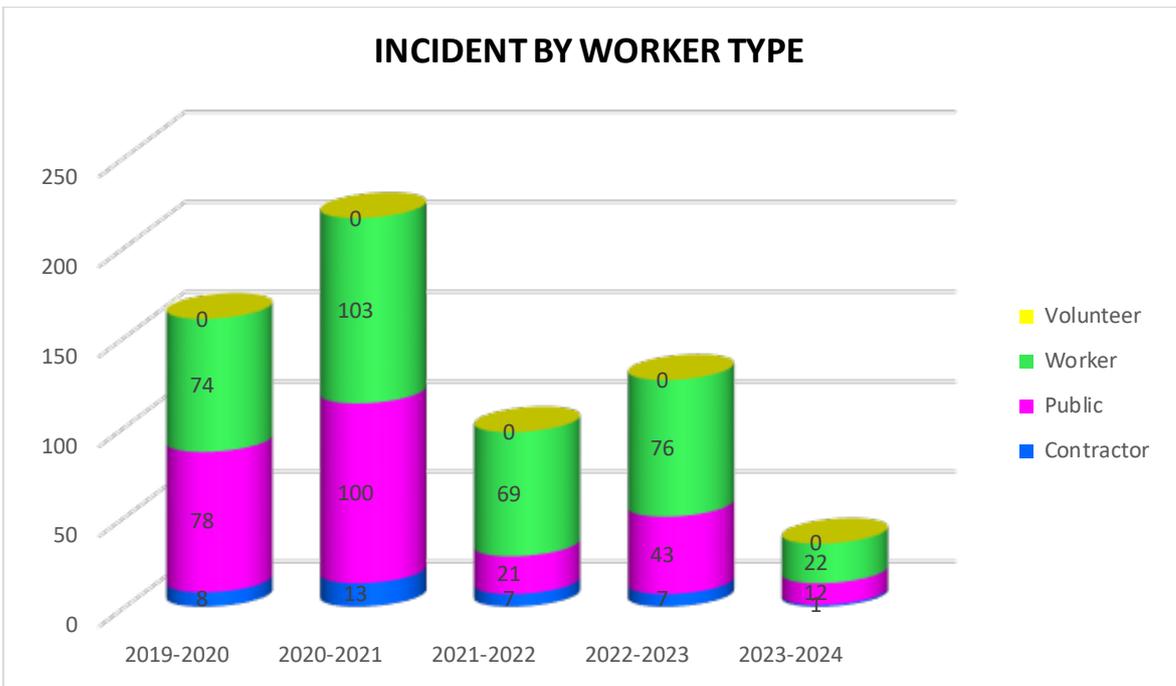
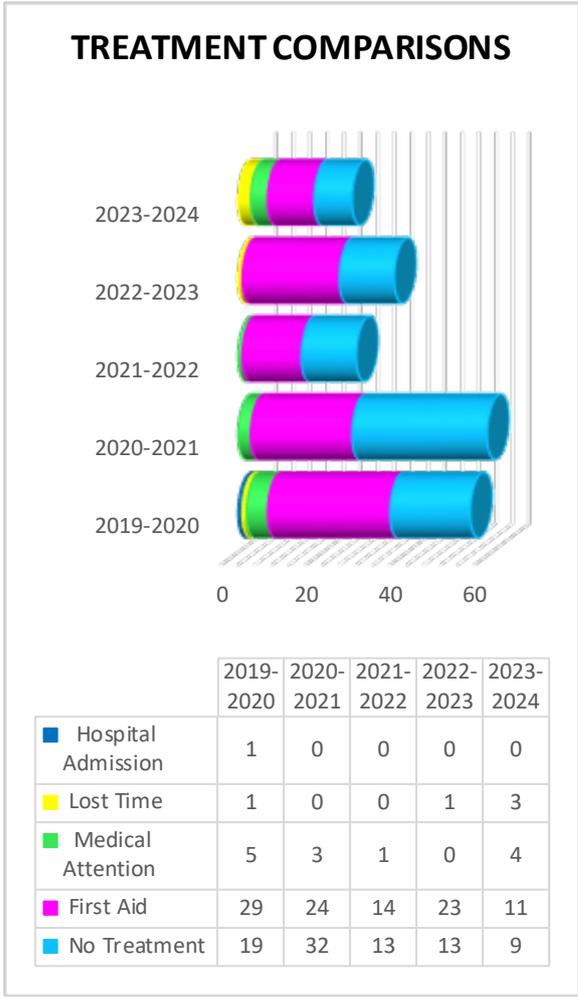
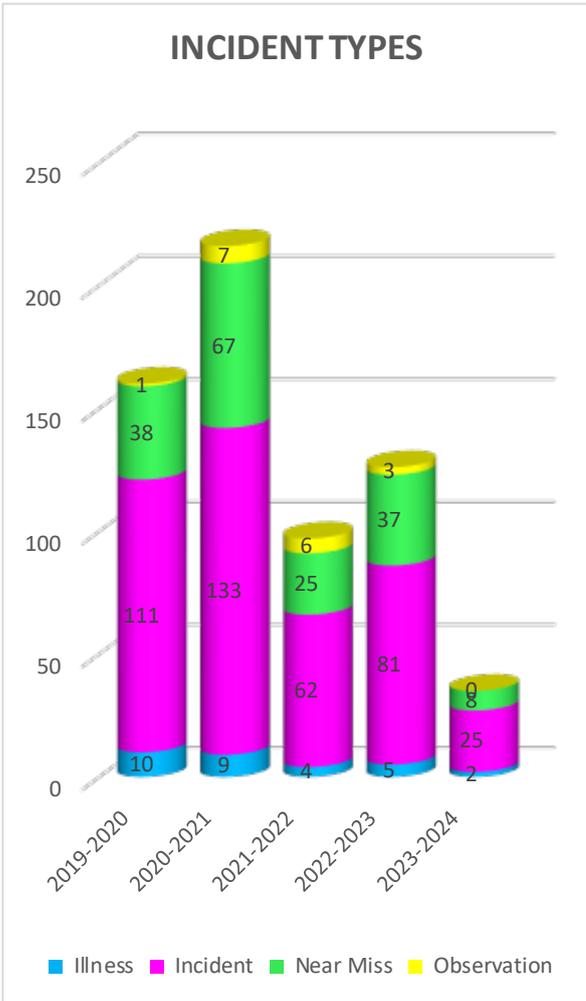
**Incidents Risk Type and Treatment for Period
1 September 2023 – 31 October 2023**

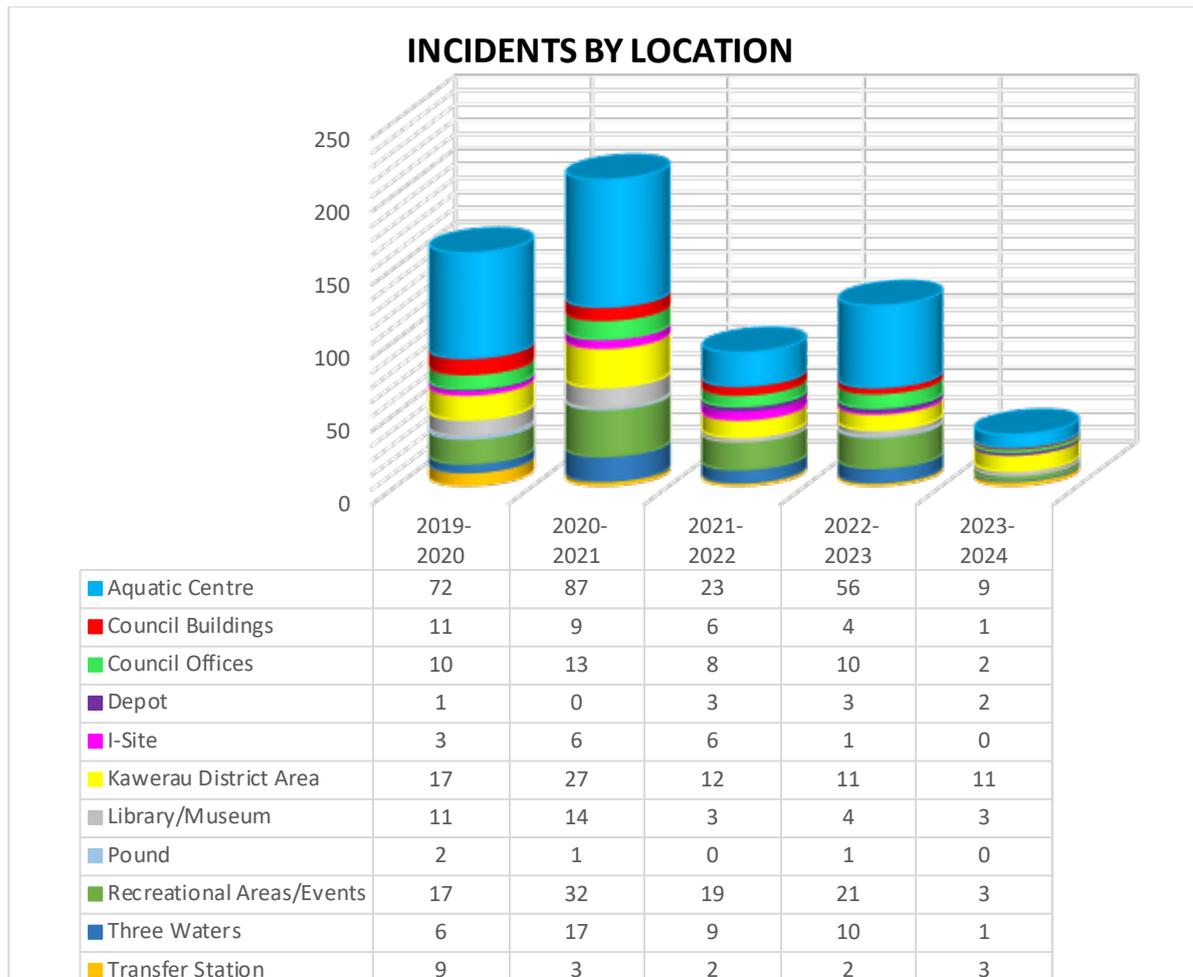
Events by Critical Risk	
Public/People/ Customers	4
Stress	0
Slips, Trips and Falls	2
Lone Working	0
Manual Handling	8
Other *	6

Outcome of Incidents	
No Treatment	9
First Aid	5
Medical Treatment	2
Lost Time	1
Hospital	0
*Does not include Near Misses	
Investigations Required	
Formal Investigation	0
Work Safe Investigation	0

* Other – Driving Vehicle (minor accident, potholes), Sharp Objects (Glass), Hot water cylinder, Work completed with no Traffic Management Plan, Illness

Incidents and Treatment Comparisons





**Potentially Critical Events/Critical Events
1 September 2023 – 31 October 2023**

Event	Critical Risk	Potential Consequence	Actual Consequence	Controls and Status
Wrist cut by broken glass on recycling truck	Needles/ Syringes/ Sharp Objects	High	Low	<ul style="list-style-type: none"> • Good Housekeeping. • Operator training • PPE to be worn Investigation to be completed.
Community member fell and hit head on footpath	Slips, Trips and Falls on the same level	High	Medium	<ul style="list-style-type: none"> • Good Housekeeping. No contributing factors identified that could have been improved.
Staff threatened by member of public when leaving work	Violence, Aggression and/or Assault	High	Low	<ul style="list-style-type: none"> • Customer Conflict Training • Dealing with Abusive Customers Process Staff tried to de-escalate. Team Leader followed up on staff wellbeing. Public member was not local – trespass was recommended if identified

Minor Vehicle Crash – damage to Council property – no injury	Driving/ Vehicle	High	Medium	<ul style="list-style-type: none"> • Safe Driving Policy • Depot speed limit • Designated parking for set equipment • One way system <p>Staff had followed all processes Window repaired – stay to be attached to reduce further risk.</p>
Intoxicated person acting inappropriately in pools and refusing to leave	Violence, Aggression and/or Assault	High	Low	<ul style="list-style-type: none"> • Customer Conflict Training • Dealing with Abusive Customers Process <p>Staff handled situation well – Member of public was not drinking on site. Staff worked together to remove person without altercation although they were not happy. Member of the public verbally excluded from the pools.</p>
Staff injured while removing guard from pruning saw	Manual handling	High	Low	<ul style="list-style-type: none"> • Manual Handling Training <p>First Aid provided and tetanus shot given. Staff reminded how to remove guard safely.</p>
Staff cracked rib while adjusting valve in wet well	Manual Handling	High	Medium	<ul style="list-style-type: none"> • Manual Handling Training <p>Medical Treatment sort Recommended use T bar (tap key) rather than leaning into well. T bar available for this purpose.</p>

KEY:

High	Potential or actual consequence which is serious in nature and could cause medium to long term loss of time (over a week), hospitalisation or significant damage to property
Medium	Potential or actual consequence which is moderate in nature and could cause short term loss of time (under a week), medical treatment, or damage to property.
Low	Potential or actual consequence which is minor in nature resulting in no loss of time, no medical treatment (first aid only) and minimal damage to property.

4 Health, Safety and Wellbeing Risk Related Activities

Health, Safety and Wellbeing Related Activities		
Risk	Key Activity	Planned Activity
General Health and Safety Risk Management Programme	<ul style="list-style-type: none"> • New Staff inducted - 9 • Monthly meeting ongoing – fully staffed • <u>BWARE</u> – Monthly reports now setup for Leadership Team with dashboards for easy access to key information. • Review of top 5 critical risks underway, with the idea of extending to the top 10. Health & Safety Reps working with their teams to determine key risks in each workplace – looking for common risks. • Health & Safety Committee completed site visit to the Waste Transfer Station on 5 October 2023. • <u>BWARE</u> software – checklists and forms now being developed for use across the organisation 	<ul style="list-style-type: none"> • Arrange for a SafePlus audit (a performance improvement initiative) to be completed. Was scheduled for late 2023, however pushed out until 2024 with the aim of getting engagement from staff. • Review top 5 critical risks, with the idea of extending to the top 10 – Ongoing - currently with teams to name 5 top risks within their respective work areas, to identify the main risks across the organisation. • Guest speaker from My Everyday Wellbeing booked for December for the Health and Safety Committee • Re-establish the Wellbeing Committee
Contractor Management	<ul style="list-style-type: none"> • Two contractor audits completed -<u>Fencing Contractor</u> – Site inspection completed -<u>Flooring Contractor</u> – Site inspection completed. 	<ul style="list-style-type: none"> • One contractor audit to be completed each month (except December and January).

Risk	Key Activity	Planned Activity
Training	<ul style="list-style-type: none"> • First Aid Training – (6) • Customer Conflict Training – (38) • Mental Health Training 101 – (47) • Bullying and Harassment training – (14) • Bullying and Harassment training Managers – (10) • Manual Handling Training – (8) • STMS (A) & (B) – (3) • STMS – U STMS Traffic Management Specialist (3) • Confined Space & Gas Detection (1) 	<ul style="list-style-type: none"> • Customer Conflict Training Booked - November • Drug and Alcohol Awareness Training Booked - November • Organise Dangerous Dog Training for Outdoors Staff
Policy Reviews	<ul style="list-style-type: none"> • Trespass Policy – “Dealing with Abusive Customers Process” added to Trespass Policy. Policy now approved • Drug and Alcohol Policy – Reviewed and Updated, consultation being undertaken with staff • Workplace Stress & Fatigue Policy – rewrite completed to modernise and incorporate staff wellbeing 	<ul style="list-style-type: none"> • Drug and Alcohol Policy – Finalise consultation with staff • Workplace Stress & Fatigue Policy – ongoing - rewrite required to modernise and incorporate staff wellbeing
Risk Reviews	<ul style="list-style-type: none"> • Sun Risk – Reviewed risk with summer approaching. Policy developed to provide standard requirements for staff – this is yet to be reviewed and approved by the Health & Safety Committee and Leadership Team 	<ul style="list-style-type: none"> • Sun Policy – Introduction of new policy to Health and Safety Committee and Leadership Team. • Implement a risk review programme to ensure all risks are reviewed regularly. Critical risks are currently being reviewed – Programme will be implemented once completed.

Risk	Potential Score	Risk	Activity	Planned Activity	Desired Risk level outcome (as per risk matrix)
Sun – UV Radiation	High		<ul style="list-style-type: none"> Develop proposed sun protection policy to go along with current practices <ul style="list-style-type: none"> - hats, sunscreen, skin checks 	<ul style="list-style-type: none"> Health and Safety Committee to review policy and make any recommendations prior to Leadership Team sign off. 	Medium

5 Health and Wellbeing

Health and Wellbeing

Emergency Readiness

Automatic External Defibrillators (AED's) available at Aquatic Centre and District Office

Emergency Response Team has been developed and training to be completed

General Health

Skin Checks available for Staff until December

Vaccination programme includes vaccinations for influenza and other role specific vaccines such as Hep A, B & tetanus

Seasonal Information Awareness Email send (Heat, Sun and Fire)

Wellbeing initiatives

Employment assistance programme provided by Vitae

Thoughtful Thursday Emails introduced – addressing wellbeing topics

Health Monitoring

Health monitoring completed for 2023.

Ongoing random drug testing and pre-employment drug testing

6 RECOMMENDATION

That the report "Health, Safety and Wellbeing Report for period - 1 September 2023 – 31 October 2023" be received.

Michaela Glaspey

Group Manager Regulatory and Planning

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Meeting: Audit and Risk Committee

Meeting Date: 4 December 2023

Subject: **Treasury Report to 31 October 2023**

File No: 110551

1 **Purpose**

The purpose of this report is to inform members of the funds held by Council as at 31 October 2023 and provide explanations for any significant variances from the previous year.

2 **Background**

This report was presented to the Regulatory and Services Committee on 15 November 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 than in previous years 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 2022, which was used to fund the water reticulation renewal project. The interest rate for this loan is 5.75% (fixed) and the maturity date is April 2025. On the 26th of October the next \$2m loan for the water reticulation project was uplifted, with a fixed interest rate of 6.5% with the maturity date of 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 31 October 2023:

	October 2023	October 2022
Reserve Funds		
Depreciation Funds*	\$4,869,600	\$2,805,185
Total Special Funds	\$4,869,600	\$2,805,185
General Funds	\$73,554	\$258,344
Total – comprising cash & internal loans	\$4,943,154	\$3,063,529

* This includes loan funds uplifted.

The figures show that overall Council has \$1,879,625 additional funds at the end of October than this time last year, however the October 2023 balance includes funds from the \$2m loan that was uplifted in December 2022 and the new \$2m loan funds that Council uplifted on 26 October 2023 to pay for the water asset renewals.

Overall Council's cashflows for the last year have continued to be lower than previous years, as Council has short term cash funds invested in the Central Cove sections and Porritt Glade units that will become realised cash funds once they are sold and have occupation agreements, respectively.

The following funds were held at 31 October 2023:

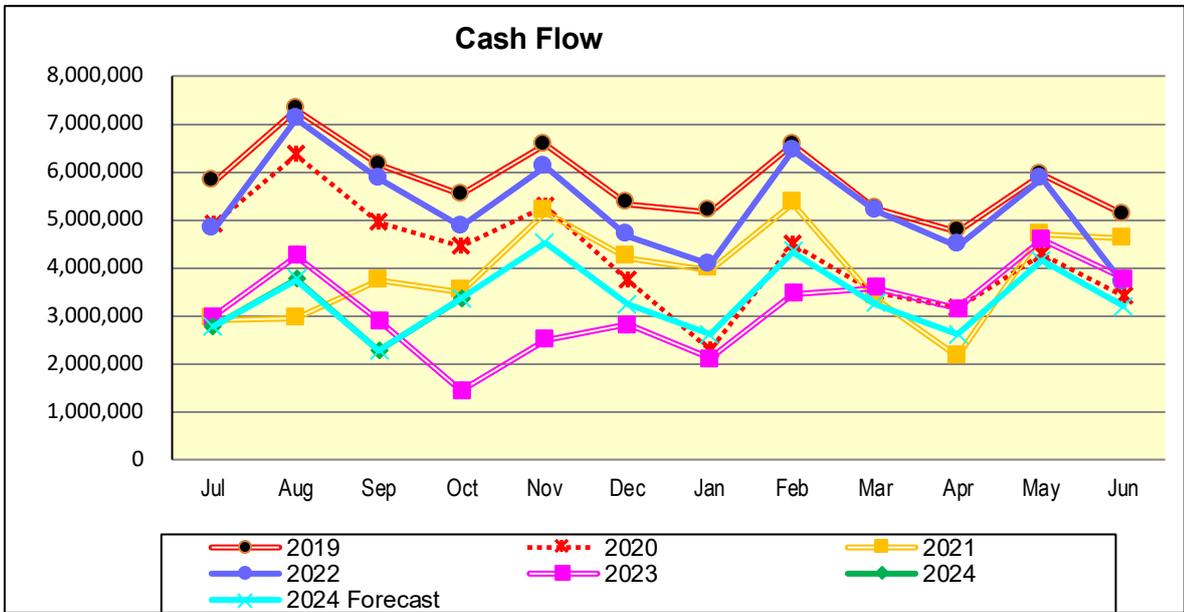
Invested in	\$	Mean Interest	% External
ANZ – on call	790	0.9%	0.02%
BNZ – current & on-call	3,323,701	3.0%	99.29%
Rabobank (on-call)	23,025	4.3%	0.69%
Total Funds (Cash)	3,347,516		100.0%
Internal Loans	1,595,638		
Total Investments	4,943,154		

4 RECOMMENDATION

That the report "Treasury Report to 31 October 2023" be received.



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



Please note that the 2023 actual cashflow is the same as the forecast cashflow for the months year to date.

Meeting: Audit and Risk Committee

Meeting Date: 4 December 2023

Subject: Annual Plan Performance for the three months ended 30 September 2023

File No.: 110400

1 Purpose

The purpose of this report is to review and compare Council's actual financial and non-financial performance for the three months to 30 September 2023 with the Annual Plan for 2023/24.

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

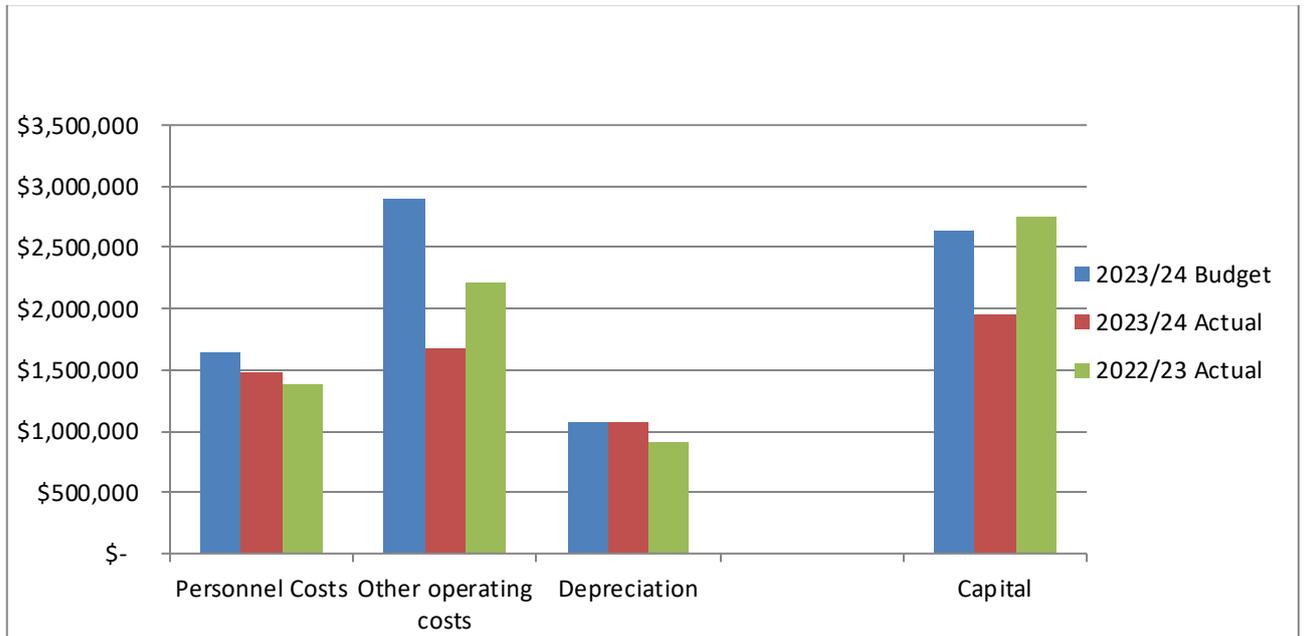
The following table shows Council's financial performance for the 3 months compared to the adopted annual budget. The capital budget for 2023/24 has been amended to include the carried forward figures as well as any budget amendments approved by Council.

NB: There will be timing differences for some revenue and expenditure.

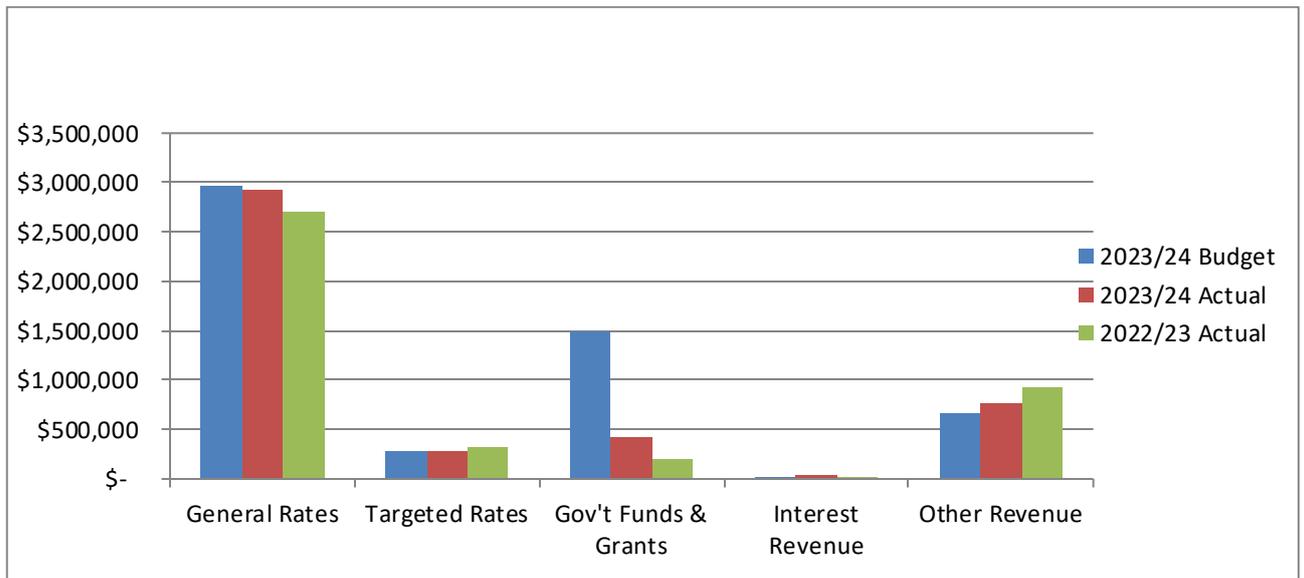
	Adopted Budget	Actual 30-06-2024	Comments
Revenue:	\$	\$	
Rates	12,938,210	3,266,785	
Subsidies and Grants	5,596,530	423,070	Includes Stoneham Park Grant \$4.5m
Interest Revenue	97,530	46,376	
Fees and Charges	2,802,160	704,066	
Other Revenue	65,000	15,897	Petrol Tax
Total Revenue	21,499,430	4,456,194	
Expenditure:			
Personnel Costs	6,579,380	1,489,130	
Depreciation	3,973,210	1,074,872	
Finance Costs	177,500	8,943	
Other Expenses	11,553,390	1,660,177	
Total Expenditure	22,283,480	4,233,122	
Surplus (Deficit)	(784,050)	223,072	
	Revised Budget	Actual 30-06-24	
Capital Expenditure	10,734,953	1,946,493	

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

Expenditure to 30 September 2023



Revenue to 30 September 2023



2.2 Statement of Financial Position

The following table shows Council’s financial position at 30 September 2023 compared to the budget.

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

	Budget @ 30/6/2024	Actual at 30 September 2023	Comments
Assets:			
Current assets:			
Cash & cash equivalents	\$4,225,340	\$2,546,528	
Receivables	\$2,413,360	\$1,356,022	
Inventories	\$417,910	\$1,946,397	Includes sections
Non-current assets:			
Property, plant and equipment	\$114,957,740	\$110,354,368	
Intangible assets	\$85,500	\$99,379	
Other financial assets	\$36,250	\$86,252	
Total Assets	\$122,136,100	\$116,388,946	
Liabilities:			
Current liabilities:			
Payables, provisions & employee benefits	\$4,272,580	\$2,879,149	
Resident's Liability	0	\$7,609,752	Porritt Glade
Borrowing	\$2,000,000	\$0	
Non-current liabilities:			
Provisions & employee benefits	\$241,410	\$61,678	
Borrowing	\$2,000,000	\$2,000,000	
Residents Liability & Deferred Revenue	\$8,380,490	\$142,857	Budget is Porritt Glade Liability
Total Liabilities	\$16,894,480	\$12,693,436	
Ratepayers Equity	\$105,241,620	\$103,695,510	
Total liabilities & ratepayers equity	\$122,136,100	\$116,388,946	

2.3 Statement of Cashflow

The cashflow statement shows a decrease of \$1,232,973 in Council's cash position.

	Budget @ 30/6/2024	Actual to 30 Sept 2023	Comments
Cashflow from operating activities:			
Rates	\$12,261,580	\$3,376,331	
Subsidies & Grants	\$5,596,530	\$702,988	
Fees & Charges & Other Revenue	\$2,867,160	\$262,961	
Interest Received	\$97,530	\$46,376	
Payments to suppliers and employees	\$(16,654,010)	\$(3,066,362)	
Interest paid on debt	\$(177,500)	\$(8,943)	
Net cashflow from Operations	\$3,991,290	\$1,313,351	
Net cashflow from investing:			
Disposal of Assets/Contributions ORA	\$0	\$0	
Property, Plant & Equipment/Inventory	\$(6,727,700)	\$(2,546,324)	
Net cashflow from investing:	\$(6,727,700)	\$(2,546,324)	
Net cashflow from financing:			
Loans raised	2,000,000	\$0	
Debt repayment	\$(16,500)	\$0	
Net cashflow from financing	\$1,983,500	\$0	
Total Net cash inflow/(outflow)	\$(752,910)	\$(1,232,973)	
Opening balance (1/7)	\$4,978,250	\$3,779,501	
Closing cash balance	\$4,225,340	\$2,546,528	

3 Capital Expenditure

The following is Council's capital budget (including carry forwards and amendments) and expenditure for the first three months to 30 September 2023.

Activity	2023/24 Budget	Actual	Comments
Economic & Community Development	\$61,800	\$4,550	
Environmental Services	\$600,000	\$0	New Dog Pound
Roading	\$1,384,500	\$6,468	
Stormwater	\$380,000	\$19,457	
Water Supply	\$3,772,600	\$340,063	Pipe renewals
Wastewater	\$2,278,600	\$623,963	WW pipe renewals
Solid Waste	\$30,000	\$6,291	
Leisure & Recreation	\$1,733,650	\$630,716	Rangi Delamere Pavilion
Plant, Depot and Office	\$493,800	\$314,985	New plant/vehicles, PCs & office building renewals
Total	\$10,734,950	\$1,946,493	

4 Non-Financial Performance

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

Activity	2023/24 No. of Targets	On Target to Achieve 2023/24	2022/23 Achievement Rate
Democracy	3	3	33%
Economic & Community Development	5	5	80%
Environmental Services (excludes N/As)	11	8	64%
Roading (including Footpaths)	7	3	57%
Stormwater	3	3	100%
Water Supply	12	12	83%
Wastewater	7	5	43%
Solid Waste Management	2	2	50%
Leisure and Recreation	13	8	58%
TOTAL	63	49	65%

5 RECOMMENDATION

That the report "Annual Plan Performance for the year ended 30 September 2023" be received.



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