



# Waitaki

DISTRICT COUNCIL

TE KAUNIHERA Ā ROHE O WAITAKI

I hereby give notice that the  
**Performance, Audit and Risk Committee Meeting**  
will be held on:

**Date:** Tuesday, 3 August 2021  
**Time:** 9.15am  
**Location:** Council Chamber, Third Floor  
Office of the Waitaki District Council  
20 Thames Street, Oamaru

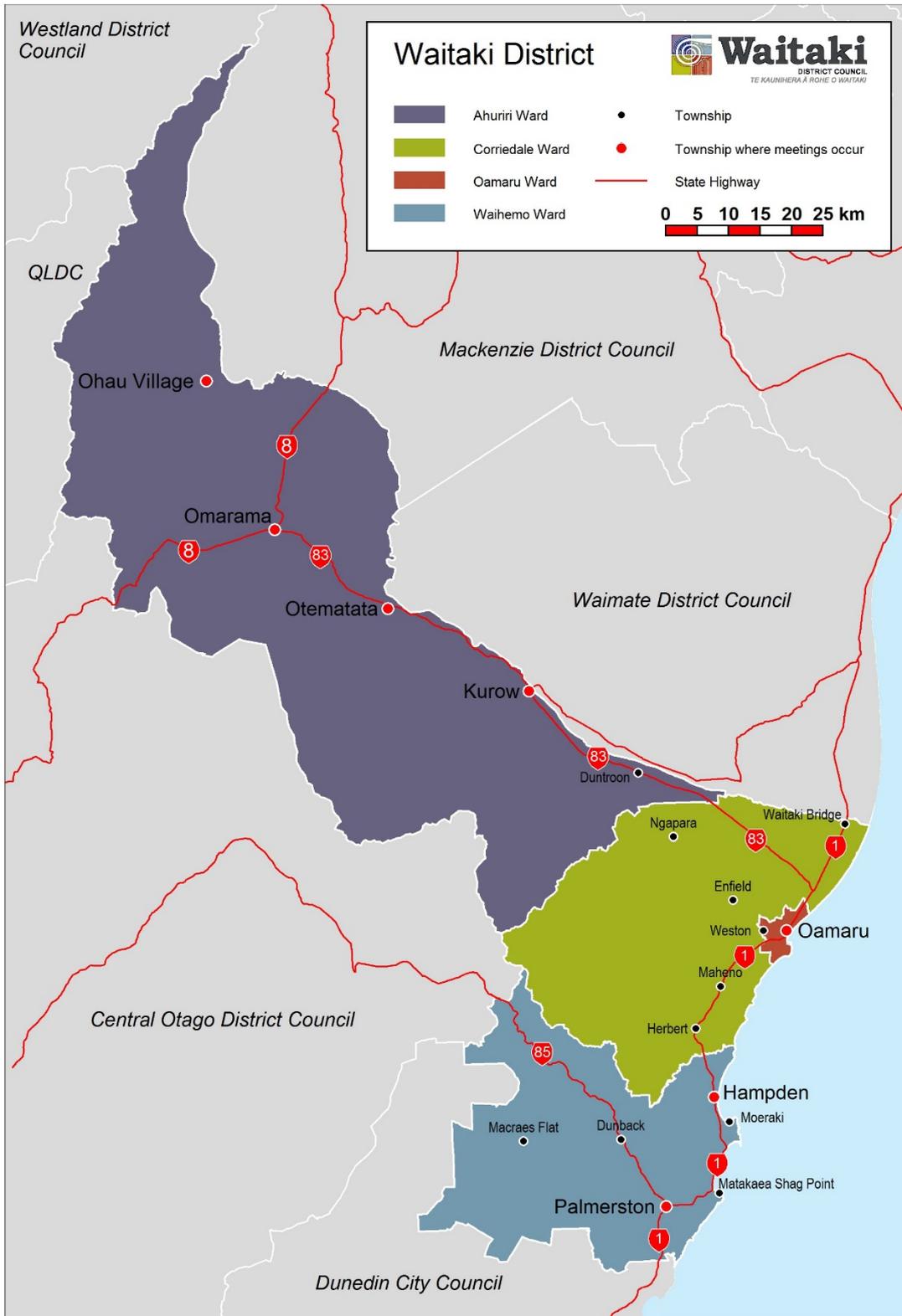
## Agenda

### Performance, Audit and Risk Committee Meeting 3 August 2021

#### Performance, Audit and Risk Committee Membership

Cr Colin Wollstein	Chair
Cr Jeremy Holding	Associate Chair (Information Services)
Cr Ross McRobie	Associate Chair (Risk)
Cr Hana Halalele	Member
Cr Jim Hopkins	Member
Cr Bill Kingan	Member
Cr Guy Percival	Member
Mayor Gary Kircher	Member
Mr Simon Neale	Independent Member

**Alex Parmley**  
Chief Executive



**STRATEGIC FRAMEWORK**

# Waitaki

# THE BEST PLACE TO BE!

Waitaki - Whenua taurikura

## EMPOWERING OUR PEOPLE AND PLACE TO THRIVE

Whakapuāwai takata, Whakapuāwai whenua

**COMMUNITY OUTCOMES**

*economic*

**PROSPEROUS DISTRICT**

- Attractive to new opportunities
- Support local businesses
- Foster a diverse and resilient economy

*social and cultural*

**STRONG COMMUNITIES**

- Enable safe and healthy communities
- Connected, inclusive communities
- Promoting a greater voice for Waitaki
- Celebration of our community identity

*environment*

**VALUED ENVIRONMENT**

- Protecting our diverse landscapes and water bodies
- Meeting environmental and climate change challenges

**STRATEGIC PRIORITIES**

Providing high-quality core infrastructure and services

Determining the best way to deliver 3-waters for the community

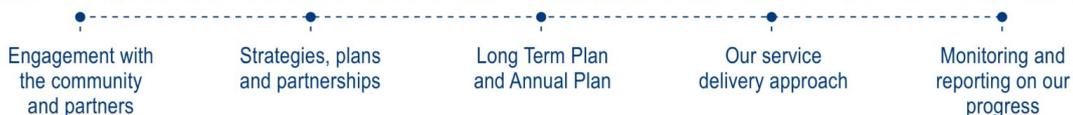
Working with the community to respond to COVID-19 challenges

Creating a District Plan that is fit for Waitaki's future

Striving towards better Council performance

Driving best value for rates

Ensuring we get core business done while delivering on our strategic priorities and achieving our community outcomes



## Agenda Items

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- 1 APOLOGIES**
- 2 DECLARATIONS OF INTEREST**

**3 CONFIRMATION OF PREVIOUS MEETING MINUTES**

**3.1 PUBLIC MINUTES OF THE PERFORMANCE, AUDIT AND RISK COMMITTEE MEETING HELD ON 18 MAY 2021**

**Author:** Ainslee Hooper, Governance and Policy Advisor

**Authoriser:** Lisa Baillie, People and Culture Group Manager

**Attachments:** 1. **Public Minutes of the Performance, Audit and Risk Committee Meeting held on 18 May 2021**

**RECOMMENDATION**

That the Performance, Audit and Risk Committee confirms the Public Minutes of the Performance, Audit and Risk Committee Meeting held on 18 May 2021, as circulated, as a true and correct record of that meeting.

**UNCONFIRMED MINUTES**

**OF THE PERFORMANCE, AUDIT AND RISK COMMITTEE MEETING  
HELD IN THE COUNCIL CHAMBER, THIRD FLOOR,  
OFFICE OF THE WAITAKI DISTRICT COUNCIL , 20 THAMES STREET, OAMARU  
ON TUESDAY, 18 MAY 2021 AT 2.00PM**

**PRESENT:** Cr Colin Wollstein (Chair), Cr Jeremy Holding (Associate Chair), Cr Ross McRobie (Associate Chair), Cr Hana Halalele, Cr Jim Hopkins, Cr Bill Kingan, Cr Guy Percival, Mayor Gary Kircher, and Mr Simon Neale (Independent Member)

**IN ATTENDANCE:** Cr Jim Thomson  
Fergus Power (Chief Executive)  
Paul Hope (Finance and Corporate Development Group Manager)  
Roger Cook (Acting Heritage, Environment and Regulatory Group Manager)  
Bill Chou (Information Services Group Manager)  
Ainslee Hooper (Governance and Policy Advisor)

**IN ATTENDANCE FOR SPECIFIC AGENDA ITEMS:**

Richard Maher (Finance and Corporate Development Operations Manager)  
Ian Wells (Accounting Manager)

**MEETING OPEN**

The Chair declared the meeting open at 2.00pm and welcomed everyone present.

**1 APOLOGIES**

**RESOLVED PAR 2021/030**

Moved: Cr Jeremy Holding  
Seconded: Cr Hana Halalele

That the apology received from Cr Jim Hopkins be accepted.

**CARRIED**

**2 DECLARATIONS OF INTEREST**

There were no declarations of interest.

### 3 CONFIRMATION OF PREVIOUS MEETING MINUTES

#### 3.1 PUBLIC MINUTES OF THE PERFORMANCE, AUDIT AND RISK COMMITTEE MEETING HELD ON 27 APRIL 2021

##### RESOLVED PAR 2021/031

Moved: Cr Jeremy Holding

Seconded: Cr Ross McRobie

That the Performance, Audit and Risk Committee confirms the Public minutes of the Performance, Audit and Risk Committee Meeting held on 27 April 2021, as circulated, as a true and correct record of that meeting.

CARRIED

### 4 DECISION REPORTS

#### 4.1 TREASURY STRATEGY, 2020-21 FINANCIAL YEAR - FOURTH QUARTER

The report, as circulated, proposed a Treasury Strategy for the fourth quarter of the 2020-21 financial year, a review of perceived benefits arising from Council's membership of the Local Government Funding Agency (LGFA), and consideration of a recommendation that Council commences preparatory work on an application for further loan funding from the same source.

Group Manager Paul Hope advised that this Treasury Strategy reflected the changed expenditure needs identified in the first year of the Long Term Plan (LTP). It was proposed to increase borrowings from the Local Government Funding Agency (LGFA) by \$10M.

There was discussion on the Alps 2 Ocean trail, and Accounting Manager Ian Wells advised that Council had spent \$2M on its construction, and the final claim had been just over \$1M. He also noted that the arrangement under the contract was that MBIE would fund 50% or thereabouts depending on the particular element of that track. However, Council was never going to receive funding for 100% under that contract. One elected member expressed concern about this situation. When asked by the Chair for further clarification, Mr Wells advised that it was budgeted such that there would be other revenue obtained. Minimal amounts have actually been received from other sources. So, the balance has been funded by Council loans and reserves, in effect.

Mr Hope advised that officers could prepare a more detailed report showing spending and funding over the two years, including the other funding sources that flowed into the project. The Chair accepted this offer. When it was suggested that a comparative benefit of value also be done, in addition to the cash analysis of the cost, Mr Hope said that officers could also discuss that with the Economic Development Manager and include the economic benefit in the report.

**ACTION: Group Manager Paul Hope, with Finance team**

When asked, Mr Wells advised that the second \$3.5M in tranche 1 funding was expected to arrive early in the new 2021/2022 financial year.

There was brief discussion on the cost of borrowing from the LGFA, and the benefits of the "stand by facility".

A request was made for officers to enquire whether CCOs could access LGFA funding for those entities within their groups (eg ORV, given that Audit New Zealand was asking for it to be treated as part of the WDHSL group for audit purposes).

**ACTION: Group Manager Paul Hope**

## RESOLVED PAR 2021/032

Moved: Mayor Gary Kircher  
Seconded: Cr Colin Wollstein

That the Performance, Audit and Risk Committee recommends:

That Council adopts a Treasury Strategy for the fourth quarter of the 2020-21 financial year. This Strategy includes:

- an application to the LGFA to increase the present level of borrowings from \$15,000,000 to \$25,000,000;
- the investigation and establishment of a “stand-by” facility with the LGFA if the costs and features are more favourable than current facilities;
- the rationalisation of other facilities upon receipt of additional funding from the LGFA; and
- the investing of any available funds to best advantage to maximise returns.

**CARRIED**

## 5 MEMORANDUM REPORTS

### 5.1 FINANCIAL REPORT - THIRD QUARTER, 2020-21 FINANCIAL YEAR

The report, as circulated, presented the financial results for the third quarter of the 2021 financial year and includes the Treasury Report, summaries of internal loans at 31 December 2020, and balances of special reserves at the same date.

Group Manager Paul Hope advised that officers were happy with the overall position reached, given that there had been a lot of uncertainties still in place when the budget was passed, fees and penalties were then unknown, as was the level of rates payments the community could afford in the context of the initiatives that Council had put in place to support them through these difficult times. Building consents had been a (very positive) highlight. The overall result was better than anticipated when the Annual Plan was set up ten months ago.

Accounting Manager Ian Wells briefed elected members on some of the reasons for the better result. He noted that some Three Waters tranche 1 funding had yet to be spent; a grant had been received from the Friends of Alps 2 Ocean; and there were other sources of funding aside from Council that should have been mentioned in the report but were not. He added that Council was still struggling to invest money when it was available, because it was currently risky to invest it for too long. The Chair highlighted that an operating surplus was expected by the year's end.

Mayor Gary Kircher briefed the meeting on what the additional funding from the Mayors' Taskforce For Jobs (MTFJ) would mean for the district.

Clarification was provided that 'personnel costs' were those associated with staff wages and salaries, Kiwisaver contributions, and other incidentals, which were offset against those people in relation to projects but noting that full recovery could never be expected to be achieved.

With regard to the impact of rent holidays and how effective that has been on how people have been looked after and the survival of businesses, Mr Hope noted that feedback from community housing tenants had been positive; NZAA has had a reduced number of international students which had impacted on that business; and with regard to the historic precinct rents, the Civic Trust had reported very positive feedback and impact from tenants there to the support provided.

*[continued on next page]*

The meeting also noted:

- That the Whitestone Contracting Limited dividend had been declared in March and received in April.
- That Bancorp has advised that the Waitaki District Council has the lowest cost of funds for any council that it acts for. It was noted that it had not be possible to arrange for the Bancorp representative to be at this meeting, but he would be invited to the 24 August meeting and the Bancorp report would be recirculated / updated in the final agenda papers for that meeting.

**ACTION: Group Manager Paul Hope, with Governance Advisor**

With regard to consultation on the Sports and Events Centre and a Council contribution of, say, \$10M, a question was asked what the impact on rates would be if Council decided to use \$1M - \$1.5M from the RMA reserves fund as part of that contribution. Mr Wells advised that careful use of reserves funds could be used to achieve the ultimate aim, which would bring down the total required to come from rates (eg to \$9M or \$8.5M in the instances put forward).

### RESOLVED PAR 2021/033

Moved: Cr Ross McRobie

Seconded: Cr Jeremy Holding

That the Performance, Audit and Risk Committee receives and notes the information.

**CARRIED**

The Chair then thanked members of the public present in the Council Chamber and those watching offline and advised that the livestream of the meeting would cease immediately following the next resolution.

## 6 RESOLUTION TO EXCLUDE THE PUBLIC

### RESOLVED PAR 2021/034

Moved: Cr Bill Kingan

Seconded: Cr Ross McRobie

That the public be excluded from the following parts of the proceedings of this meeting.

The general subject matter of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48 of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48 for the passing of this resolution
<b>7.1 - Public Excluded minutes of the Performance, Audit and Risk Committee Meeting held on 27 April 2021</b>	s7(2)(a) - the withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons  s7(2)(i) - the withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7

	(including commercial and industrial negotiations)  s7(2)(j) - the withholding of the information is necessary to prevent the disclosure or use of official information for improper gain or improper advantage	
<b>7.2 - Accounts Payable Analysis, 2021 year, Third Quarter PE</b>	s7(2)(a) - the withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons  s7(2)(b)(ii) - the withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information  s7(2)(h) - the withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
<b>7.3 - Debtors' Report - 2021, Third Quarter PE</b>	s7(2)(a) - the withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7

**CARRIED**

## **7 PUBLIC EXCLUDED SECTION**

The Public Excluded Minutes apply to this section of the meeting.

## **8 RESOLUTION TO RETURN TO THE PUBLIC MEETING**

### **RESOLVED PAR 2021/038**

Moved: Mayor Gary Kircher  
Seconded: Cr Ross McRobie

That the Performance, Audit and Risk Committee resumes in open meeting and decisions made in the public excluded session are confirmed and made public as and when required and considered.

**CARRIED**

## 9 RELEASE OF PUBLIC EXCLUDED INFORMATION

In accordance with Waitaki District Council Standing Orders, and pursuant to resolutions in the public excluded session of the meeting, the previously public excluded information that the Performance, Audit and Risk Committee decided to release is included below under this agenda item in the Public Minutes of this meeting.

### 7.1 PUBLIC EXCLUDED MINUTES OF THE PERFORMANCE, AUDIT AND RISK COMMITTEE MEETING HELD ON 27 APRIL 2021

#### RESOLVED PAR 2021/035

Moved: Mayor Gary Kircher  
Seconded: Cr Jeremy Holding

That the Performance, Audit and Risk Committee confirms the Public Excluded minutes of the Performance, Audit and Risk Committee Meeting held on 27 April 2021, as circulated, as a true and correct record of that meeting.

**CARRIED**

### 7.2 ACCOUNTS PAYABLE ANALYSIS, 2021 YEAR, THIRD QUARTER PE

#### RESOLVED PAR 2021/036

Moved: Cr Ross McRobie  
Seconded: Cr Hana Halalele

That the Performance, Audit and Risk Committee:

1. Receives and notes the information; and
2. Agrees to retain this report and all discussion on it in the Public Excluded Minutes of this meeting.

**CARRIED**

### 7.3 DEBTORS' REPORT - 2021, THIRD QUARTER PE

#### RESOLVED PAR 2021/037

Moved: Cr Bill Kingan  
Seconded: Cr Jeremy Holding

That the Performance, Audit and Risk Committee receives and notes the information.

**CARRIED**

**10 MEETING CLOSE**

There being no further business, the Chair declared the meeting closed, at 3.00pm.

TO BE CONFIRMED at the Performance, Audit and Risk Committee Meeting to be held on Tuesday, 3 August 2021.

.....  
CHAIRPERSON

UNCONFIRMED

## **4 MEMORANDUM REPORTS**

### **4.1 AUDIT NEW ZEALAND RECOMMENDATIONS - ACTIVITY UPDATE**

**Author:** Richard Maher, Finance and Corporate Development Operations Manager

**Authoriser:** Paul Hope, Finance and Corporate Development Group Manager

#### **RECOMMENDATION**

That the Performance, Audit and Risk Committee receives and notes the information.

#### **PURPOSE**

The purpose of this memorandum is to report to the Performance, Audit and Risk Committee on the progress made towards the business improvement opportunities identified by Audit New Zealand's Interim Management Letter 2020.

#### **INTRODUCTION AND SUMMARY**

Audit New Zealand provides Council with advice and recommendations through its Management Letter to Council. The Management Letter provides Council with a detailed list of audit findings along with advice and guidance that is useful to inform how Council can respond and improve business operations.

A comprehensive review has been undertaken to identify business improvement opportunities from the current Management Letter. Each of the improvement opportunities is now included in a programme of work. Steady progress through the list is being made.

#### **APPROACH AND ACTIVITY**

Coordination of the programme of work is managed by the Finance and Corporate Development Operations Manager and oversight is provided by the Finance and Corporate Development Group Manager. The day-to-day management and coordination of activities is managed through a simple system, where officers are assigned activities and the status (To-do, Doing, Review, Done) of the activity is tracked online.

While the programme is interrupted by natural variations in the workload of officers, good progress continues to be made. The following tables group activities by their status.

LIST OF ASSIGNED ACTIVITIES

( \* denotes significant effort required )

#	Category	Activity	Audit Issue Description	Comment	Status
1.1	Finance	Operational	Implement standard terms and conditions on non-rates invoices to make it easier to charge interest penalties or act on debt collection cost recovery.	1. Undertake research of other councils' T&Cs to determine how viable this is. 2. Confirm policy and procedure are documented to support T&Cs. 3. Update all advice to customers directing enquiries to a single T&Cs policy.	Doing *
1.2	Finance	Operational	Cost allocation model process needs documentation and initial cost allocation journal reviewed before it is processed in the system.	Document the cost allocation model and implement journal review process.	Doing
1.3	Finance	Revaluations	Valuations – non-revaluation years. Adjust the revaluation cycle to align with Council's year-end.	Professional valuers will be engaged on an annual basis to provide fair value assessments and complete a full revaluation is performed every three years. Additional actions to consider: 1. Centralise responsibility for revaluation cycle to Finance and Corporate Development. 2. Undertake analysis to identify improvements in the revaluation business process. 3. Internal testing of values based on latest contract rates.	Doing *
1.4	Finance	Systems	Control Environment - expenditure controls. Improve expenditure and payables process and controls, particularly relating to ordering, invoice approval and Masterfile changes.	Information Services engaged to implement the Procure-to-Pay module of our Finance system. Review of process and policy is also required to ensure system, process and practice are aligned.  Note: "one up" approval now in place for a year. Masterfile changes are checked and documented.	Doing *

#	Category	Activity	Audit Issue Description	Comment	Status
1.5	Corporate	Conflict of Interest	Council Board appointments – Update policy on the appointment and remuneration of Directors for council-controlled organisations. Specifically, consider whether differentiation should be made between remuneration of Directors who are Council employees, and those who are not.	Update existing policy to clarify appointment process, and remuneration of Directors for council-controlled organisations and related entities. Consideration will also be given to applying similar principles to appointments to organisations where Council has an interest but no direct control.	Doing
1.6	IS	Operational	Termination of accounts and access rights.	1. IS staff are doing monthly checks for contractors to terminate access. 2. Updates to accounts in response to newcomers / leavers in progress.	Doing
1.7	IS	Operational	Password policy.	Provide update on password policy and its implementation.	Doing
1.8	IS	Systems	Missing Journal numbers. Journal entries unable to be allocated.	This appears to be an anomaly with the automatic numbering within Authority. Consultation with system vendor did not provide further clarity. Investigation continues.	Doing *
1.9	Leasing	Operational	Audit raised concerns regarding lease documentation.	1. Establish lease agreement with Waitaki Resource Recovery Trust.	Doing
1.10	Policy	Policy	Procurement policy and sourcing	Procurement policy currently under review.	Doing *
1.11	Policy	Policy	Business change management policy	Need for policy under investigation.	Doing *
1.12	Policy	Policy	Review Fraud Policy and formalise approach to fraud risk management including an annual assessment of fraud risk areas and mitigations in place.	Fraud policy exists. Opportunities for staff training and annual assessment of fraud risk under investigation.	Doing *
1.13	Policy	Policy	Sensitive expenditure policy does not relate to OAG best practice guidelines.	Policy established for staff. Separate Policy for Elected Members is in progress.	Doing

LIST OF PENDING ACTIVITIES

(\* - denotes significant effort required)

#	Category	Activity	Audit Issue Description	Comment	Status
2.1	Finance	Operational	Property, plant and equipment – processes due for review. <ul style="list-style-type: none"> <li>• Check for inappropriate capitalisation.</li> <li>• Analysis of movements such as additions, disposals and WIP</li> <li>• Process to update fixed asset register – needs to include one-up review.</li> </ul>	<ol style="list-style-type: none"> <li>1. Undertake review and implement improvements.</li> <li>2. Document procedure for disposals. Document capitalisation process and include relevant internal controls.</li> </ol>	To-do *
2.2	Finance	Systems	Improvements to cut-off procedures. Ensure transactions and other adjustments are posted to the correct financial periods.	Undertake analysis to document and improve transaction processing functions to reduce/eliminate errors. Year end issue only.	To-do *
2.3	Corporate	Operational	Contract Management	<ol style="list-style-type: none"> <li>1. Establish contract management policy, procedures, and register.</li> <li>2. Train staff to utilise.</li> </ol>	To-do *

LIST OF COMPLETED ACTIVITIES

( \* denotes significant effort required )

#	Category	Activity	Audit Issue Description	Comment	Status
3.1	CLT	Operational	Segregation of banking duties – the functions of receipting cash and daily cash-up need to be separated.	CLT update procedures to ensure separation of duties for receipting and cash-up/banking.	Done
3.2	Finance	CCOs	Legislative non-compliance – Publication of CCO documents	Incorporate requirement into Management letter to CCOs. Revised process in place for publication to Council's website.	Done
3.3	Finance	CCOs	OV \$157k interest free loan – no formal agreement in place	Agreement with OV group established.	Done
3.4	Finance	Operational	Property, plant, and equipment disposal policy.	Disposal policy established.	Done *
3.5	Finance	Operational	Elected Member over-payments.	Believed to be an error, no overpayments made. Awaiting confirmation from Audit team.	Done *
3.6	Finance	Operational	Independent review suspense account reconciliation	Procedure is in place	Done
3.7	Finance	Operational	Independent approval/ review for journals is desirable.	Procedure is in place	Done
3.8	Finance	Operational	Financial prudence graphs have errors.	Liaised with Accounting Manager to confirm Financial Prudence graphs are fit for purpose.	Done
3.9	Corporate	Conflict of Interest	Update Corporate Interests Register	Update Corporate interests register to ensure all interests are included. Note, this is separate to register for Elected Members.	Done
3.10	IS	Operational	Windows patching compliance reporting	Information Services staff are already applying patches – Last patch date can be provided to Audit via report as required/ requested.	Done
3.11	IS	Operational	Contractors should have "read-only" access to the CRM system. Offboarding should ensure FMIS access is removed.	IS and Finance have already confirmed with Audit that this is not aligned with our required business practices. This item is believed to be resolved.	Done
3.12	Policy	Policy	Non-compliance with Investment Policy	Intention is that policy should reflect operations. Recent non-compliance is believed to be an anomaly.	Done
3.13	Roading	Operational	Statement of service performance - roading	Roading service KPIs updated.	Done

<b>#</b>	<b>Category</b>	<b>Activity</b>	<b>Audit Issue Description</b>	<b>Comment</b>	<b>Status</b>
3.14	Leasing	Operational	Audit raised concerns regarding lease correspondence relating to formal rent increases.	1. Rent increase letters are digital – Resolved.	Done

## 4.2 COUNCILMARK RECOMMENDATIONS - ACTIVITY UPDATE

**Author:** Richard Maher, Finance and Corporate Development Operations Manager

**Authoriser:** Paul Hope, Finance and Corporate Development Group Manager

### RECOMMENDATION

That the Performance, Audit and Risk Committee receives and notes the information.

### PURPOSE

The purpose of this memorandum is to report to the Performance, Audit and Risk Committee on the progress made towards the business improvement opportunities identified in the CouncilMARK report.

### INTRODUCTION

Council completed the CouncilMARK assessment during 2020, achieving an excellent result (BBB). The CouncilMARK report made several recommendations where Council could continue to improve its business functions. Each of the improvement opportunities has been included in a programme of work where progress continues.

### PROGRESS UPDATE

Coordination of the programme of work is managed by the Finance and Corporate Development Operations Manager and oversight is provided by the Finance and Corporate Development Group Manager. The day-to-day management and coordination of activities is managed through a simple system, where officers are assigned activities and the status (To-do, Doing, Review, Done) of the activity is tracked online, with progress being coordinated weekly.

While the programme is interrupted by natural variations in the workload of staff, steady progress continues to be made.

### LIST OF ASSIGNED ACTIVITIES

( \* denotes significant effort required )

#	Category	Activity	Issue Description	Commentary	Status
1.1	Finance	Operational	Long-term planning needs to improve materially, and not just at the point of the LTP refresh.	Focus is to implement IBIS system to support finance component of LTP, then look at LTP process with a view to implement continuous planning.	Doing *
1.2	Finance	Reporting	Internal loans and reserves are opaque and need increased transparency.	Report established that enables staff to understand internal loans. Further improvements are needed. Work continues to	Doing *

#	Category	Activity	Issue Description	Commentary	Status
				develop report for Reserves.	
1.3	Policy	Policy	Risk Management is needed enterprise-wide. Policy, procedure and register needs to be in place.	PAR risk working group currently discussing Risk and Procurement Officer role. Council-wide risk management framework continuing.	Doing *
1.4	Project Management	Methodology	Project Management key points – need a consistent approach to managing projects, minimise cost over-runs, increase benefits realisation, improve transparency. Consistent risk management.	1. Design a project governance framework and implement.	Doing *

**LIST OF PENDING ACTIVITIES**

(\* denotes significant effort required)

#	Category	Activity	Issue Description	Commentary	Status
2.1	Finance	Operational	The Financial Strategy can be better explained.	1. Review strategy and update as appropriate.	To-do
2.2	Finance	Reporting	Loans to district developments are opaque and need more transparency.	1. Develop a report that enables staff to understand lending. 2. Incorporate additional information and charts in financial strategy document.	To-do
2.3	Finance	Reporting	CouncilMARK Assessors believe the forecast future infrastructure investment needs improvement.	1. 1. Develop a report that models future infrastructure investments for next 30 years. 2. 2. Must incorporate depreciation reserves and loans.	To-do *

#	Category	Activity	Issue Description	Commentary	Status
2.4	Policy	Policy	CouncilMARK Assessors' report delegations are believed to be higher than required, and a simplified view of delegations (in a table) is needed.	1. Review delegations register. 2. Make recommendations as appropriate.	To-do *

**LIST OF COMPLETED ACTIVITIES**

( \* denotes significant effort required )

#	Category	Activity	Issue Description	Commentary	Status
3.1	Finance	Reporting	CouncilMARK Assessors' believe financial reporting needs to increase in frequency from quarterly and include operational and capital expenditure. Reporting on capital expenditure, including carry-forwards, is required.	Already actioned – Council decided to move away from the frequency recommended by the CouncilMARK Assessors. Carry forwards are processed in August and reported annually, and capital spend is reported quarterly. Per project spend is managed by department as this is where responsibility currently sits.	Done
3.2	Health and Safety	Operational	CouncilMARK Assessors' report transparency is needed to demonstrate health and safety events are being tracked and progressed.	Health and safety reports incorporated into PAR Committee meeting agendas.	Done

### **4.3 RISK WORKING GROUP UPDATE**

**Author:** Richard Maher, Finance and Corporate Development Operations Manager

**Authoriser:** Paul Hope, Finance and Corporate Development Group Manager

#### **RECOMMENDATION**

That the Performance, Audit and Risk Committee receives and notes the information.

#### **PURPOSE**

To provide the Performance, Audit and Risk Committee with an update on the activity of the Risk Working Group.

#### **INTRODUCTION**

The Performance, Audit and Risk (PAR) Committee determined that a risk working group was needed to discuss and provide direction on behalf of the Committee on risk management and procurement. The Risk Working Group comprises Cr Ross McRobie as Convenor, and PAR Chair Cr Colin Wollstein and PAR Independent Member Simon Neale as group members.

This update documents the key points and outcomes of the first workshop held by the Risk Working Group.

#### **UPDATE**

The focus of the Group's workshop was to review and discuss the draft job description for the risk management and procurement role that has been developed by Finance and Corporate Development Operations Manager Richard Maher.

The proposed role has three elements – risk management, procurement, and contract management. It is designed to uplift capability across all of Council by balancing the need for hands-on support and advisory functions.

The key discussion points arising from the review of the position description by the Risk Working Group were as set out below.

- The reporting lines for the role are an important consideration as the role requires an appropriate level of authority and seniority to successfully introduce change and decrease siloed functions across departments. The need for independence was also raised and agreed to be a key consideration by all Risk Working Group members.
- The role is to provide advice and guidance to staff, and training with regard to Council risk management and procurement frameworks, not general risk management or procurement training as this could be acquired through external providers.
- The role is expected to be hands-on with risk management and procurement operations only where a department lacks the internal capability at the time, ie the role is to provide support.
- The Risk Working Group confirmed its view that the role was an 'internal role', that communication is expected to be with staff and with PAR, and that communication with the public and ratepayers was to be as directed by the role's supervisor.

The guidance provided at the workshop has subsequently been incorporated into the position description, which is now expected to meet the needs of the Performance, Audit and Risk Committee and the requirements of Officers as recommended in the CouncilMARK report. The updated position description will now be processed by HR, and then approved by the Executive Leadership Team prior to recruitment commencing.

#### 4.4 HEALTH AND SAFETY UPDATE

**Author:** Bill Nelson, Health and Safety Advisor

**Authoriser:** Paul Hope, Finance and Corporate Development Group Manager

#### RECOMMENDATION

That the Performance, Audit and Risk Committee receives and notes the information.

#### PURPOSE

To update the Performance, Audit and Risk (PAR) Committee with information on key health and safety (H&S) risks and the measures in place to mitigate those risks at Waitaki District Council workplaces.

#### BACKGROUND

Elected Members' due diligence responsibilities require them to assure themselves that:

- Council, through its Chief Executive, is meeting its legal health and safety obligations (compliance)
- All significant health and safety risks have been identified and are being effectively mitigated
- Council is providing a safe workplace for workers and others
- Council is continuously improving its health and safety management and systems
- Council's organisation culture recognises and incorporates health, safety, and wellbeing meaningfully within it.

#### COVID-19 CURRENT SITUATION

New Zealand is still in Alert Level 1 and awaiting the rollout of the COVID vaccine – the largest group started after the end of July 2021. Council has maintained some Level 2 precautions where appropriate. Ensuring Council staff continue to maintain a consistently high level of COVID QR code scanning continues to be a challenge. Council staff are reminded to maintain their diligence when entering Council buildings.

#### KEY FOCUS AREAS – OUR PRIORITY HEALTH AND SAFETY RISKS

**Contractor management** has been identified as Council's key health and safety risk, as most of our high-risk work is undertaken by contractors. A Contractor Management Policy has been drafted and circulated to key users in Water Services, Roding, Parks and Recreation, and Property for their review. Feedback will be incorporated into the draft which will then be submitted to the Health and Safety Committee in August for its consideration. Following that meeting, a report will be given to the Executive Leadership Team for its review and approval/amendment in September 2021.

Follow-up of Sitewise-registered contractors is resulting in more engagement between the Health and Safety Advisor (H&S Advisor) and contractors and building more supportive relationships.

**Crisis (Pandemic) preparedness** has seen the initiation of many health and safety-related activities. To incorporate learnings from 2020 into Council's crisis preparedness, the H&S Advisor is working on a high-level plan, which includes a comprehensive action plan that triggers specific preparation activities for officers. The preparation activities will be designed to improve the ability of staff to respond to a crisis, such as COVID events, in the future. A calm and cautious approach is being taken, combining guidance from the Ministry of Health, staff feedback surveys and experiential knowledge gained, including that raised by other councils in ALGIM webinars.

**Wellbeing** is also identified as a key current risk, heightened by the impact of the COVID-19 pandemic and changes to individual workloads and business-as-usual, which have contributed to a definition of a new 'normal'. The Health and Safety Committee is now canvassing staff for stressors where meaningful action can be taken to improve wellbeing. Staff are themselves suggesting initiatives to improve wellbeing, and these are being encouraged and supported by management at all levels. The Human Resources (HR) and H&S Advisors recently attended a mental health training workshop which was focused on helping people to Recognise, Relate and Respond appropriately to mental health issues in the workplace.

Key stressors have been identified and grouped for follow up action and discussion at the July Health and Safety Committee. They will be submitted, with recommended actions, to the Executive Leadership Team in September 2021 for review and further action. The Health and Safety Committee has agreed to support the implementation of all approved recommendations by the Executive Leadership Team (ELT).

A report of the key learnings and recommendations from the recent MH101 mental health workshop will be prepared by the HR and H&S Advisors during September / October 2021, and then submitted to the ELT. In the meantime, a summary report has been circulated to the Health and Safety Committee for consideration.

## HEALTH AND SAFETY REPORTING

This area was highlighted for improvement in the recent CouncilMARK report and action has been taken to strengthen reporting to the Executive Leadership Team (ELT), PAR Committee and Council. Progress on health and safety matters is now reported weekly to the Finance and Corporate Development Operations Manager, monthly separately to the ELT and to the Health and Safety Committee, and quarterly to the PAR Committee.

### Crisis Response Plan / Business Continuity Plans

Documenting key health and safety-related processes is underway and will add strength to the business continuity capability of Council. Crisis (Pandemic) Preparedness and Contractor Management are the two major Council-wide initiatives to make processes and responsibilities more transparent and understandable for stakeholders.

### Site visits

Safe Work Observations are being undertaken by some project managers and health and safety representatives. This process will be supported by training, to provide meaningful data and appropriate improvement actions going forward. This has become a key focus area.

A 'due diligence' pack is being prepared for elected members to assist them in meeting their health and safety-related governance responsibilities. This pack is expected to be completed by October 2021 and training will be provided in its use.

The due diligence tool will be utilised at all levels of Council to give assurance that staff and contractors are doing what they should be, particularly at high-profile and high-risk work sites. The intention is to increase the use of this tool, to give staff and elected members a more health and safety-focused view of how Council-approved works are being managed.

## HEALTH AND SAFETY STATISTICS

YTD incidents to 30 June 2021 were **233** (2020: **161**). The difference mostly relating to four areas: new pool slippery floor (32), Alps to Ocean full trail rider incidents (29 relate to the Waitaki end of the trail, and 11 relate to the Mackenzie side but are not noted), abuse (21). Most incidents have been minor and handled well by staff. Follow up is occurring and, where possible, preventative measures taken to mitigate future risk.

There are more abuse incidents now, which illustrates an increased risk for public-facing staff. This risk is being identified, assessed, and mitigated with appropriate measures. Specialist training on de-escalation and conflict resolution is being extended to other public-facing Council staff whenever abuse cases arise.

The Body Camera Use Policy was published, and training of Council officers in their use began to roll out in April 2021, with the prerequisite public notifications being completed and notified to the public by the Communications Team. Cameras are in use for authorised and trained Council officers in Enforcement and Building Services, with 50% of the 12 officers with training completed, and the remainder planned to be completed by the end of July/early August 2021, delayed by workload requirements and people's unavailability. If body camera use results in significant negative reactions that endanger Council staff, then the policy will be reviewed, and any decision made to change or stop their use will be reported to governance. The cameras have software that allows privacy for any people accidentally included in the footage. There are strict controls and authorisation for wearable video camera use and the subsequent handling of recorded data.

Accepted recommendations, arising from the investigation of the assault of a Lifeguard at the pool in May, have been progressing. The Pool has the panic alarms installed and training is progressively happening across the different teams on duty. The panic alarm use guidelines have been tailored to each site and the alarm monitoring company has been briefed and follow up process agreed for each site, in consultation with site-based Council staff. The Council sites other than Council HQ will be recognised by the alarm monitoring company and will go direct to the Police. Follow up of the quotes for the Museum and Gallery should see the panic alarms being procured and training provided by August 2021. Pool management are also working with Gore District Council who had a similar incident recently.

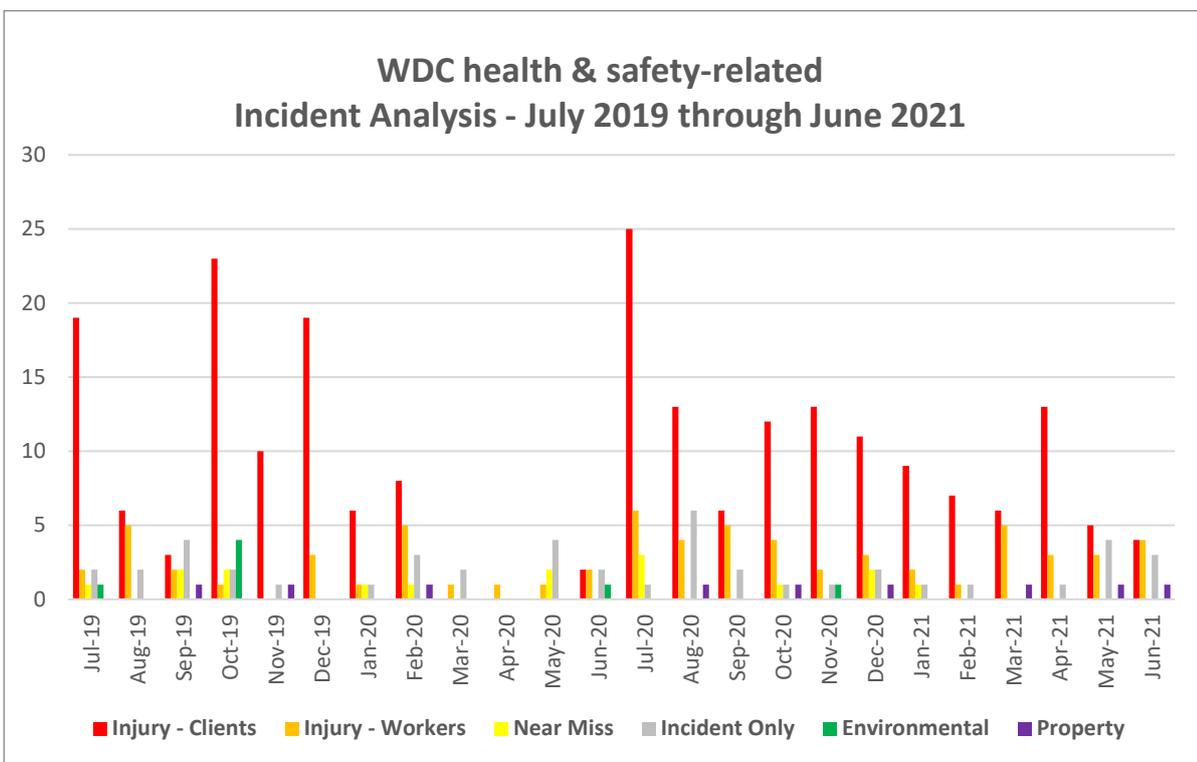
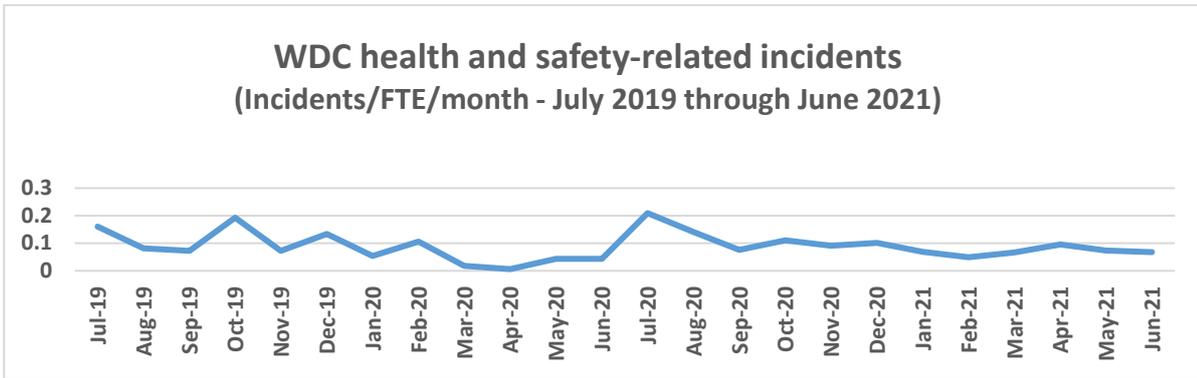
Council has appropriate policies and guidelines in place to deal with abuse, to demonstrate care for our staff, over and above the legal requirements to do so.

Staff wellbeing is being more closely monitored with the emergence of raised levels of fatigue and from the COVID-19 tail and increased workloads. The intention is to support staff more by offering resilience training and resources, and by publishing a comprehensive list of support services available for a wider range of issues. This is intended to encourage staff to access help when it is required by removing any perceived barrier of being directly associated with Council, as Organisation Counselling Programme (OCP) services are seen to be.

The need for a Staff Welfare Officer role was identified from the Crisis Response Team exercise held in March 2021. This role will be filled internally, be a shared role in responding to an event if there are shifts, and activated only when required, as not all crises will require that support.

All major contractor incidents have been investigated and followed-up operationally and by health and safety personnel in each PCBU involved.

The mental health of staff and resilience are key focus areas to support wellbeing. The new Chief Executive has extensive experience in this area and has opened the discussion on that. This is an area where further work will be done.



**ACCIDENT / INCIDENT REPORT FOR THE YEAR TO 30 JUNE 2021**

Description	Incident Type	Month (June)	2021	2020	2019
<b>Pool Clients</b>	- Abuse <sup>(b)</sup> - Cuts/bleed - Bruise/crush - Body Stress/bleed - Slips/graze, bleed <sup>(a)</sup> - Swim/Supervision - Medical/self - Stuck	4	2 10 27 55 6 7	9 36 15 24 6 4 2 1	5 34 31 12 11 8 3
<b>Pool Staff</b>	- Abuse <sup>(b)</sup> - Cuts/bleed - Bruise/crush - Body Stress/bleed - Medical - Haz Substance - Slips, trips, falls	1	2 3 1 9 1 1 2	1 2 3	2 2 1
<b>Pool Environmental</b>	- Events - Supervision - Haz Substance		1 1	3 2 1	4
<b>Pool Incidents</b>	- Near Miss - Security/Difficult <sup>(c)</sup>	2	2 11	1 2	3
<b>Other Clients</b>	- Cuts/bleed - Bruise/crush - Near Miss - Body stress/bleed - Medical - Slips, trips, falls <sup>(d)</sup>		1 1 1 1 3 36	1 3 1 2	3 2 2 4
<b>Other Staff</b>	- Abuse <sup>(b)</sup> - Cuts/bleed - Body Stress/bleed - Burns - Hearing - Bruise/crush - Trauma - Slips, trips, falls - Eyes – dust/strain - Dental - Hygiene	2        1	17 5 7  3 1 1 2	5 3 12  1 2 1	4 2 13 2 6 5 2 1
<b>Contractors</b>	- Near Miss - Abuse <sup>(b)</sup> - Electrocutation <sup>(e)</sup> - Medical event - Property - Slip ex boat - Body Stress/bleed - Fall		1  1 1 1	1 1 1 1 2 1	1    1
<b>Property</b>	Property	1	6	2	5
<b>Environmental</b>	Environmental				1
<b>Near Miss</b>	Council - Near Miss		4	7	7
<b>Month Total</b>		11			
<b>YTD Total</b>			233	161	174

**NOTES: ACCIDENT / INCIDENT REPORT FOR THE YEAR TO 30 JUNE 2021**

The number of injuries to clients over the two-year period relate primarily to Pool clients and are generally of a minor nature. The following notes offer additional detail for the table above.

- (a) 32 of the slips at the pool this year have related to the new floor coating. Remedial actions have been taken, resulting in a reduction to the incidence rate. Monitoring continues.
- (b) 21 recorded abuse incidents show an increasing trend as staff learn how to determine the nature of the interaction and engage with their own health and safety to promote change. These incidents have been investigated, with a growing number in the public-facing areas of Council. Existing policies, guidelines, training, and security measures are being used to mitigate those risks.
- (c) 7 difficult customer interactions have resulted in more dialogue to develop ways to resolve this challenge, such as additional training.
- (d) 29 fall incidents are directly related to the riders on the Alps to Ocean trail and cover the full trail, not just Sections three to eight which are the direct Waitaki responsibility. Incidents on the Alps to Ocean are an addition to this report. The Mackenzie end of the trail has 11 reported incidents over the year, but these are not included in this total. As Council shares responsibility for maintenance of the track, all incidents are investigated and remedied as appropriate. All reporting of health and safety-related incidents on the track is centred in the Recreation unit at Council in Oamaru.
- (e) The electrocution contractor incident in February 2021 has been fully investigated and followed through with the contracting company's senior management. Corrective actions to mitigate future risk have been acknowledged and will be followed up. Notification has been received from the health and safety regulator, Worksafe New Zealand to state that there will be no further action taken by them arising from the investigation of this incident and therefore no liability attaches to Council.

**5 RESOLUTION TO EXCLUDE THE PUBLIC**

**RECOMMENDATION**

That the public be excluded from the following parts of the proceedings of this meeting.

The general subject matter of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48 of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

<b>General subject of each matter to be considered</b>	<b>Reason for passing this resolution in relation to each matter</b>	<b>Ground(s) under section 48 for the passing of this resolution</b>
<b>6.1 - Public Excluded Minutes of the Performance, Audit and Risk Committee Meeting held on 18 May 2021</b>	s7(2)(a) - the withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons  s7(2)(i) - the withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
<b>6.2 - Water Charges Remission PE</b>	s7(2)(a) - the withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons  s7(2)(i) - the withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7

**6 PUBLIC EXCLUDED SECTION**

**7 RESOLUTION TO RETURN TO THE PUBLIC MEETING**

**RECOMMENDATION**

That the Performance, Audit and Risk Committee resumes in open meeting and decisions made in public excluded session are confirmed and made public as and when required and considered.

**8 RELEASE OF PUBLIC EXCLUDED INFORMATION**

In accordance with Waitaki District Council Standing Orders, and pursuant to resolutions in the public excluded session of the meeting, any previously public excluded information that the Performance, Audit and Risk Committee decides to release will be included under this agenda item in the public minutes of this meeting.

**9 MEETING CLOSE**