

Mā tō tātou takiwā
For our District

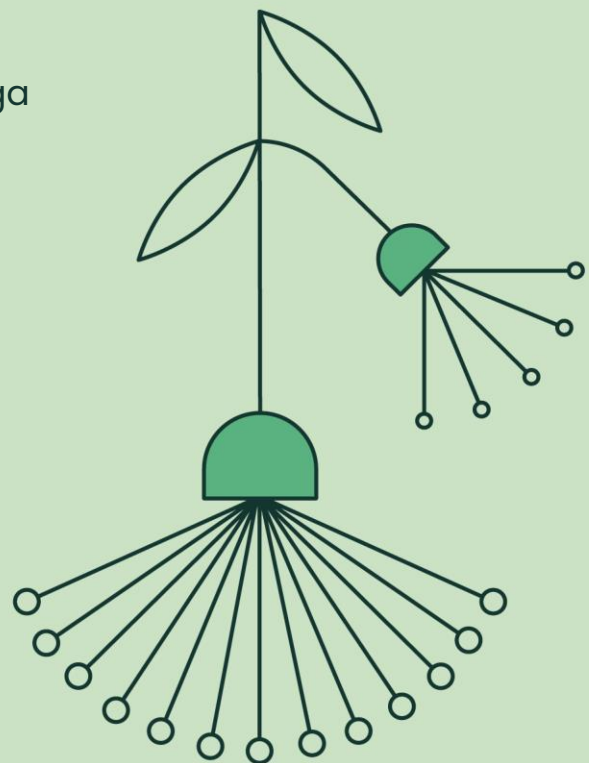
Audit and Risk Committee

Komiti Taiwhenua

AR22-2

Thursday, 2 June 2022, 9.30am

Council Chambers, Barkes Corner, Tauranga



Audit and Risk Committee

Membership:

Chairperson	Cr James Denyer
Deputy Chairperson	Cr Murray Grainger
Members	Cr Grant Dally Cr Mark Dean Cr Monique Gray Cr Anne Henry Cr Kevin Marsh Cr Margaret Murray-Benge Deputy Mayor John Scrimgeour Cr Allan Sole Cr Don Thwaites Mayor Garry Webber
Quorum	6
Frequency	Quarterly

Role:

To provide assurance and assistance to the Western Bay of Plenty District Council on management of Council's risk, financial control and compliance framework, and its external accountability responsibilities.

Scope:

- Recommend to Council an appropriate risk management strategy and monitor the effectiveness of that strategy.
- Monitor the Council's external and internal audit process and the resolution of any issues that are raised.
- Review key formal external accountability documents such as the Annual Report in order to provide advice and recommendation in respect to the integrity and appropriateness of the documents and the disclosures made.
- Provide a forum for communication between management, internal and external auditors and the governance level of Council.
- Ensure the independence and effectiveness of Council's internal audit processes
- Oversee the development of the council's Annual Report.
- Oversee the development of financial policies.
- Monitor existing corporate policies and recommend new corporate policies to prohibit unethical, questionable or illegal activities.
- Support measures to improve management performance and internal controls.

Responsibilities:

External Audit and External Accountability

- Engage with Council's external auditors regarding the external audit work programme and agree the terms and arrangements of the external audit in relation to the Annual Report.
- To recommend the adoption of the Annual Report and the approval of the Summary Annual Report to Council.
- Review of the effectiveness of the annual audit.
- Monitor management response to audit reports and the extent to which external audit recommendations concerning internal accounting controls and other matters are implemented.

Internal Audit

- In conjunction with the Chief Executive and the Group Manager Finance and Technology Services, agree the scope of any annual internal audit work programme and assess whether resources available to Internal Audit are adequate to implement the programme.
- Monitor the delivery of any internal audit work programme.
- Assess whether any significant recommendations of any internal audit work programme have been properly implemented by management. Any reservations the Internal Auditor may have about control risk, accounting and disclosure practices should be discussed by the Committee.

Risk Management

- Review the risk management framework, and associated procedures to ensure they are current, comprehensive and appropriate for effective identification and management of Council's financial and business risks, including fraud.
- Review the effect of Council's risk management framework on its control environment and insurance arrangements.
- Review whether a sound and effective approach has been followed in establishing Council's business continuity planning arrangements.
- Review Council's fraud policy to determine that Council has appropriate processes and systems in place to capture and effectively investigate fraud-related information.

Other Matters

- Review the effectiveness of the control environment established by management including computerised information systems controls and security. This also includes a reviewing/monitoring role for relevant policies, processes and procedures.
- Review the effectiveness of the system for monitoring Council's financial compliance with relevant laws, regulations and associated government policies

- Engage with internal and external auditors on any specific one-off audit assignments.
- Consider financial matters referred to the committee by the Chief Executive, Council or other Council committees.

Power to Act:

The Committee is delegated the authority to:

- Receive and consider external and internal audit reports.
- Receive and consider staff reports on audit, internal control and risk management related matters.
- Make recommendations to the Council on financial, internal control and risk management policy and procedure matters as appropriate.
- To approve the Auditors' engagement and arrangements letters in relationship to the Annual Report.

Notice is hereby given that a Audit and Risk Committee Meeting will be held in the Council Chambers, Barkes Corner, Tauranga on:
Thursday, 2 June 2022 at 9.30am

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1 PRESENT**2 IN ATTENDANCE****3 APOLOGIES****4 CONSIDERATION OF LATE ITEMS****5 DECLARATIONS OF INTEREST**

Members are reminded of the need to be vigilant and to stand aside from decision making when a conflict arises between their role as an elected representative and any private or other external interest that they may have.

6 PUBLIC EXCLUDED ITEMS**7 PUBLIC FORUM**

A period of up to 30 minutes is set aside for a public forum. Members of the public may attend to address the Board for up to five minutes on items that fall within the delegations of the Board provided the matters are not subject to legal proceedings, or to a process providing for the hearing of submissions. Speakers may be questioned through the Chairperson by members, but questions must be confined to obtaining information or clarification on matters raised by the speaker. The Chairperson has discretion in regard to time extensions.

Such presentations do not form part of the formal business of the meeting, a brief record will be kept of matters raised during any public forum section of the meeting with matters for action to be referred through the customer contact centre request system, while those requiring further investigation will be referred to the Chief Executive.

8 PRESENTATIONS

9 REPORTS

9.1 SUMMARY OF AUDIT AND RISK AGENDA TOPICS – JUNE 2022

File Number: A4563947

Author: Tashina Abraham, Senior Assurance and Risk Specialist

Authoriser: James Graham, Acting Group Manager Corporate Services

EXECUTIVE SUMMARY

The purpose of this report is to provide the Audit and Risk Committee with an overview of the content of the reports relating to risk, treasury, external and internal audit, and other organisational matters covered in the meeting agenda.

RECOMMENDATION

That the Senior Assurance and Risk Specialist's report dated 2 June 2022 titled 'Summary of Audit and Risk Agenda Topics – June 2022' be received.

BACKGROUND

1. The Audit and Risk Committee oversees the risk management of Council and provides objective advice on Council's Assurance Work Programme, and internal and external reporting.

TREASURY UPDATE

2. A report on the treasury related risks in the current economic climate and its impact on Council's operating environment is provided separately.

RISK PROFILE UPDATE

3. The key focus area in the past quarter has been the understanding of 'what does appropriate risk management mean for Council, for the Elected Members and the Senior Leadership Team'. The Risk Workshops that have been held have helped us identify key high level strategic risk categories for Councillors, and in the next quarter operational risks at a staff level will be identified to underpin these Risk Categories. There has been a refresh of Council's strategic risk profile and risk appetite levels that have been set by Senior Leadership Team for consideration by Elected members.

AUDIT MONITORING REPORT (EXTERNAL/INTERNAL)

4. The Audit Monitoring Report provides a status update on management's response to outstanding audit recommendations raised by Audit New Zealand, as part of the external audit process and KPMG's internal audit review of Council's asset management planning processes and key financial controls.

AUDIT NEW ZEALAND UPDATE AND AUDIT TIMETABLE

5. Audit New Zealand has prepared their 2021/2022 Audit Plan outlining their approach to this year's audit programme. Representatives from Audit New Zealand will attend the Committee meeting to deliver this report and highlight key areas of focus.

PENSIONER HOUSING VERBAL UPDATE

6. Councillor Murray-Benge has requested an update on operational and future capital cost impacts on tenants' affordability, given the current macro and micro economic issues contributing to increasing costs. A verbal update will be delivered by the Chief Financial Officer and Acting General Manager Corporate Services.

HEALTH AND SAFETY REPORT

7. A separate report is included on Health and Safety matters.

LITIGATION REPORT

8. A separate report has been submitted by the Acting General Manager Regulatory Services on litigation matters.

9.2 TREASURY UPDATE REPORT

File Number: A4573482

Author: David Jensen, Chief Financial Officer

Authoriser: James Graham, Acting General Manager Corporate Services

EXECUTIVE SUMMARY

This report provides an overview of the risks associated with Council's treasury function and the procedures in place to mitigate those risks.

RECOMMENDATION

That the Chief Financial Officer's report dated 2 June 2022 titled 'Treasury Update Report' be received.

BACKGROUND

1. Council has a Treasury Policy which sets the strategic direction for Council's treasury function and the mitigation procedures in place to minimise Council's exposure to treasury related risk. This report provides an update on the treasury related risks presented on 2 June 2022 and assesses Council's exposure as required by Council's Treasury Policy.

INTEREST RATE RISK

2. 'Interest Rate Risk' is the risk that either investment returns will fall materially short of forecast, or, that financing costs will exceed projections due to adverse movements in interest rates.
3. The Reserve Bank ('RB') raised the Official Cash Rate ('OCR') to 1.50% in its Monetary Policy Statement on 13 April 2022. The RB noted that ongoing supply chain disruptions as a result of Covid-19 and the Russian invasion of Ukraine, as well as labour shortages across the economy were exacerbating inflation pressure. The OCR was seen by the RB to be at a level which was stimulating the economy and their press release emphasised the need to progress increases in the OCR in order to reduce market demands and combat inflation.
4. Council's interest rate hedging remains within policy, and we have a large degree of price certainty relating to our borrowing costs for the next 12 months, due to our mixture of fixed and floating rate debt. While market interest rates are beginning to trend higher, Council's overall debt levels are lower than budgeted due to challenges delivering on the large capital budgets in the 2021-2031 Long Term Plan.

5. Staff are assessing the interest rate significant assumption for the 2022/2023 Annual Plan and will report to the Annual Plan and Long Term Plan Committee with any recommended changes.
6. Council continues to work with Bancorp Treasury to manage hedging positions to strike a balance between price certainty and flexibility, and Council's interest rate risk remains low.

LIQUIDITY AND FUNDING RISK

7. 'Liquidity Risk' is the risk that Council may not have enough liquid cash or committed facilities on hand to fund operations. This is because Council's cash flow is dependent on the maturity of cash investments and loans.
8. Planned capital expenditure for 2021/2022 will be under budget due to supply constraints and the ability of the market to deliver, with Council forecast to achieve 70% of the 2022/2023 capital budget. This has meant that planned borrowing scheduled for this financial year has not occurred. Staff are currently refining the 2022/2023 capital budgets and associated forecast borrowing levels, however this is likely to be lower than signalled in the 2021/2031 Long Term Plan.
9. Council has repaid a debt maturity of \$10 million in May 2022, which brings our total external borrowing to \$80 million.
10. Council began the financial year in a strong cash position and continues to hold positive balances. Viewing this in conjunction with Council's ability to access capital from the Local Government Funding Agency, Council's liquidity and funding risk remains low.

FOREIGN EXCHANGE RISK

11. 'Foreign Exchange Risk' is the risk that volatile movements in foreign currency may adversely affect the cost to Council of entering into arrangements with offshore parties.
12. Council has not entered into any significant foreign exchange contracts and this risk remains low.

COUNTERPARTY CREDIT RISK

13. 'Counterparty Credit Risk' is the risk of losses occurring as a result of a counterparty default.
14. Council continues to require credit ratings of 'A' or higher when placing funds on deposit. This requirement may need to be revised, depending on the current review of bank credit ratings by their respective rating agencies.

While there is a possibility that banks may receive a lower rating, they are not yet considered at risk of default. Council continues to view its counterparty risk as low.

9.3 QUARTERLY REVIEW OF RISK PROFILE

File Number: A4572802

Author: Tashina Abraham, Senior Assurance and Risk Specialist

Authoriser: James Graham, Acting General Manager Corporate Services

BACKGROUND

1. In the prior quarter, risk categories had been identified by Elected Members through a workshop held with KPMG which covered strategic risks relating to the delivery of the Long Term Plan (LTP), and the growth and performance of the Western Bay of Plenty District Council.
2. The new strategic risk categories identified by Elected Members have been discussed and work shopped by the Senior Leadership Team (SLT) in facilitated sessions with KPMG. Operational risks under these strategic categories have been identified and 'draft' risk appetite and risk profiles have been defined and scored accordingly, to form an overall risk profile against each category.

RECOMMENDATIONS

1. That the Senior Assurance and Risk Specialist's report dated 2 June 2022 titled 'Quarterly Review of Council's Risk Profile' be received.

RISK REPORTING

3. The top eight risk categories form the risk profile for Western Bay of Plenty District Council and the trend remains stable. There are no significant emerging risks to be added since the March 2022 Audit and Risk Committee meeting.
4. A recap of the key risk drivers reported to the Audit & Risk Committee is as follows and continues to be monitored this quarter:
 - I. Disruption of work due to workforce pressures (loss of staff/vacancies not being filled in a timely manner);
 - II. Supply chain disruptions causing delay in supply of material and acute labour shortages in the market impacting on capital programme delivery;
 - III. Widespread omicron variant in the community; and
 - IV. Impact of regulatory reform on Council strategy and activities.
5. The transmission of Covid-19 has been on the rise among employees in the last quarter and Council has been at the forefront in trying to minimise the impact of Covid-19 on the wellbeing, health and safety of employees. It should be noted some teams are under increasing pressure due to Covid-19 absences and disruption.

6. Business Continuity Plans are in place for most business critical functions to deliver our services in the event of an unexpected business interruption.

ACTIVITIES RECOMMENDED FOR THE NEXT QUARTER

7. An Senior Leadership Team Risk Management Committee is being formed to monitor the implementation of Council’s risk appetite and risk management framework.
8. Under each of the eight strategic risk categories a deep dive is in progress to identify individual operational risks, so that the mitigating actions for specific risks can be built into an Assurance Dashboard via Key Risk Indicators.
9. The Key Risk Indicators will be monitored through activities, events/incidents in the past quarter and this will provide insight to rate the residual risk.

SIGNIFICANCE AND ENGAGEMENT

10. The Local Government Act 2002 requires a formal assessment of the significance of matters and decision in this report against Council’s Significance and Engagement Policy. In making this formal assessment there is no intention to assess the importance of this item to individuals, groups, or agencies within the community and it is acknowledged that all reports have a high degree of importance to those affected by Council decisions.
11. In terms of the Significance and Engagement Policy this decision is of low significance as residents and ratepayers are not affected by the review even though the risk may occur later. Ratepayers and residents would only be affected if a significant risk occurred.

ENGAGEMENT, CONSULTATION AND COMMUNICATION

Interested/Affected Parties	Planned Communication	
Western Bay of Plenty District Council SLT and Finance Team	Appropriate staff to be notified accordingly.	Planned
Tangata Whenua	Regular communication would be undertaken by Council in the event of a major risk eventuating. Civil Defence would deal with any emergency communications.	
General Public	Regular communication would be undertaken by Council in the event of a major risk eventuating. Civil Defence would deal with any emergency communications.	

STATUTORY COMPLIANCE

12. The recommendation in this report complies with Council’s current Risk Management Policy and Risk Management Framework.




FUNDING/BUDGET IMPLICATIONS

Budget Funding Information	Relevant Detail
Not currently applicable	If changes to the risk priorities result in risk mitigation actions, there may be budget implications.

ATTACHMENTS

1. **WBOPDC Risk Profile, Appetite and Roadmap to Risk Maturity** 

Risk appetite and profile

Risk name and description	Risk owner	Risk settings	Risk appetite rationale
<p>Operational risk The risk of delay or inability to deliver and execute on projects or services provided by the Council or regular Council operations as a result of the failure of internal processes or controls, systems, or inadequate staff members available. This may result in financial losses and loss of reputation from IT/cyber risk events, fraud events, internal process/control failure, and inadequate or inappropriate people capacity, capability, and culture.</p>	<p>Group Manager – Corporate Services Group Manager - Infrastructure Services for project delivery risks and asset resilience</p>		<p>Delivery of key projects and the long-term plan is critical to the achievement of planned community outcomes and is central to the key strategic vision of the Council. The Council has a 'Low' risk appetite for the management of operational risk which could cause potential delays in project delivery, impact the Council's operations, quality of service delivery, and result in failure to meet community expectations.</p>
<p>Health, Safety and Wellbeing The risk of harm, injury or illness of/to employees, contractors, volunteers or community members accessing the Council's premises, sites, or events, and not meeting legal HSW requirements, as a result of an unsafe work environment and failure to meet workplace obligations. This could potentially lead to death or serious harm or injury, adverse impacts on staff/contractor mental health and well-being, financial losses, and (costs for) fines and reputational damage.</p>	<p>Group Manager – Corporate Services</p>		<p>The Council understands the importance of providing a safe working environment to its employees, contractors, volunteers, and members of the community and ensuring that everyone is adequately supported during stressful times (like the current pandemic). The Council recognises this as its key priority and has a 'Low' risk appetite for the risk, considering some risks will be outside of its ability to control. Health, Safety and Wellbeing risks will not be traded-off while delivering on its strategic objectives.</p>
<p>Relationships with key stakeholders (Central Government and Community) WBOPDC's inability to maintain a strong strategic relationship with the Central Government, its agencies, and the wider Community. This may potentially lead to a loss of opportunities, the ability to adequately influence, respond and adapt to the changing and complex government reforms and community expectations, and deliver on the Council's long-term plan outcomes.</p>	<p>TBA</p>		<p>The Council aims to have an increased engagement with the community to be able to understand, identify, manage and deliver on their expectations and develop a strong relationship. This reflects in the Council's 'Low' risk appetite. Further, the Council targets to improve and establish a strategic relationship with Central Government and key government agencies to gain additional insights and guidance to anticipate and support potential opportunities for development in the region, and has a 'Medium' risk appetite for managing the risk.</p>



Residual risk






Risk appetite

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Risk appetite and profile

Risk name and description	Risk owner	Risk settings	Risk appetite rationale
<p>Partnership with Iwi and Mana Whenua There is a risk that WBOPDC doesn't deliver on the commitments to Iwi/Tangata Whenua (supporting Maori and Iwi businesses through social procurement), treaty principles and obligations, and fails to maintain a trusted relationship with Iwi and Maori communities and meet their expectations resulting in loss of reputation and failure to deliver on key projects.</p>	<p>Group Manager – Strategy and Community</p>		<p>The Council has the ambition to prioritise and build upon the key relationships with Iwi and Maori stakeholders. This is important to deliver on the Council's strategy and long-term plan but will need to be balanced with the wider community plans and expectations. The Council has a 'Medium-High' risk appetite for managing the risk.</p>
<p>Climate change The failure to adequately identify, understand, address and respond to climate change regulations, reforms, and requirements including reducing greenhouse gas emissions, and considering the wider impacts prior to providing the consent under Resource Management Act, Building Act, and similar legislations.</p>	<p>Group Manager - Strategy and Community Group Manager - Infrastructure Services</p>		<p>Currently, there is still uncertainty about the government response and expectations relating to climate change to enable the Council to appropriately plan its response. The Council recognises the importance of increasing focus on climate change risks and is determined to support the identification of climate change risk, monitoring and assessing the impact. This drives the Council's 'Medium' risk appetite.</p>
<p>Growth and financial sustainability The risk that WBOPDC is unable to manage financial risks resulting from growth opportunities and therefore has a significant impact on Council's ability to deliver and execute its district growth objectives.</p>	<p>Group Manager – Corporate Services</p>		<p>Effective management of funds and ensuring financial sustainability is fundamental to successfully delivering on the Council's growth objectives and long-term plan for the region and meeting the desired community outcomes. The Council has a conservative approach to its financial strategy considering the limited opportunity for obtaining additional funding support from the government. The Council has a 'Low-Medium' risk appetite for the risk and will need to be balanced with the delivery and achievement of the planned growth outcomes.</p>




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Risk appetite and profile

Risk name and description	Risk owner	Risk settings	Risk appetite rationale
<p>Regulatory change (Three waters reform, Future of local government, RMA) There is a risk that Council does not identify, understand the impact, advocate and respond to the changing regulatory reforms being considered by the Government. This also extends in the impact these new requirements has on delivery of current priorities. The risk could potentially impact the Council’s operations and its ability to re-prioritise and allocate adequate resources to meet the changing expectations resulting in delay in projects, delivery of services, reputational loss, failure to meet the government expectations and non-compliance with regulatory requirements.</p>	<p>Group Manager - Strategy and Community for developing the strategy and making informed decisions for the project.</p> <p>Group Manager - Infrastructure Services for implementation of the regulatory reforms including Three Waters.</p>		<p>The Council acknowledges and anticipates an increase in the legislative changes being introduced by the Central Government and these can have a significant impact on the Council’s strategy. The Council has a ‘High’ risk appetite which reflects a limited ability to control the changes being introduced and its aim to engage early on to support sector advocacy on key topics and work closely with the government agencies to understand the planned changes and their impacts.</p>
<p>Significant external events WBOPDC’s failure to appropriate design, prepare and execute on its Business Continuity Plan and/or Crisis Management Plan while responding to significant external events (including natural calamities, pandemic, and other macro-economic events) which may have a potential impact on the Council’s ability to provide its services and continued impact on its operations.</p>	<p>Group Manager -Corporate Services for business continuity.</p> <p>Group Manager - Infrastructure Services for crisis management to develop and respond to significant events.</p>		<p>The Council recognises that continued operation of critical Council activities, movement of resources, successful implementation of business continuity or crisis management plan to effectively support the community and ensure community well-being during significant external events. The ‘Medium’ risk appetite highlights the limited ability to control the occurrence, and predict the nature and extent of the potential impact of significant external events.</p>



Residual risk

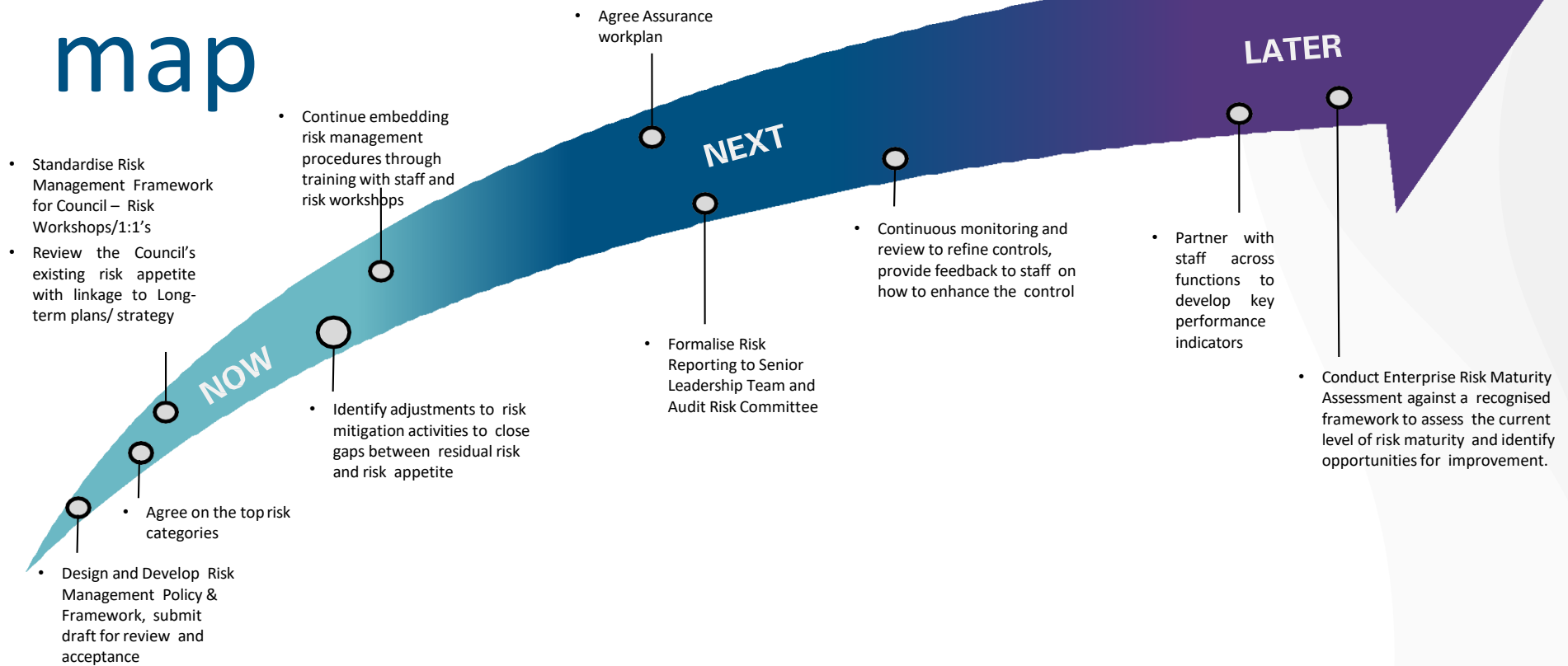


Risk appetite

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Road map



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9.4 UPDATE ON OUTSTANDING AUDIT ITEMS (INTERNAL/EXTERNAL) JUNE 2022

File Number: A4574165

Author: Tashina Abraham, Senior Assurance and Risk Specialist

Authoriser: James Graham, Acting General Manager Corporate Services

EXECUTIVE SUMMARY

The purpose of this report is to provide status updates on management's response to recommendations raised in management reports as part of the following processes:

- (a) The audit of the Long-Term Plan and Annual Report carried out by Council's external auditor Audit New Zealand; and
- (b) Internal audit reviews carried out by Council's internal auditor, KPMG, as part of the internal audit work programme.

The status updates on open external and internal audit recommendations have been amalgamated into one report (**Attachment 1**).

RECOMMENDATION

That the Senior Assurance and Risk Specialist's report dated 2 June 2022 titled 'Update on Outstanding Audit Items (Internal/External) June 2022' be received.

BACKGROUND

Audit New Zealand

1. The Local Government Act 2002 requires Local Authorities to have their Annual Reports and Long-Term Plans audited by the Office of the Auditor-General. The Office of the Auditor-General has appointed Audit New Zealand as Council's audit service provider.
2. The process for auditing the Annual Report and Long-Term Plan involves Audit New Zealand issuing an opinion that the information published in these documents fairly presents the Council's financial position and complies with legislation.
3. At the conclusion of each audit, Audit New Zealand provides a management report highlighting any issues they find, the degree of severity of the issue and a recommendation. Issues raised by Audit New Zealand are classed as 'Urgent, Necessary or Beneficial'.

KPMG

4. During the 2016/2017 financial year KPMG was appointed as Council's internal auditor under a Bay of Plenty Local Authority Shared Services (BOPLASS) arrangement and worked with staff to establish a three-year internal audit plan. The audit plan was presented at the February 2020 Audit and Risk Committee meeting. The audit plan outlined the intended areas of focus for 2017, 2018 and 2019, with confirmation sought from senior management on an annual basis.
5. The annual internal audit plan review for 2018 identified asset management and key financial controls as areas of internal audit focus.
6. We have been able to close several of the Audit NZ and KPMG recommendations this quarter (pending Audit NZ confirmation). Closed audit items are available separately on Stellar.
7. The Status updates to the key findings are included in the attached 'Audit Monitoring' table (**Attachment 1**).

ATTACHMENTS

1. **Update on Outstanding Audit Items (Internal/External) June 2022**  

9.5 HEALTH AND SAFETY REPORT

File Number: A4568172

Author: Ben Brown, Health and Safety Advisor

Authoriser: James Graham, Acting General Manager Corporate Services

EXECUTIVE SUMMARY

Health and Safety Report

This report provides a summary of:

- Health and Safety performance across the organisation;
- Significant Health and Safety risks and safety events for the reporting period; and
- Progress against the Health and Safety strategy and work programme.

RECOMMENDATION

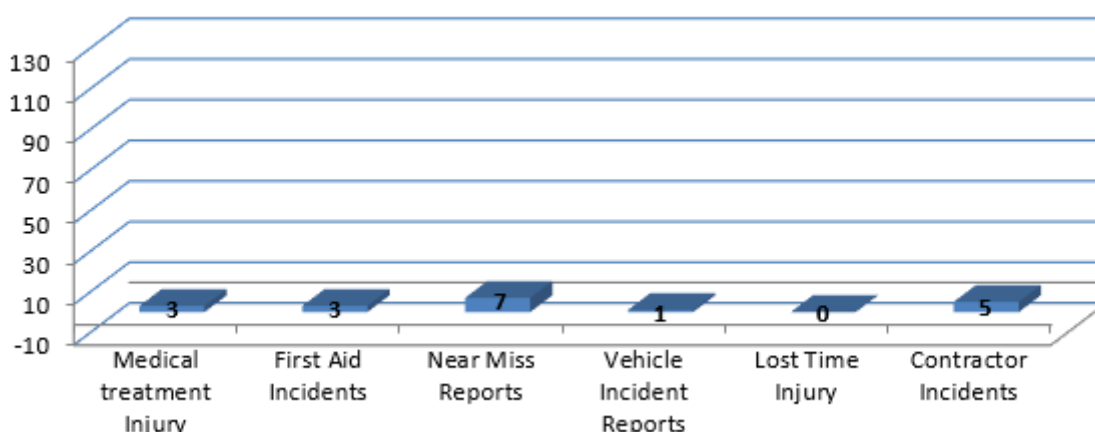
That the Health and Safety Advisor’s report dated 2 June 2022 titled ‘Health and Safety Report’ be received.

BACKGROUND

1. HEALTH AND SAFETY PERFORMANCE

The graph and data below provide an overview of Council’s Health and Safety performance.

Summary of Safety Events – 1 March 2022 – 30 April 2022

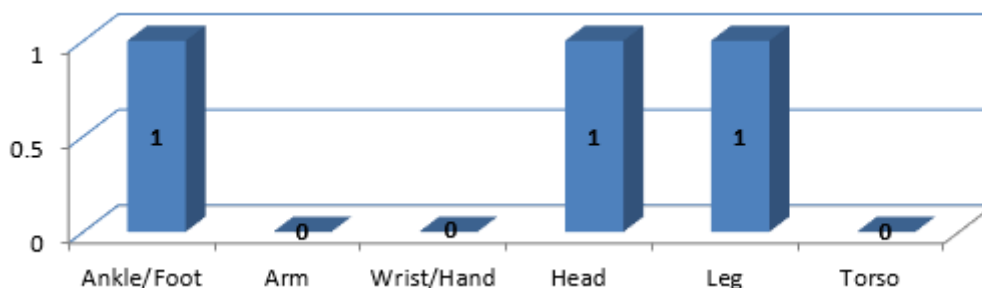


Since the previous Health and Safety report, the reporting of safety events across Council and contractors is trending down. This can be attributed to a number of factors including but not limited to; less workers in the office or field due to COVID-19, potential time/work pressures, staff/resource shortages or less safety events

actually occurring. The Health and Safety team has acted on the reduction in reporting by meeting with, and educating, staff and contractors on the benefits of safety event reporting.

In the time period reported there have been zero 'Lost Time Injuries' (LTI's) reported.

Type of Injuries Sustained, Year to Date – 1 March 2022 – 30 April 2022



There are no trends identified in the injuries sustained in this reporting

WBOPDC Vision Statement

The Health and Safety Team has created and adopted the following vision statement for Council 'Together, we get all our people home safe and well everyday'. This vision statement is the goal we have for our 'people' (staff, contractors, volunteers and visitors) everyday and is something we as an organisation are always working to achieve. The ownership, delivery and championing of this vision sits with the Chief Executive Officer and Senior Leadership Team.

Safety Events

In late February 2022, a safety event involving a volunteer was reported to Council by the Te Puna Quarry Park Society Incorporated (a volunteer group) in which a tractor rolled down an embankment, ejecting the operator from the vehicle. Minor bruising was suffered by the operator. On receiving the report, Council's Health and Safety Team undertook a full safety investigation. Council continues to work with the Te Puna Quarry Park Society Incorporated to make the park a safer place for volunteers, contractors and public visitors. Recently implemented improvements include; increased communication and collaboration with Council and staff, attendance at committee meetings, supplying training and competency assessment for use of high risk equipment including tractors and chainsaws, and installation of safety protection barriers.

2. Accident/Incident Frequency Rates

The metrics reported are:

- Lost Time Injury Frequency Rate (LTIFR). This is the average number of lost time injuries per 200,000 hours worked
- Total Recordable Injury Frequency Rate (TRIFR). This is the average number of recorded injuries per 200,000 hours worked
- Lost Time Injuries (LTI's).

Metrics	Council's year to date records	Local Government Industry Benchmark
Average LTIFR (year to date)	0	2.5
Average TRIFR (year to date)	2	7
Average Lost Time Injuries (LTI). Recorded (year to date) of LTI's.	1	3

3. Summary of Safety Events - Year to Date – 30 April 2022

Safety Events	Year to Date Results FY 2022 (Q,3)	Year to Date Results FY 2021	Year to Date Results FY 2020	Year to Date Results FY 2019
Medical Treatment Injury	10	3	5	1
First Aid Incidents	7	34	8	23
Near Miss Reports	29	67	64	84
Vehicle Reports	7	7	11	38
Lost Time Injury	1	2	3	4
Contractor Incidents	45	106	150	123
Total Safety Event Reports Year to Date	99	219	241	273

4. Health and Safety Hazard Risk Management

Review and update on managing Councils critical risks is presently a focus:

- Open Water Ways
Council is presently installing multiple safe sampling platforms at treatment plants. Drone use is also being investigated for water sampling in high-risk open water courses and streams.
- Contractor Management
Council's Health and Safety Team is focussing on contractor management. This includes multiple site-specific online induction and additional contractor management training for contract managers, people leaders and other staff.

5. COVID-19 Management Planning and Policy

Council continues to monitor and respond to Central Government announcements and updated advice for COVID-19.

As a result of recent updates, Council has reviewed its COVID-19 risk assessment for all roles in accordance with the Health and Safety at Work Act 2015 and Worksafe's amended guidance on vaccination requirements. This Risk Assessment took into account a number of public health factors, including for a particular role:

- Is there a greater risk of the worker being exposed to new variants at work than they would be in the community?
- Does the worker regularly, as part of their work, interact with people who are at greater risk of severe illness should they contract COVID-19?
- Does the worker regularly interact with people who are less likely to be vaccinated against COVID-19?
- Does the worker work in a confined indoor space (of less than 100m²) and involve close and sustained interactions with others (i.e. closer than 1m distance, for periods of more than 15 continuous minutes)?

The result of this risk assessment is that all Council roles no longer require a vaccinated employee to perform them in order to reduce the risks of contracting or transmitting COVID-19 in the workplace, to an acceptable level.

Council is currently seeking feedback from staff on the revised risk assessment and will update the COVID-19 Protection Policy in due course.

Additional controls including surveillance Rapid Antigen Testing will be utilised for early detection to reduce the spread of COVID-19 amongst higher risk roles, and roles deemed essential for business continuity.

Under the COVID-19 Traffic Light Orange system, remote working is still widely utilised. Increased staff attendance in the workplace is no longer discouraged as long as public health guidelines are compiled with, in particular social distancing and use of face coverings in shared spaces.

6. Health and Safety Strategic Work Programme

- Policy and guideline reviews;
- Re-classification and ranking of Critical risks;
- Safety site inspections and audits;
- Contractor management, including introduction of an online induction programme;
- Incident and accident safety management; and
- Engagement and training with safety and wellbeing.

Throughout the reporting period staff attended the following training:

- Working at Height;
- Comprehensive Workplace First Aid;
- Outdoor First Aid; and
- Psychological First Aid.

Policies and procedures recently reviewed included:

- Baler Standard Operating Procedures (SOP);
- COVID-19 Protection Policy and associated risk assessment; and
- Hazard management, including Critical safety risks.

Council has a pro-active wellbeing group, which includes a holistic approach to health, and wellbeing. A number of activities to promote wellness were carried out for the reporting period, including world book week, funded buccaline or influenza vaccinations and physical exercise groups.

7. Health and Safety Committee

Council has an active Health and Safety Committee, which includes representation from across the organisation and senior management. The Health and Safety Committee meet on a monthly basis and review safety events, policies and new legislation.

10 INFORMATION FOR RECEIPT

10.1 AUDIT NEW ZEALAND UPDATE AND AUDIT TIMETABLE

File Number: A4573997

Author: Sarah Bedford, Financial Controller

Authoriser: David Jensen, Chief Financial Officer

EXECUTIVE SUMMARY

Audit New Zealand has prepared its 2021/2022 Audit Plan outlining their approach to this year's audit programme. Representatives from Audit New Zealand will attend the Committee meeting to deliver this report and highlight key areas of focus.

RECOMMENDATION

That the Financial Controller's report dated 2 June 2022 titled 'Audit New Zealand Update and Audit Timetable' be received.

BACKGROUND

Audit New Zealand prepare an Audit Plan for Council each year highlighting the key focus areas for the Audit programme, and an indicative timeframe for when the audit work is scheduled to be performed. The Audit Plan for 2021/2022 is attached to this report **(Attachment 1)**.



Key items of note are:

1. Audit New Zealand has signalled their focus areas for 2022/2023, which includes testing how Council has treated certain IT costs (Software as a Service). Some areas of focus are specific to Western Bay of Plenty District Council and some are sector-wide issues.
2. Depending on Audit New Zealand resourcing, the final 2021/2023 audit will commence in September 2022 and run through October 2022. This is a month later than has been scheduled in prior years.

It is noted that, due to the election timeframe and interregnum period, the audited 2021/2022 Annual Report will be delivered to the new Council elected in October 2022.

Representatives from Audit New Zealand will be present at the Committee meeting to present the Audit Plan outlining the approach to the 2021/2022 audit programme and to take any questions.

ATTACHMENTS

1. **Audit New Zealand - 2021/2022 Audit Plan**  

11 RESOLUTION TO EXCLUDE THE PUBLIC

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:

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
11.1 - Litigation Update	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	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