

CENTRAL HAWKE'S BAY



I hereby give notice that a Risk and Audit Committee Meeting will be held on:

Date: Thursday, 26 July 2018
Time: at the conclusion of the Finance and Planning Committee meeting
Location: Council Chamber
28-32 Ruataniwha Street
Waipawa

AGENDA

Risk and Audit Committee Meeting

26 July 2018

**Monique Davidson
Chief Executive**

Order Of Business

1	Apologies	3
2	Declarations of Conflicts of Interest.....	3
3	Standing Orders.....	3
4	Confirmation of Minutes.....	3
5	Local Government Act Compliance – Planning, Decision Making and Accountability	9
6	Report Section	10
	6.1 Risk and Audit Update.....	10
	6.2 Safety & Wellbeing Update.....	13
7	Date of Next Meeting	19
8	Time of Closure.....	19

1 APOLOGIES**2 DECLARATIONS OF CONFLICTS OF INTEREST****3 STANDING ORDERS****RECOMMENDATION**

THAT the following standing orders are suspended for the duration of the meeting:

- 20.2 Time limits on speakers
- 20.5 Members may speak only once
- 20.6 Limits on number of speakers
- THAT 21.4 Option C under section 21 General procedures for speaking and moving motions be used for the meeting.

4 CONFIRMATION OF MINUTES

Risk and Audit Committee Meeting - 13 June 2018

RECOMMENDATION

THAT the minutes of the Risk and Audit Committee Meeting held on 13 June 2018 as circulated, be confirmed as true and correct.

**MINUTES OF CENTRAL HAWKES BAY DISTRICT COUNCIL
RISK AND AUDIT COMMITTEE MEETING
HELD AT THE COUNCIL CHAMBER, 28-32 RUATANIWHA STREET, WAIPAWA
ON WEDNESDAY, 13 JUNE 2018 AT AT THE CONCLUSION OF THE FINANCE AND
PLANNING COMMITTEE MEETING**

PRESENT: Mayor Alex Walker
Cr Tim Aitken
Cr Brent Muggeridge
Cr David Tennent
Cr Shelley Burne-Field
Dr Roger Maaka (Maori Consultative Representative)

IN ATTENDANCE: Monique Davidson (Chief Executive)
Joshua Lloyd (Group Manager, Community Infrastructure and Development)
Doug Tate (Group Manager, Customer and Community Partnerships)
Nicola Bousfield (People and Capability Manager)
Lisa Harrison (Organisation Transformation Lead)
Lizz Jenkins (Governance and Support officer)

Matt (Crowe Horwath)
Jess (Crowe Horwath)

1 APOLOGIES

APOLOGY

COMMITTEE RESOLUTION

Moved: Cr Brent Muggeridge
Seconded: Mayor Alex Walker

That the apology received from Cr Minehan be accepted and leave of absence granted.

CARRIED

2 DECLARATIONS OF CONFLICTS OF INTEREST

Nil

3 STANDING ORDERS

COMMITTEE RESOLUTION

Moved: Cr Brent Muggeridge
Seconded: Mayor Alex Walker

THAT the following standing orders are suspended for the duration of the meeting:

- 20.2 Time limits on speakers
- 20.5 Members may speak only once
- 20.6 Limits on number of speakers
- THAT 21.4 Option C under section 21 General procedures for speaking and moving motions be used for the meeting.

CARRIED

4 CONFIRMATION OF MINUTES

COMMITTEE RESOLUTION

Moved: Cr Brent Muggeridge

Seconded: Cr David Tennent

That the minutes of the Risk and Audit Committee Meeting held on 22 March 2018 as circulated, be confirmed as true and correct.

CARRIED

5 LOCAL GOVERNMENT ACT COMPLIANCE – PLANNING, DECISION MAKING AND ACCOUNTABILITY

Council is required to make decisions in accordance with the requirements of Part 6 Subpart 1 of the Local Government Act 2002.

COMMITTEE RESOLUTION

Moved: Mayor Alex Walker

Seconded: Cr Brent Muggeridge

THAT Council has read the reports associated with items 6.1, 7.1 and 7.2 and considers in its discretion under Section 79(1)(a) that sufficient consultation has taken place in addition to the Councillors knowledge of the items to meet the requirements of Section 82(3) in such a manner that it is appropriate for decisions to be made during the course of this meeting.

CARRIED

6 REPORT SECTION

6.1 SAFETY AND WELLBEING UPDATE

PURPOSE

The purpose of this Report is to update the Risk & Audit Committee on Council's Safety and Wellbeing activities and Strategic Plan progress, as well as the reported incidents and near misses for Council staff for this quarter.

COMMITTEE RESOLUTION

Moved: Mayor Alex Walker

Seconded: Cr David Tennent

That, having considered all matters raised in the report, the report be received by the Committee.

CARRIED

People and Capability Manager spoke to the report.

RESOLUTION TO EXCLUDE THE PUBLIC**COMMITTEE RESOLUTION**

Moved: Mayor Alex Walker
 Seconded: Cr David Tennent

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
7.1 - Internal Audit - Contract Management	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)(f)(i) - free and frank expression of opinions by or between or to members or officers or employees of any local authority	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
7.2 - NZTA Audit Report Update	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)(f)(i) - free and frank expression of opinions by or between or to members or officers or employees of any local authority	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 DATE OF NEXT MEETING****COMMITTEE RESOLUTION**

Moved: Cr Brent Muggeridge
 Seconded: Mayor Alex Walker

THAT the next meeting of the Risk and Audit Committee Meeting be held on 26 July 2018.

CARRIED

8 TIME OF CLOSURE

The Meeting closed at 12.23pm.

The minutes of this meeting were confirmed at the Risk and Audit Committee Meeting held on 26 July 2018.

.....

CHAIRPERSON

RECOMMENDATION

THAT the minutes of the Risk and Audit Committee Meeting held on 13 June 2018 as circulated, be confirmed as true and correct.

5 LOCAL GOVERNMENT ACT COMPLIANCE – PLANNING, DECISION MAKING AND ACCOUNTABILITY

Council is required to make decisions in accordance with the requirements of Part 6 Subpart 1 of the Local Government Act 2002.

RECOMMENDATION

THAT Council has read the reports associated with items 6.1 and 6.2 and considers in its discretion under Section 79(1)(a) that sufficient consultation has taken place in addition to the Councillors knowledge of the items to meet the requirements of Section 82(3) in such a manner that it is appropriate for decisions to be made during the course of this meeting

6 REPORT SECTION**6.1 RISK AND AUDIT UPDATE****File Number:** COU1-1408**Author:** Bronda Smith, Group Manager, Corporate Support and Services**Authoriser:** Bronda Smith, Group Manager, Corporate Support and Services**Attachments:** Nil**PURPOSE**

The purpose of this report is to update the Committee of Risk and Audit activities for monitoring and review purposes.

RECOMMENDATION

That, having considered all matters raised in the report, the report be noted.

SIGNIFICANCE AND ENGAGEMENT

This report is provided for information purposes only and has been assessed as being of some importance.

DISCUSSIONRisk Management Framework

The Risk and Audit committee continues to workshop the Risk Framework and progress has been made to develop the overall framework. The previous workshop was on the matrix for likelihood and consequences. The feedback received from the Risk and Audit committee will be incorporated into the matrix and reviewed.

The following is the expected timeline of the adoption of the Framework and the establishment of the Risk Registers.

Risk Management Framework adoption	By 30 September 2018
Risk Registers Established	By 31 December 2018

Annual Report 2017/18 Audit

The work required to complete the Annual Report 2017/18 has begun. The external auditors were onsite from 11 to 15 June completing the interim audit. There have no issues identified during the interim audit.

The timeline for the audit of the Annual Report is as below

Action	Date
External Auditors onsite	27 August to 7 September 2018
External Auditors queries completed	14 September 2018
External Audit opinion issued	Estimated 17 September 2018
Annual Report presented to the Risk and Audit Committee for recommendation on adoption by Council	Extraordinary meeting 4 October 2018
Council Meeting for the Adoption of the Annual Report	Extraordinary meeting 18 October 2018

Internal Audit Report – Contract Management

The Internal Audit Report for Contract Management was presented to the Risk and Audit Committee on the 13 June 2018. The report includes a number of actions that will be reported to the Risk and Audit Committee on a quarterly basis as agreed at the meeting on the 13 June 2018.

Below are the actions will deadlines prior the next quarterly update and progress on the actions.

Action	Who is Responsible	Action to be completed by	Progress
Overall			
Contract Management Policy to be developed	Executive Leadership Team	By 31 July 2018	In progress.
Requests For Service (RFS) review	Executive Leadership Team	By 30 July 2018	The RFS system has been reviewed and updated based on the LTP requirements. The outstanding RFS have reviewed and closed as appropriate. Reporting to the Executive Leadership team is being established.
Contract Management Database – current spreadsheet updated with all contracts	Executive Leadership Team	By 30 June 2018	All active contracts have been entered into the spreadsheet. A review process is being established to ensure all information is correct. A number of historical contracts are being entered onto the spreadsheet for record management.
Contract 479 Reseals			
Variations Approval in line with delegations	Group Manager - Community Infrastructure and Development	By 31 July 2018	The Delegations registered has been update and approved by Council. This has been communicated to the Land Transport team with appropriate training.
Contract 505 Road Maintenance			
Procedures for review of planned work programme	Group Manager - Community Infrastructure and Development	By 31 July 2018	Regular meetings are in place to agree the following months programme between the contractor and the engineers' representative.
RAMM access	Group Manager - Community	By 30 June 2018	Permissions have been updated as

reviewed	Infrastructure and Development		required and the assignment of overall responsibility is being reviewed.
----------	--------------------------------	--	--

Insurance Programme

The insurance programme for the 2018-19 year has been placed following meetings with JLT and the other HBLASS Councils as part of the ongoing insurance programme.

The insurance programme will form part of the 2018-19 Risk and Audit Committee.

FINANCIAL AND RESOURCING IMPLICATIONS

Any financial and resourcing implications resulting from risk mitigation measures that are outside staff delegations will be reported and require approval from the Council before being incurred. No such implications have been identified to date.

IMPLICATIONS ASSESSMENT

This report confirms that the matter concerned has no particular implications and has been dealt with in accordance with the Local Government Act 2002. Specifically:

- Council staff have delegated authority for any decisions made;
- Council staff have identified and assessed all reasonably practicable options for addressing the matter and considered the views and preferences of any interested or affected persons (including Māori), in proportion to the significance of the matter;
- Any decisions made will help meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses;
- Unless stated above, any decisions made can be addressed through current funding under the Long-Term Plan and Annual Plan;
- Any decisions made are consistent with the Council's plans and policies; and
- No decisions have been made that would alter significantly the intended level of service provision for any significant activity undertaken by or on behalf of the Council, or would transfer the ownership or control of a strategic asset to or from the Council.

RECOMMENDATION

That, having considered all matters raised in the report, the report be noted.

6.2 SAFETY & WELLBEING UPDATE**File Number:** COU1-1408**Author:** Nicola Bousfield, People and Capability Manager**Authoriser:** Monique Davidson, Chief Executive**Attachments:** 1. Health and Safety Strategic Plan 2017-2018 Update  **PURPOSE**

The purpose of this Report is to update the Risk & Audit Committee on Council's Safety and Wellbeing activities and final update on the Strategic Plan progress, as well as the reported incidents and near misses for Council staff for this quarter.

RECOMMENDATION

That having considered all matters in the report, the report be noted.

UPDATES**Contractor Auditing Update**

47 Contractors have been identified as currently undertaking work for Council, which have been split in to "high" "medium/high" "medium" and "low" risk contractors dependent on their scope of work.

4 Contractor audits were completed in this period. The 2018/19 Safety & Wellbeing Strategy will include a review of the Risk Level of each Contractor with the relevant Contract Manager. Contractors currently categorised as Low Risk include service providers; it is expected this number will reduce, once the scope of work of these Contractors are reviewed.

Risk Level	Audits completed to 30 June 2018	Audits Planned for 2018/2019	Total Contractors
High	9	12	21
Medium/High	2	4	6
Medium	2	4	6
Low	1	13	14
Total	14	33	47

Contractor Pre-Qualification Update

During this period, 5 Contractors returned the Council pre-qualification paperwork which is now under review by the Safety & Wellbeing Lead. 15 Contractors outstanding yet to obtain pre-qualification.

	Site Wise/externally pre-qualified	Council pre-qualification in process	Outstanding – yet to obtain pre-qualification	Total
Contractors	27	5	15	47

Safety requirements review of Professional Services Contracts

Planned review of safety requirements in Contractor's professional services agreements in the 2018/2019 year with applicable Council contract managers.

Asbestos Management Plan

Legislation came in to effect 4th April 2018 requiring Council to develop an Asbestos Management Plan if asbestos is found in Council owned buildings.

The Safety & Wellbeing Lead identified a preferred supplier which has been recommended to the Group Manager – Customer & Community Partnerships. The supplier is available to start discussions on the scope of work from July 2018, once approval is received to progress.

Safety & Wellbeing Committee

The next Safety & Wellbeing Committee is planned for mid-July 2018.

Operating Procedures Review

A full review of current operating procedures is planned for this quarter, with a gap analysis to identify any operating procedures, that have not yet been formalised and develop a new template.

This review will start with the Land Transport team and the 3 Waters work originally identified to document will be absorbed in to the CFIM Contract later in the year.

Training

- Site Safe Foundation Passport August 2018
- Advanced Drug Awareness Workshops for Managers 27th July 2018
- 2 Drug Awareness Workshops for all staff Tuesday 31st July 2018

IMPLICATIONS ASSESSMENT

This report confirms that the matter concerned has no particular implications and has been dealt with in accordance with the Local Government Act 2002. Specifically:

- Council staff have delegated authority for any decisions made;
- Council staff have identified and assessed all reasonably practicable options for addressing the matter and considered the views and preferences of any interested or affected persons (including Maori), in proportion to the significance of the matter;
- Any decisions made will help meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses'
- Unless stated above, any decisions made can be addressed through current funding under the Long-Term Plan and Annual Plan;
- Any decisions have been made that would alter significantly the intended level of service provision for any significant activity undertaken by or on behalf of the Council, or would transfer the ownership or control of a strategic asset to or from the Council.

RECOMMENDATION

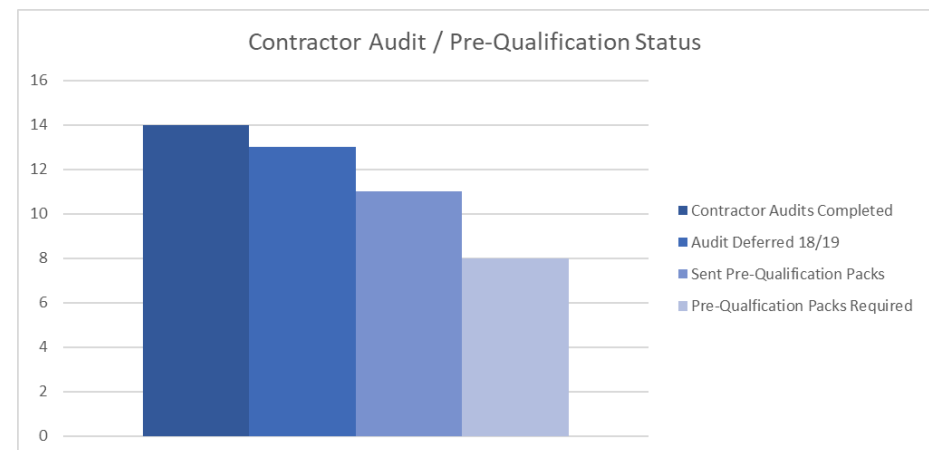
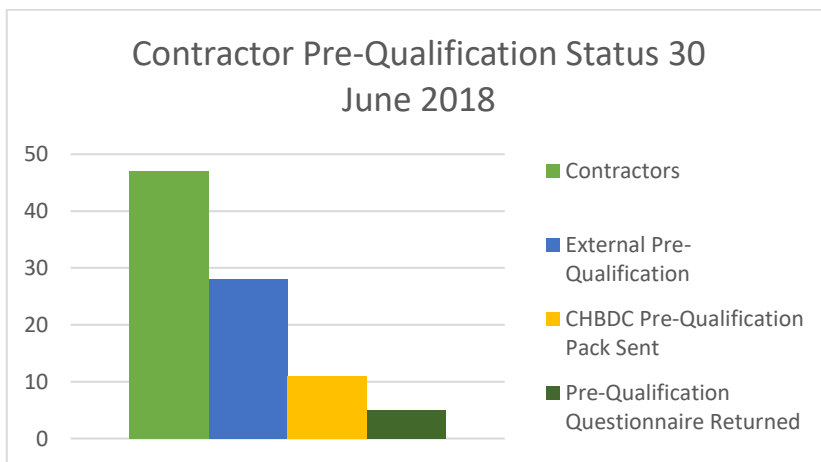
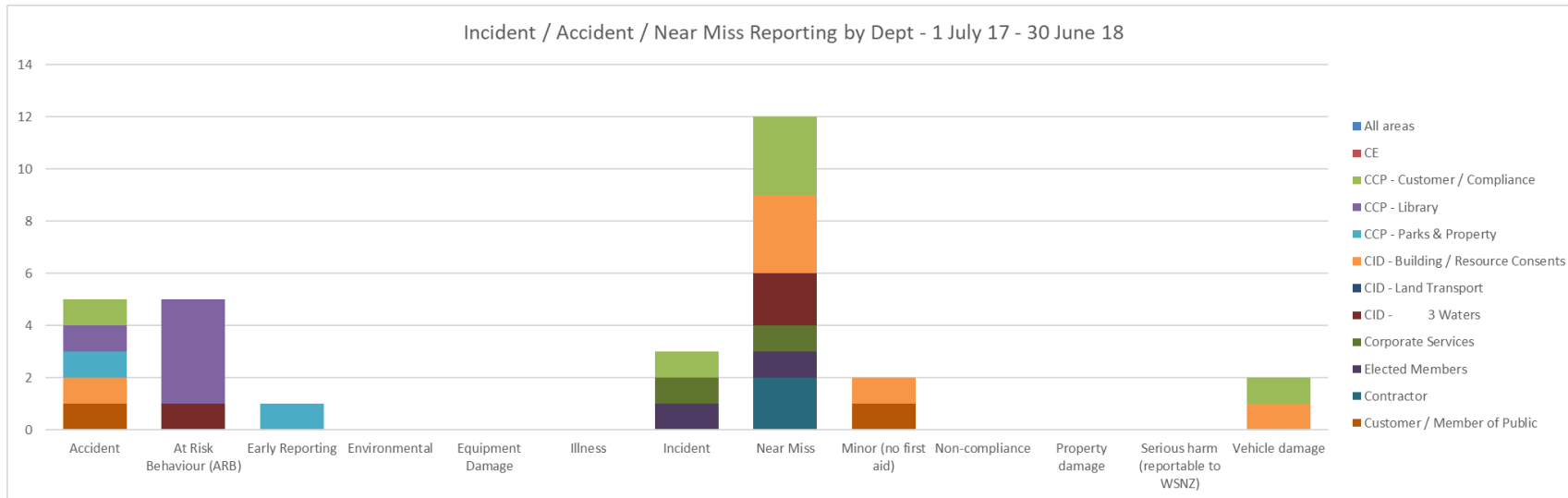
That having considered all matters in the report, the report be noted.

CENTRAL HAWKE'S BAY DISTRICT COUNCIL
Safety and Wellbeing Report – Risk and Audit Committee
26 July 2018

Objectives	Status	Comment	Evidence Available (if required)
1. Policy and Planning			
Health and Safety Procedures	Drug and Alcohol Staff Policy and Procedure – approved by ELT 5 th June 2018	Came in to effect 1 st July 2018 with random testing from 1 st August 2018.	
Procedure Manual	Procedure manuals held by managers	No Health & Safety manual – procedures are filed with other council procedures	Available on network drive, Intranet and managers have hard copy manuals
Procedure Review process	Procedures reviewed as they expire – timeline spreadsheet to be updated	Planned to start with creation of Land Transport procedures.	
Contractor Management	Contractor list updated to reflect current pre-qualification status.	Major Contractors reporting for this period Higgins: <ul style="list-style-type: none"> • 2 near misses • 1 incident • 2 risks identified • 11 safety audits completed Downer: No report received for this period	Safety reports received from major contractors
2. Delivery			
Hazard/Risk Management	Hazard registers updated for Council Office and Libraries	Oxidation ponds and pump stations hazard registers review is nearing completion	Existing hazard registers on network drive
Hazard Reviews	Ongoing – task analysis for high risk workers to be undertaken to ensure suitable control measures are in place	Ongoing – will work with successful CFIM Contractor to review relevant hazards.	As identified new hazards recorded

Objectives	Status	Comment	Evidence Available (if required)
Delivery – cont'd			
Worker participation	Attendance by invited employees to Safety & Wellbeing meetings ongoing	No Safety & Wellbeing Committee meeting in this period.	N/A
Serious harm accidents/incidents/near misses	Nil serious harm reports for period 1x Near Miss – stair bannister needs re-fixing to wall No other incidents reported in period	There have been no serious harm accidents/incidents in past 12 months within Council. Staff are continuing to report via PeopleSafe	Safety and Wellbeing Committee Meeting Minutes PeopleSafe online reports
3. Review			
Ensure all Contractors are complying with and maintaining appropriate health and safety practices	Ongoing.	Original contractors list reviewed and level of risk assigned against each contractor to ensure that the high-risk activities are prioritised.	4x audits completed this period – no non-compliance noted

CENTRAL HAWKE'S BAY DISTRICT COUNCIL Health and Safety Report – Risk and Audit Committee



7 DATE OF NEXT MEETING

RECOMMENDATION

THAT the next meeting of the Risk and Audit Committee be held on 6 September 2018.

8 TIME OF CLOSURE

The meeting closed at