



RANGITIKEI
DISTRICT COUNCIL
Making this place home.

ORDER PAPER

AUDIT AND RISK COMMITTEE MEETING

Date: Monday, 5 September 2022

Time: 9.00 am

Venue: Council Chamber
Rangitikei District Council
46 High Street
Marton

Chair: Mr Craig O'Connell

Deputy Chair: Cr Nigel Belsham

Membership: Cr Angus Gordon
Cr Dave Wilson
HWTM Andy Watson

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Contact:	0800 422 522 (06) 327 0099 info@rangitikei.govt.nz www.rangitikei.govt.nz				
Locations:	<table border="0" style="width: 100%;"> <tr> <td style="width: 50%; vertical-align: top;"> <u>Marton</u> Head Office 46 High Street Marton </td> <td style="width: 50%; vertical-align: top;"> <u>Bulls</u> Bulls Information Centre Te Matapihi 4 Criterion Street Bulls </td> </tr> <tr> <td style="vertical-align: top;"> <u>Taihape</u> Taihape Information Centre 102 Hautapu Street (SH1) Taihape </td> <td></td> </tr> </table>	<u>Marton</u> Head Office 46 High Street Marton	<u>Bulls</u> Bulls Information Centre Te Matapihi 4 Criterion Street Bulls	<u>Taihape</u> Taihape Information Centre 102 Hautapu Street (SH1) Taihape	
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Notice is hereby given that an Audit and Risk Committee Meeting of the Rangitīkei District Council will be held in the Council Chamber, Rangitīkei District Council, 46 High Street, Marton on Monday, 5 September 2022 at 9.00 am.

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AGENDA

1 Welcome / Prayer

2 Apologies

Cr Belsham has advised that he will be late, and likely arrive to the meeting around 10.00 am.

Recommendation

That the apology for lateness from Cr Belsham be received.

3 Public Forum

4 Conflict of Interest Declarations

Members are reminded of their obligation to declare any conflicts of interest they might have in respect of items on this agenda.

5 Confirmation of Order of Business

That, taking into account the explanation provided why the item is not on the meeting agenda and why the discussion of the item cannot be delayed until a subsequent meeting, [enter item number](#) be dealt with as a late item at this meeting.

6 Confirmation of Minutes

6.1 Confirmation of Minutes

Author: Ash Garstang, Governance Advisor

1. Reason for Report

- 1.1 The minutes from the Audit and Risk Committee Meeting held on 16 June 2022 are attached.

Attachments

1. **Audit and Risk Committee Meeting - 16 June 2022**

Recommendation

That the minutes of Audit and Risk Committee Meeting held on 16 June 2022 [**as amended/without amendment**] be taken as read and verified as an accurate and correct record of the meeting, and that the electronic signature of the Chair of this Committee be added to the official minutes document as a formal record.

MINUTES

ITEM 6.1

ATTACHMENT 1

UNCONFIRMED: AUDIT AND RISK COMMITTEE MEETING

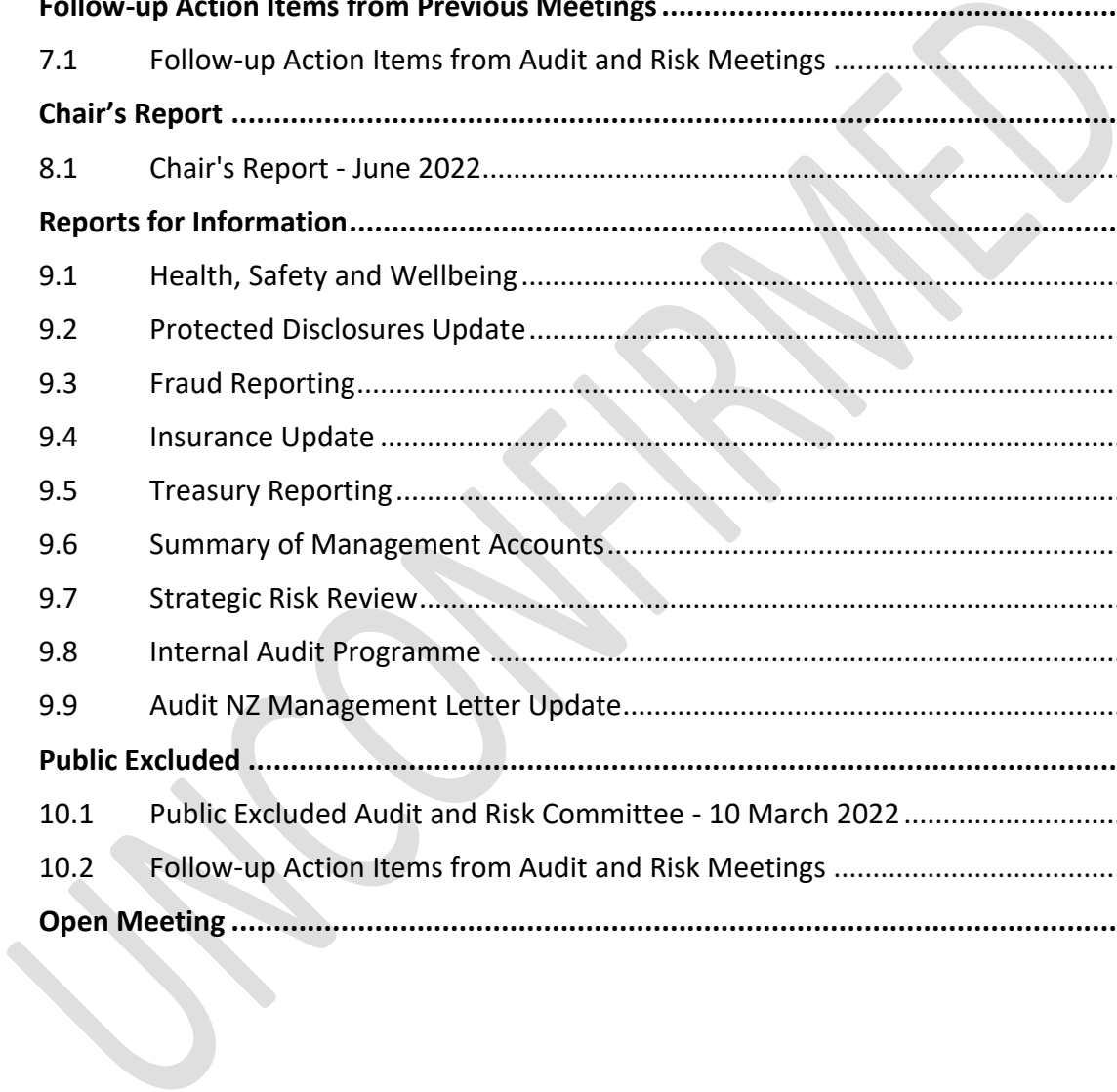
Date: Thursday, 16 June 2022
Time: 9.00 am
Venue: Council Chamber
Rangitikei District Council
46 High Street
Marton

Present Mr Craig O'Connell
Cr Nigel Belsham
Cr Angus Gordon [*via Zoom*]
Cr Dave Wilson [*via Zoom*]

In attendance Mr Arno Benadie, Chief Operating Officer
Mrs Carol Gordon, Group Manager – Democracy and Planning
Mr Dave Tombs, Group Manager – Corporate Services
Ms Gaylene Prince, Group Manager – Community Services
Mrs Sharon Grant, Group Manager – People and Culture
Mr Sam Zhang, Manager – Financial Services
Mr Ash Garstang, Governance Advisor
Cr Fi Dalgety, Health and Safety Champion [*via Zoom*]

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1 Welcome / Prayer

The meeting opened at 9.00 am. Mr O'Connell read the Council prayer.

2 Apologies

Resolved minute number 22/ARK/022

That the apology for the Mayor, who is away on Council business, be received.

Cr N Belsham/Cr D Wilson. Carried

3 Public Forum

No public forum.

4 Conflict of Interest Declarations

No conflicts of interest were declared.

5 Confirmation of Order of Business

There were no changes to the order of business.

6 Confirmation of Minutes

Resolved minute number 22/ARK/023

That the minutes of Audit and Risk Committee Meeting held on 10 March 2022, without amendment, be taken as read and verified as an accurate and correct record of the meeting, and that the electronic signature of the Chair of this Committee be added to the official minutes document as a formal record.

Cr D Wilson/Cr A Gordon. Carried

7 Follow-up Action Items from Previous Meetings

7.1 Follow-up Action Items from Audit and Risk Meetings

Mr O'Connell advised that he had recently come across a dynamic risk matrix that Gartner is promoting. He will have a look at it and see if it might be relevant for this Committee – if so, he will forward it through.

In response to a query about the depreciation of water assets for the Marton to Bulls Wastewater Centralisation Project (action item 2), Mr Tombs advised that this will not need to be considered until 30 June 2023 as the pipes are not connected.

Mr Tombs advised that the asset depreciation schedule laid out in the 2021-31 Long Term Plan will see some major revaluations after the transfer of assets to the new water entity in 2024.

Resolved minute number 22/ARK/024

That the report 'Follow-up Action Items from Audit and Risk Meetings' be received.

Cr N Belsham/Cr D Wilson. Carried

8 Chair's Report

8.1 Chair's Report - June 2022

Mr O'Connell advised that the OAG Webinars have been attached for the Committee members information, and he will distribute any other webinars of relevance that take place in the future.

In response to a query, Mr Tombs advised that he is the staff member responsible for carrying out internal audit reviews, and that external audit reviews are outsourced.

Mr O'Connell advised that he spoke to the MW LASS leadership panel and will forward his notes from this through to the Committee.

Resolved minute number 22/ARK/025

That the Chair's Report – June 2022, including the two attachments (webinar notes) to this report, be received.

Cr A Gordon/Cr D Wilson. Carried

9 Reports for Information

9.1 Health, Safety and Wellbeing

Mrs Grant advised that there have been no notifiable accidents to Worksafe NZ over the last three months.

In response to a query, Mrs Grant advised that the 'abusive' near miss related to an incident that staff had witnessed among members of the public.

Mrs Grant advised that there has been an increase in reporting between March and May, due in part to more staff returning to the workplace over this time and in part to a greater encouragement of reporting via the Health & Safety Committee and Senior Leadership Team.

Mrs Grant advised that there is a new Health & Safety Committee, and that 16 staff had recently participated in the 'safe to drive' programme.

In response to a query, Mrs Grant advised that there are monitoring processes in place for staff driver safety, including information gathered from the e-roads tool and Health & Safety reporting.

Resolved minute number 22/ARK/026

That the Health, Safety and Wellbeing Report together with attachments, be received.

Mr C O'Connell/Cr N Belsham. Carried

9.2 Protected Disclosures Update

In response to a query, Mrs Grant advised that the Protected Disclosures Act 2000 provided better structure around making a complaint.

In response to a query, Mr O'Connell advised that he will ask LGNZ if they have any statistics on how often this tool is used by local government employees.

Resolved minute number 22/ARK/027

That the report 'Protected Disclosures Update' report be received.

Cr D Wilson/Cr A Gordon. Carried

9.3 Fraud Reporting

Mr O'Connell advised that the Senior Fraud Office have recently released statistics on the occurrences of fraud, which he will distribute to Committee members.

In response to a query about what constitutes fraud, Mr Tombs advised that it is part of his role as Council's fraud officer to be the judge of this. He advised that staff have been encouraged to report any possible instances of fraud.

Resolved minute number 22/ARK/028

That the report 'Fraud Reporting' be received.

Cr N Belsham/Cr A Gordon. Carried

9.4 Insurance Update

Cr Belsham queried if the antecedents of the reported vehicle incidents have been reviewed and incorporated into the driver safety training that staff undergo. Mrs Grant advised no, but that there remains the opportunity to engage the driver safety advisor to conduct further training in specific areas.

Resolved minute number 22/ARK/029

That the report 'Insurance Update' be received.

Mr C O'Connell/Cr N Belsham. Carried

9.5 Treasury Reporting

Mr Tombs advised that COVID-19 has caused some delays to the capital programme, which has reduced the level of debt that Council currently has.

Resolved minute number 22/ARK/030

That the report 'Treasury Reporting' be received.

Cr N Belsham/Cr A Gordon. Carried

9.6 Summary of Management Accounts

It noted that the delay in Council's capital programme was likely to result in a greater expenditure in 2022/23 than anticipated.

In response to a query, Mr Tombs advised that the roading team have some resilience built into their three year programme, to allow for delays and carry-forwards.

Resolved minute number 22/ARK/031

That the report 'Summary of Management Accounts' be received.

Mr C O'Connell/Cr D Wilson. Carried

9.7 Strategic Risk Review

Taken as read.

Resolved minute number 22/ARK/032

That the report 'Strategic Risk Review' be received.

Cr N Belsham/Cr A Gordon. Carried

9.8 Internal Audit Programme

Mr Tombs advised that there is a slight delay to this programme due to a shortage of staff resources.

Resolved minute number 22/ARK/033

That the report 'Internal Audit Programme' be received.

Cr D Wilson/Mr C O'Connell. Carried

9.9 Audit NZ Management Letter Update

Taken as read.

Resolved minute number 22/ARK/034

That the report 'Audit NZ Management Letter Update' be received.

Cr N Belsham/Cr A Gordon. Carried

10 Public Excluded

The meeting went into public excluded session 10.23 am.

Resolution to Exclude the Public

Resolved minute number 22/ARK/035

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

- 1 Audit and Risk Committee Meeting - 10 March 2022
2. Follow-up Action Items from Audit and Risk Meetings

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
10.1 - Audit and Risk Committee Meeting - 10 March 2022	s7(2)(j) - Improper Gain or Improper Advantage	s48(1)(a)
10.2 - Follow-up Action Items from Audit and Risk Meetings	s7(2)(j) - Improper Gain or Improper Advantage	s48(1)(a)(i)

This resolution is made in reliance on Section 48(1) of the Local Government Official Information and Meetings Act 1987 and the particular interests protected by Section 6 or Section 7 of the Act which would be prejudiced by the holding or the whole or the relevant part of the proceedings of the meeting in public as specified above.

Cr D Wilson/Cr N Belsham. Carried

11 Open Meeting

The meeting went into open session 10.26 am.

Resolved minute number 22/ARK/038

That the public excluded meeting move into an open meeting, and the below recommendations be confirmed in the open meeting:

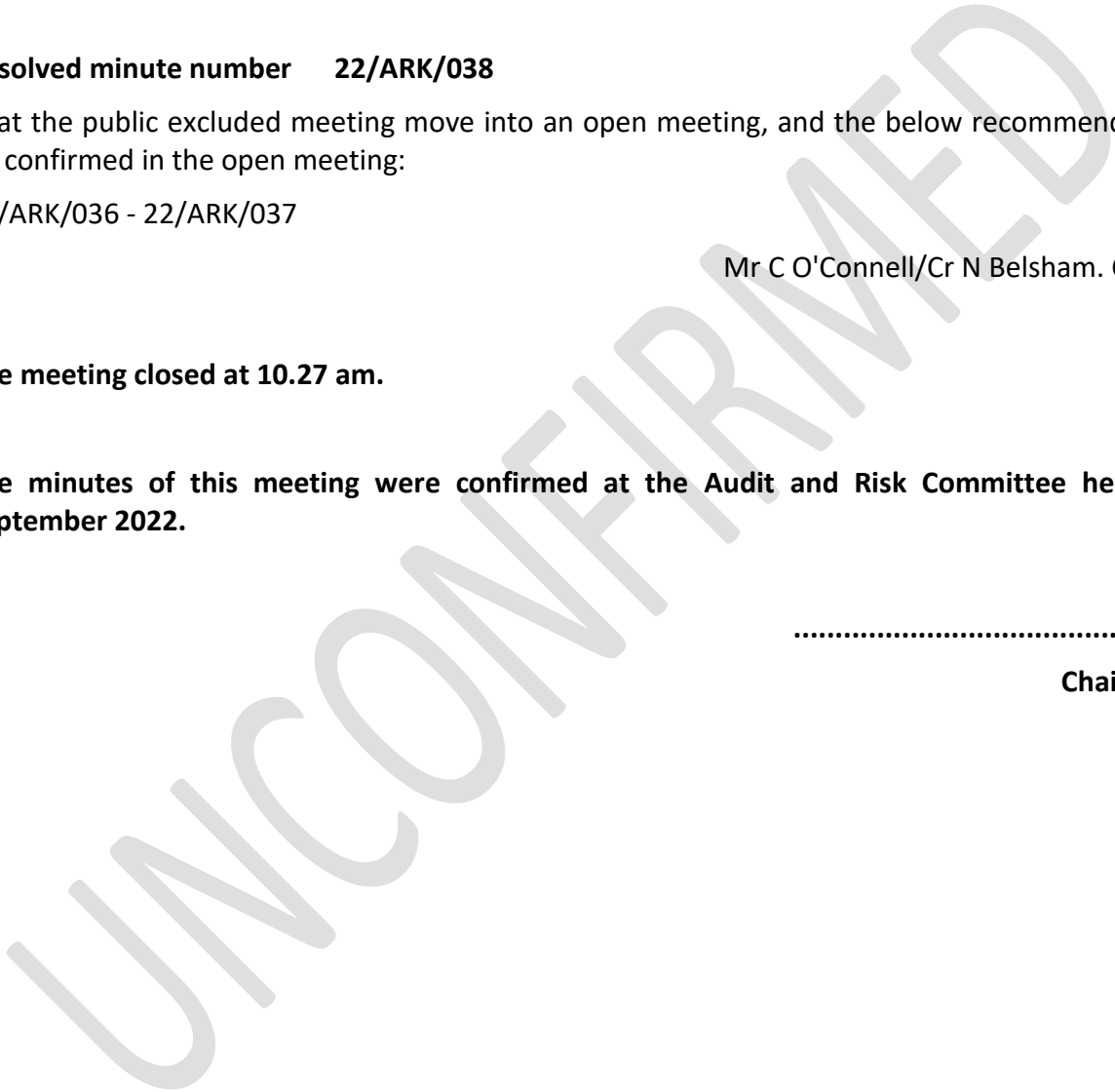
22/ARK/036 - 22/ARK/037

Mr C O'Connell/Cr N Belsham. Carried

The meeting closed at 10.27 am.

The minutes of this meeting were confirmed at the Audit and Risk Committee held on 8 September 2022.

.....
Chairperson



7 Follow-up Action Items from Previous Meetings

7.1 Follow-up Action Items from Audit and Risk Meetings

Author: Ash Garstang, Governance Advisor

1. Reason for Report

- 1.1 On the list attached are items raised at previous Audit and Risk meetings. Items indicate who is responsible for each follow up, and a brief status comment.

2. Decision Making Process

- 2.1 Staff have assessed the requirements of the Local Government Act 2002 in relation to this item and have concluded that, as this report is for information only, the decision-making provisions do not apply.

Attachments:

1. [Follow-up Actions Register](#) 

Recommendation

That the report 'Follow-up Action Items from Audit and Risk Meetings' be received.

Current Follow-up Actions

Item	From Meeting Date	Details	Person Assigned	Status Comments	Status
1	16-Jun-22	Mr O'Connell advised that the Serious Fraud Office have recently released statistics on the occurrences of fraud, which he will distribute to Committee members.	Craig O'Connell	This was part of an OAG presentation and I cannot get hold of the presentation. The headline from the presentation is that the SFO estimate is the annual cost of fraud is in excess of \$600M per year – this includes both the public and private sectors. For the last 5 years the SFO has handled approx. 1000 complaints per year.	Closed
2	16-Jun-22	Regarding protected disclosures, Mr O'Connell advised that he will ask LGNZ if they have any statistics on how often this tool is used by local government employees.	Craig O'Connell	LGNZ do not keep protected disclosure statistics.	Closed
3	16-Jun-22	Mr O'Connell advised that he spoke to the MW LASS leadership panel and will forward his notes from this through to the Committee.	Craig O'Connell	The notes I referred to are the notes from a discussion with a member of the Future of Local Government Panel. These will be circulated to Committee members.	Closed
4	16-Jun-22	Mr O'Connell advised that he had recently come across a dynamic risk matrix that Gartner is promoting. He will have a look at it and see if it might be relevant for this Committee – if so, he will forward it through.	Craig O'Connell	Mr O'Connell has reviewed the model but doesn't suggest switching to it.	Closed
5	10-Mar-22	As per resolution 22/ARK/004 : The report 'Rail Hub Project - Significant Risks and Mitigations (first draft)' contained in the 10 Mar 22 Order Paper is to be distributed to the Rail Hub Project Advisory Board, in order to seek their guidance in identifying 'tier 1 risks' associated with the project. Following the receipt of the Project Advisory Board's guidance, staff are to analyse these responses and present a formal report back to the Committee.	Arno Benadie	Any update will be provided verbally at the September meeting.	In progress
6	10-Mar-22	As per resolution 22/ARK/004 : Staff to consider the organisation-wide risk framework that is being used, taking into account the feedback from CouncilMARK (when received).	Dave Tombs	Development of the Risk Framework stalled during the April to June quarter due to Annual Plan obligations, covid related disruptions and staff vacancies. Risk Management Policy has been approved by ELT and reviewed by Audit/Risk Committee in December 2021; draft Risk Management Strategy has been reviewed by ELT and discussed with SLT, and will be finalised/approved by ELT in September and presented to Audit & Risk Committee in December 2022.	In progress
7	10-Mar-22	As per resolution 22/ARK/004 : Staff to consider what other major projects should be considered within a 'tier 1 risk' group, and a definition to identify them.	Dave Tombs / Arno Benadie	All projects included in the PMO Report to Council are to be regarded as Tier 1. Officers now considering best way to report on the related risks.	In progress

ITEM 8.1

8 Chair's Report

8.1 Chair's Report - August 2022

Author: Craig O'Connell, Chair

1. Reason for Report

1.1 Mr O'Connell may provide a verbal update.

Recommendation

That the Chair's Report – August 2022 be received.

9 Reports for Decision

9.1 Protected Disclosures Update

Author: Sharon Grant, Group Manager - People & Culture

Authoriser: Peter Beggs, Chief Executive

1. Reason for Report

This report provides members of the Audit and Risk Committee with an update on protected disclosures for the reporting period, this update being that there are no protected disclosures to report. The report also provides a summary of the new Protected Disclosures Act 2022 and presents the revised Protected Disclosures Policy and Procedure which has been reviewed and amended to incorporate the requirements of the new Act.

2. Background

The Protected Disclosures Act 2000 and its amendments have been replaced by the Protected Disclosures Act 2022 (Act) which came into force on 1 July 2022. The purpose of the Act is to facilitate the disclosure and timely investigation of serious wrongdoing in or by an organisation and protect people who make a disclosure under the Act.

Under the Act a disclosure can be made by an employee. The definition of employee under the Act is wider than other legislation and includes employees, secondees, contractors, volunteers and boards / governing bodies.

Employees who make a disclosure under the Act are not liable to any civil or criminal proceedings, or to disciplinary proceedings by the employer, for reasons of that disclosure.

Rangitikei District Council has introduced a revised Protected Disclosures Policy and Procedure to reflect the new Act.

Internal policies are available on the staff intranet (Kapua). Policies are communicated to staff at regular intervals including when a new policy is introduced, when changes are made to a policy, as part of the orientation process for new staff, and when it is timely to do so.

3. Discussion

3.1 Update on protected disclosures for reporting period

There are no protected disclosures to report for this period.

3.2 Summary of Protected Disclosures Act 2022

The Protected Disclosures Act 2002 (Act) replaces the Protected Disclosures Act 2000 and its amendments. The new Act:

- Extends the definition of serious wrongdoing (see below)
- Makes specific reference to the protection of the person making the disclosure from retaliation and victimisation together with the requirement for victimisation and retaliation to be explicitly included in internal policies
- Removes the explicit requirement for disclosures to be made in writing

- Requires internal policies to specify the procedures for how a disclosure will be responded to.

The new Act defines serious wrongdoing as:

- An unlawful, corrupt, or irregular use of public funds or resources; or
- A serious risk to public health, safety, the health or safety of any individual, or the environment; or
- A serious risk to the maintenance of the law; or
- An offence; or
- Oppressive, unlawfully discriminatory, or grossly negligent acts, omissions or courses of conduct or gross mismanagement by public sector employees and persons performing (or purporting to perform) a function or duty or exercising (or purporting to exercise) a power on behalf of a public sector organisation or the Government.

For reference, the previous Act defined serious wrongdoing as:

- *An unlawful, corrupt, or irregular use of public funds or resources; or*
- *Conduct that poses a serious risk to public health, safety, the environment; or*
- *Conduct that poses a serious risk to the maintenance of the law; or*
- *A criminal offence; or*
- *Gross negligence or mismanagement by public officials.*

3.3 Review of Protected Disclosures Policy and Procedure

Rangitikei District Council's Protected Disclosures Policy and Procedure was due for review by September 2022 in accordance with the Audit and Risk Committee work programme. The review was undertaken early in light of the new Act being released.

The revised Protected Disclosures Policy and Procedure is attached to this report and feedback from the Audit and Risk Committee is invited.

The revised Protected Disclosures Policy and Procedure has been written to reflect the new Act. Key changes included within the revised document are:

- The new document is longer, more detailed, and uses statutory language. This is because the new Act is more prescriptive about what must legally be included in a Protected Disclosures Policy and Procedure.
- The definition of serious wrongdoing has been amended to reflect the new Act. *Refer to page 2 of the attached document.*
- The new document clarifies that the Protected Disclosures Act is not intended to resolve employment matters that would be more appropriately covered by the Employment Relations Act 2000 (there are some exceptions to this such as bullying and harassment which could also be considered to be a matter of health and safety under the definition of serious wrongdoing). *Refer to page 2 of attached document.*
- The new document clarifies what are reasonable grounds for releasing information about a disclosure that would otherwise be confidential. *Refer to page 3 of the attached document.*

- The new document includes specific references to retaliation and victimisation. *Refer to page 4 of the attached document.*
- The requirement that disclosures must be made in writing has been removed. *Refer to section on how to make a protected disclosure beginning on page 4 of the attached document.*
- The procedure for how Rangitikei District Council will respond to a disclosure has been expanded. *Refer to page 5 of the attached document.*
- There is greater clarity about how a situation will be addressed if a disclosure is found to be deliberately false or malicious. *Refer to page 6 of the attached document.*
- A new flow chart has been added as easy reference guide to whether or not a protected disclosure can be made. *Refer to page 7 of the attached document.*

The revised Protected Disclosures Policy and Procedure has been reviewed by external legal counsel who have confirmed that the revised document is legally robust and meets all of the requirements of the new Act.

Given the timing of the release of the new Act, the revised Protected Disclosures Policy and Procedure has already been published and communicated with all staff noting that its contents are subject to review by the Audit and Risk Committee.

Attachments:

1. **RDC Protected Disclosures Policy and Procedure, July 2022** [↓](#)

Recommendation 1

That the report 'Protected Disclosures Update' report be received.

Recommendation 2

That the Audit and Risk Committee endorses the revised Protected Disclosures Policy and Procedure subject to feedback from the Committee.

RANGITĪKEI DISTRICT COUNCIL

PROTECTED DISCLOSURES POLICY AND PROCEDURE

This policy provides information on the Protected Disclosures (Protection of Whistleblowers) Act 2022 (Act). It also outlines how you may make a disclosure under the Act.

Approved:	July 2022
Approved by:	Executive Leadership Team*
Next review:	September 2023
Version number:	1.0
Who is responsible:	Group Manager People and Performance

** Published subject to review by Audit and Risk Committee*

Protected Disclosures (Protection of Whistleblowers) Act 2022

INTRODUCTION

The purpose of the Protected Disclosures (Protection of Whistleblowers) Act 2022 (Act) is to facilitate the disclosure and timely investigation of serious wrongdoing in or by an organisation and protect people who disclose in accordance with the Act.

This Policy sets out RDC's commitment to these purposes.

WHAT IS SERIOUS WRONGDOING?

A protected disclosure may be made in respect of acts, omissions or courses of conduct in or by RDC that amount to serious wrongdoing. Under the Act, the following matters are considered serious wrongdoing:

- An unlawful, corrupt, or irregular use of public funds or resources; or
- A serious risk to public health, safety, the health or safety of any individual, or the environment; or
- A serious risk to the maintenance of the law; or
- An offence; or
- Oppressive, unlawfully discriminatory, or grossly negligent acts, omissions or courses of conduct or gross mismanagement by public sector employees and persons performing (or purporting to perform) a function or duty or exercising (or purporting to exercise) a power on behalf of a public sector organisation or the Government.

The Act does not cover employment issues that are more properly covered by the Employment Relations Act 2000 (ERA).

WHO CAN MAKE A DISCLOSURE?

To make a disclosure, you need to be a discloser within the meaning of the Act. The definition of discloser, in relation to Rangitikei District Council (RDC), includes an individual who is or was formerly:

- an employee;
- a secondee;
- engaged or contracted as a contractor;
- concerned in the management of the organisation (for example, as a member of the board or governing body i.e. elected members); or
- a volunteer.

WHEN WILL MY DISCLOSURE BE PROTECTED?

Your disclosure will be protected if:

- The information is about serious wrongdoing in or by RDC; and
- You believe on reasonable grounds that the information is true; and
- You disclose the information in accordance with the Act; and
- You do not disclose the information in bad faith.

Your disclosure won't be protected if:

- You know the allegations are false or your disclosure is made in bad faith;
- The information you are disclosing is protected by legal professional privilege;
- You have made the disclosure to a person not identified in this Policy or an appropriate authority, unless it is on a confidential basis and for the purposes of seeking advice about whether or how to make a protected disclosure in accordance with the Act; or
- The disclosure is made to a journalist or other media source.

WHAT PROTECTIONS DO I HAVE?

The Act provides legal protection to employees who disclose (blow the whistle) on serious wrongdoing within their workplace. Employees who make a protected disclosure in accordance with the Act benefit from the following protections:

- confidentiality;
- against retaliation;
- against victimisation; and
- immunity for the disclosure in civil, criminal and disciplinary proceedings.

Appendix 1 is a flowchart which you may use to determine if you have protection under the Act for making a protected disclosure.

Confidentiality

When you make a protected disclosure, the person you make it to will use their best endeavours to keep confidential any information that might identify you. The exceptions are if you consent to the release of the identifying information, or if there are reasonable grounds to believe that the release of the identifying information is essential:

- a) to the effective investigation of the disclosure; or
- b) to prevent a serious risk to public health or safety, or the health or safety of any individual, or the environment; or
- c) to comply with the principles of natural justice (natural justice is a duty to act fairly; for example, if the alleged wrongdoer needs to be provided with more information about the allegations in order to respond); or
- d) to an investigation by a law enforcement or regulatory agency for the purpose of law enforcement.

Before releasing identifying information for reasons relating to (a) or (c), RDC will consult with you about the release and inform you once the identifying information has been released.

Before releasing identifying information for reasons relating to (b) or (d), RDC will, if practicable, consult with you about the release and inform you once the identifying information has been released.

Retaliation

RDC must not retaliate, or threaten to retaliate, against an employee because the employee intends to make or has made a protected disclosure. Retaliation means doing or organising to do any of the following:

- dismissing the employee;
- refusing or omitting to offer or afford the same terms of employment, conditions of work, fringe benefits, or opportunities for training, promotion and transfer as are made available to other employees of the same or substantially similar qualifications, experience or skills employed in the same or substantially similar circumstances;
- detriment or disadvantage (including any detrimental or disadvantageous effect on the employee's employment, job performance or job satisfaction) in circumstances in which other employees employed by the employer in work of that description are not or would not be subjected to such detriment or disadvantage; and
- retiring the employee or causing the employee to retire or resign.

If you consider that RDC has not upheld this requirement, you may bring a personal grievance under section 103(1)(k) of the ERA.

Victimisation

RDC must not treat, or threaten to treat, a person less favourably than any other person in the same or substantially similar circumstances because they (or a relative or associate):

- intends to make, or has made a protected disclosure under the Act; or
- has encouraged another person to make a protected disclosure; or
- has given information in support of, or relating to, a protected disclosure; or
- RDC believes or suspects that they (or a relative or associate) intends to or has done any of the above.

HOW DO I MAKE A PROTECTED DISCLOSURE?

If you wish to make a protected disclosure under the Act then, unless there is a reason not to, you may make the disclosure to RDC or to an appropriate authority at any time. Your disclosure should include details of the alleged serious wrongdoing and any evidence you have to support the allegation(s).

Disclosure to RDC

The appropriate contacts at RDC are the holders of the following internal roles:

- Group Manager People and Performance; or
- Senior People and Performance Advisor

If you are considering making a protected disclosure but would like more information, then the holders of the above roles are also available to provide you with information about making the disclosure and the protections available.

The Group Manager People and Performance and/or Senior People and Performance Advisor can, where appropriate, act as the communication channel between you and the Chief Executive in respect to the disclosure investigation and resolution of the disclosure you have made.

If you believe that there is a conflict of interest preventing you from making the disclosure to the Group Manager People and Performance and/or the Senior People and Performance Advisor, or the disclosure is about them, then you may make the disclosure directly to the Chief Executive.

If you believe that the Chief Executive is implicated in the serious wrongdoing, or where the matter has been raised with the Chief Executive but has not been satisfactorily resolved, then you may make the disclosure to another appropriate authority.

Disclosure to appropriate authority

You may also choose to make a disclosure to an appropriate authority. The appropriate authority will likely depend on the nature of the serious wrongdoing to be disclosed. Appropriate authority includes (but is not limited to):

- The Mayor of Rangitikei District Council
- The Chairperson of the Audit and Risk Committee
- Commissioner of Police
- Controller and Auditor General
- Director of the Serious Fraud Office
- Inspector-General of Intelligence and Security
- Office of the Ombudsman
- Ministry for the Environment
- Solicitor-General
- Public Service Commission

WHAT WILL HAPPEN AFTER I MAKE A DISCLOSURE?

Within 20 working days of receiving a protected disclosure, RDC will endeavour to:

- acknowledge receipt of the disclosure on the date the disclosure is received and (if made orally, summarise its understanding of the disclosure);
- consider the disclosure and whether it warrants investigation;
- check with you whether the disclosure has been made elsewhere (and any outcome);
- deal with the matter by doing one or more of the following:
 - investigating the disclosure;
 - addressing any serious wrongdoing by acting or recommending action;
 - referring the disclosure to an (or another) appropriate authority; or
 - deciding that no action is required; and
- inform you (with reasons) about what RDC has done or is doing to deal with the matter.

If it is impracticable for RDC to complete these actions within 20 working days, you will be informed of how long the process is expected to take together with updates on progress as appropriate.

If it is determined that the protected disclosure is within the scope of this Policy and warrants an investigation, RDC will appoint an appropriate investigator. At RDC's discretion, the investigator may be internal or external to RDC. Any investigation process will vary depending on the nature of the serious wrongdoing that has been disclosed.

If RDC considers that the protected disclosure should be referred to an (or another) appropriate authority, it will consult with you and the intended recipient of the referral. This may be, for example, if RDC considers that the protected disclosure can be more suitably and conveniently investigated by the other authority.

Every endeavour will be made to keep you as informed as possible throughout the investigation process.

DELIBERATELY MAKING FALSE DISCLOSURES

When making a protected disclosure about serious wrongdoing, you must have reasonable grounds to believe that the information is true. In these circumstances, you will not be penalised if the information is found to be mistaken or incorrect.

However, deliberately making a disclosure that is false, trivial, malicious, fraudulent, or in bad faith will be treated as serious disciplinary matter and you will not benefit from the protections referred to in this Policy.

WHERE CAN I GET MORE INFORMATION?

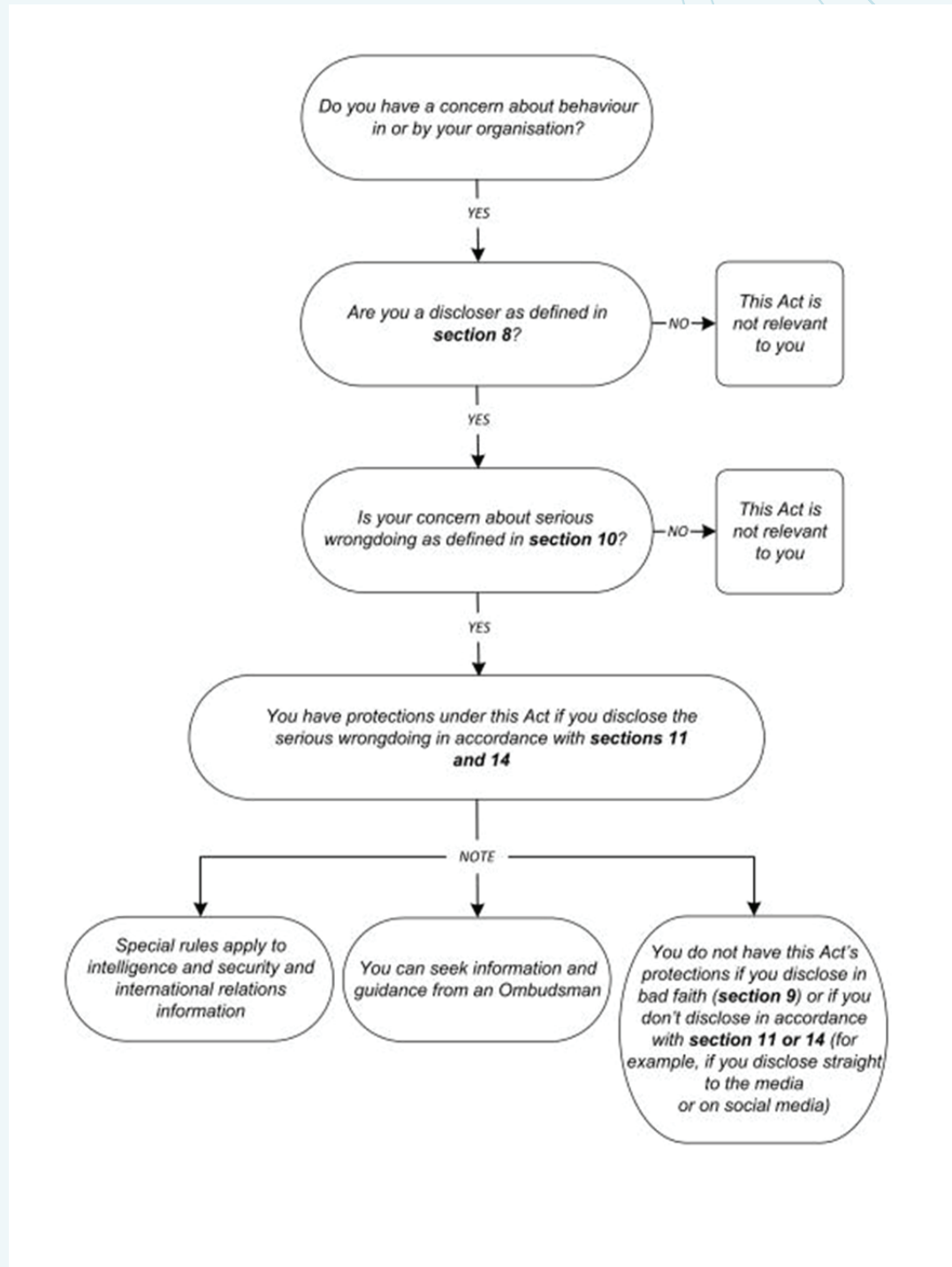
For additional independent information on how to make a protected disclosure, please view the Public Service Commission guidance available through the following link:

[Protected Disclosures Act 2022 | Te Kawa Mataaho Public Service Commission](#)

If you would like to view the Act, please visit www.legislation.govt.nz

APPENDIX 1

Do I have protection under the Act for making a protected disclosure?



9.2 Internal Audit Programme

Author: Dave Tombs, Group Manager - Corporate Services

Authoriser: Dave Tombs, Group Manager - Corporate Services

1. Reason for Report

- 1.1 To provide the Audit/Risk Committee with an update on its 2021/22 Internal Audit Programme.

2. Context

- 2.1 Council has introduced a more formal Internal Audit Programme which will include providing an update to each Audit/Risk Committee meeting.
- 2.2 Being the first year of the more formal approach, it has become apparent that competing work demands and covid have/will cause delays in the intended timeframes for completing some of this Program.

3. Discussion and Options Considered

- 3.1 Officers have developed a draft five-year Internal Audit Programme that is attached to this report. See Attachment 1.

2021/22 Programme

- 3.2 Officers have developed the following draft 'key points' for the internal audit reviews currently scheduled for 2021/22:

3.2.1 Health and Safety (SafePlus)

- Council conducted its most recent SafePlus assessment in March 2021
- These assessments are scheduled every 18 to 24 months so officers suggest amending the draft Internal Audit Workplan so the next one of these is conducted in 2022/23.

3.2.2 Fleet Management Services (August to April)

- Reviewed the composition of our fleet
 - a. 2022/23 Budget amended to reflect the plan to modernise the fleet
 - b. Acknowledge that supply chain issues may arise with regards to the acquisition of replacement vehicles
- Developed a Vehicle Ownership Policy (drafted, currently being reviewed by Fleetwise)

3.2.3 Community Engagement (January to March)

- Council has created a new role - Communications and Engagement Advisor ('CEA') – who has reviewed the Community Engagement Toolkit (as part of the Community Engagement Transformational Project). This was the CEA's area of expertise both in her training and also her previous working career. Minor updates to the engagement toolkit are being incorporated; the overall advice was that the toolkit was fit for its purpose at RDC.

3.2.4 Ethics (March to May)

- draft recruitment policy and discussion document have been reviewed by internal auditors and their comments considered when the Recruitment Policy is next updated
- Ethical behaviour demonstrated in decision making : internal auditors have issued their proposed approach (attached) that Officers wish to discuss with Audit and Risk Committee before proceeding.

3.2.5 Legislative Compliance (scheduled for March to June : will be delayed)

- Provide an updated, current Schedule of all legislation that Council is required to comply with, with recommended timetable for each to be reviewed 'for possible compliance concerns'
- Recommend a process to ensure that the Schedule is current at all times
- Identify those different capacities (e.g., mandatory or 'result of a business-like decision') in which Council must comply with each piece of legislation (e.g. the Building Act 2004, Dog Control Act 1996, Sale and Control of Liquor Act 2012).

This summary will then lead into Part Two of this Review which will include an assessment of Council's compliance with this legislation.

Officers currently assessing potential providers of these specialist services.

2022/23 Programme

- 3.3 Officers propose commencing the 2022/23 Internal Audit Program in the second quarter of the financial year.

Attachments:

1. **Internal Audit Program** [↓](#)
2. **Ethics Review - Approach** [↓](#)

Recommendation 1

That the report 'Internal Audit Programme' be received.

Recommendation 2

That Committee members provide feedback to the approach that has been proposed for the Ethics review.

**Rangitikei District Council
Internal Audit Program (draft)**

	21/22	22/23	23/24	24/25	25/26
Known/arising material risks	A	A	A	A	A
Health and Safety (Safeplus)	A		A		A
Fleet management Services	A			B	
Community Engagement (note 1)	A			A	
Ethics (2)	A			A	
Legislative Compliance (3)	A				A
Cyber Security/IT Recovery Plans	B	A	B	B	A
Business Continuity Plan (4)	B			B	
Indirect tax evaluation	C		C		B
Antifraud Assessment (5)		A		C	C
Cash handling controls/processes		A		B	
Statement of Service Performance (6)		A/B	C	C	C
Planning Applications (6)		A/B			C
Peer review (6) (7)		A/B			
Procurement and Contract Management			A		
Elected Member effectiveness (8)			A		
Insurance Management			A/B		
Risk Management Framework			A/B		C
Digital Transformation (9)			A/B		
Community Wellbeing (10)			A/B		
Accounts Payable				A	
Treasury Management				A	
Complaints Handling				A/B	
Capital Program (11)				A/B	
Onboarding/off boarding of staff (12)					A

Key:

- A formal, externally review
- B structured internal review
- C overview

Notes

1. Includes working with Iwi/other partnerships; improvements to our ongoing communication with the community
2. Evaluation of our ethics related objectives/procedures/activities etc
3. Include compliance with payroll legislation (holiday pay etc)
4. In the event of major flood/quake
5. Fuel card, credit card, sensitive expenditure, false invoices, false time sheets/overtime
6. Improvements identified?? Barriers to success??
7. Other governance arrangements
8. Year 2 of election cycle
9. Existing and future 'ways of working'
10. Homelessness, health/leisure facilities, community support
11. Including Project Management, works order management, department set up
12. including new/old staff 'getting' on/off of payroll

Appendix 3 - Internal Audit Review of Ethics – Additional Procedure – A comparison of actual verses expected elected member ethical behaviours, based on the framework.

Scope

1. The decision-making process of three Council decisions in the last 12 months.
2. The three decisions to be from different departments/areas of Council.
3. Behaviours to be reviewed:
 - 3.1. interactions with other elected members:
 - 3.1.1. formal, that is during council and other meetings of elected members;
 - 3.1.2. informal, that is outside of council and other meetings of elected members;
 - 3.2. interactions with the CEO;
 - 3.3. interactions with council staff other than the CEO;
 - 3.4. interactions with the public;
 - 3.5. contact with the media;
 - 3.6. confidentiality;
 - 3.7. information received in the capacity as an elected member; and
 - 3.8. conflicts of interest (if any).

Out of Scope

1. Decisions involving procurement.
2. Decisions made In Committee.
3. Membership remuneration and expenses.
4. Sensitive expenditure and gifts.
5. Travel and accommodation.

Internal Audit Approach and Reporting

1. Gaining an understanding of the RDC framework with respect to elected member ethical behaviours.
2. Conducting confidential interviews with elected members and staff as applicable.
3. Providing confidential draft findings to each interviewee for fact checking and feedback.
4. Summarizing findings and providing a confidential draft report for comment to: management; His Worship the Mayor; and the Chair of the Audit and Risk Committee.
5. Finalizing the report, once received back with comments as per 4.above.
6. Attending an Audit and Risk committee meeting and/or Council meeting, as directed by RDC.

10 Reports for Information

10.1 Health, Safety and Wellbeing

Author: Sharon Grant, Group Manager - People & Culture

Authoriser: Peter Beggs, Chief Executive

1. Reason for Report

1.1 This report provides an update on health, safety and wellbeing matters. The report includes: the Health, Safety and Wellbeing Dashboards for June and July 2022; an update on progress with the Health, Safety and Wellbeing Due Diligence Plan; and highlights from the Health, Safety and Wellbeing Work Programme. The report also provides a summary of the Mental Wellbeing by Design workshop that was recently attended by Rangitīkei District Councils executive and senior leadership teams.

2. Context

2.1 Elected Representatives are considered Officers under the Health and Safety at Work Act 2015 (Act). This means that they have an obligation to exercise due diligence in relation to health and safety matters. Due diligence is defined in section 44(4) of the Act as taking reasonable steps to:

2.1.1 Acquire and update knowledge of health and safety matters; and

2.1.2 Gain an understanding of the operations carried out by the organisation, and the hazards and risks generally associated with those operations; and

2.1.3 Ensure the person conducting business or undertaking (PCBU) has appropriate resources and processes to eliminate or minimise those risks; and

2.1.4 Ensure the PCBU has appropriate processes for receiving and considering information about incidents, hazards and risks, and for responding to that information in a timely way; and

2.1.5 Ensure there are processes for complying with any duty, and that these are implemented; and

2.1.6 Verify that these resources and processes are in place and being used.

2.2 Council's Health, Safety and Wellbeing Dashboards (Dashboards) provide health and safety event data and year-to-date trends. The Dashboards support Elected Members to exercise their due diligence obligations by providing up-to-date information on incidents, hazards and risks, together with current activities and wellbeing initiatives.

2.3 Council is committed to continuous improvement across all aspects of workplace health, safety and wellbeing. Continuous improvement is achieved through actions identified in the Health, Safety and Wellbeing Due Diligence Plan and the Health, Safety and Wellbeing Work Programme.

3. Discussion

3.1 Health, Safety and Wellbeing Dashboards

- 3.1.1 The Dashboards for June and July 2022 are attached to this report. Due to the timing of the September Audit and Risk Committee Meeting falling early in the month, the Dashboard for August 2022 will be presented at the November 2022 Audit and Risk Committee Meeting. A verbal update on any urgent Health, Safety and Wellbeing matters relating to the August 2022 reporting period will be provided to at the September Meeting if required.
- 3.1.2 The Dashboard for the period ending 30 June 2022 includes three events (abusive behaviour category). These three events occurred on 30 and 31 May 2022 but were reported on the June 2022 Dashboard due to the timing of the May 2022 Dashboard. The June 2022 Dashboard concludes the 2021/22 reporting year.
- 3.1.3 The Dashboard for the period ending 31 July 2022 includes three events which related to the categories of motor vehicle, medical event and plant / machinery. There was also one near miss reported (slip, trip, fall category). The July Dashboard represents the beginning of a new reporting year and as such only includes data for one month.
- 3.1.4 A decrease in reported events in June 2022 was noted. Staff were reminded of the importance of reporting all events and near misses and reporting increased in July 2022.
- 3.1.5 There were no WorkSafe notifiable accidents or incidents for June or July 2022.
- 3.1.6 All reported incidents and near misses have been appropriately investigated and addressed.

3.2 Health, Safety and Wellbeing Due Diligence Plan

- 3.2.1 The Audit and Risk Committee endorsed the Health, Safety and Wellbeing Due Diligence Plan (Due Diligence Plan) at its September 2021 meeting. The Due Diligence Plan outlines activities that will be undertaken to enhance knowledge and understanding of health and safety matters. The current Due Diligence Plan is attached to this report for reference. Apart from Health, Safety and Wellbeing Governance Training for the incoming Council, the current Due Diligence Plan has been completed.
- 3.2.2 An update of Due Diligence Plan activities undertaken during the current reporting period is provided below.
- 3.2.3 Work as Done Sessions:

Work as Done Sessions provide practical demonstrations of Health, Safety and Wellbeing in action. Where possible the sessions take place on-site so that participants may observe and experience work methods first-hand (work as it is actually done rather than as it is imagined to be done).

Two work as done sessions have been undertaken since the last update.

The first session on Thursday 14 July 2022 took place at the RDC's King Street Depot and provided practical demonstrations of safety management within the Parks and Reserves and Animal Control activities. Risks covered at the session included ride on mowers, handling of animals and working alone. Controls that were demonstrated included Stop! Take 5, aerial mapping of grounds, vehicle adaptations and tools for handling animals, and lone worker devices.

The second session on Thursday 18th August 2022 focused on front-of-house safety measures and included a tour of the customer experience area at RDC's Marton Office. Risks covered at the session included aggressive / threatening customer behaviour, pandemic infection and ergonomic risks. Controls demonstrated included exit strategies, panic alarms, protective screens and workstation ergonomics.

3.3 Health, Safety and Wellbeing Work Programme Highlights

3.3.1 Health, safety and wellbeing highlights since the last report include:

- Delivery of two Work as Done sessions (as above)
- Training of all new Health, Safety and Representatives and first Health, Safety and Wellbeing Committee Meeting held with new Committee.
- Leadership workshop on Mental Wellbeing by Design (summary below).
- Situational safety and tactical communication training provided to staff in customer facing roles.

3.3.2 Health, safety and wellbeing initiatives currently underway include:

- Review of Health, Safety and Wellbeing Risk Registers (by location)
- Development of an on-line tool for reporting events and near misses
- Advanced Driver Training (Simulator), 13 September
- Recruitment of Senior Health, Safety and Wellbeing Advisor

3.3.3 Health, safety and wellbeing initiatives coming soon:

- Mental Health (Psychosocial) First Aid Training
- Stop! Take 5 roll out to other areas of Council
- Review of the Health, Safety and Wellbeing Officer Due Diligence Plan

3.4 Mental Wellbeing by Design Workshop Summary

3.4.1 The Executive Leadership Team and Senior Leadership Team participated in a half-day Mental Wellbeing by Design Workshop provided by Leading Safety Ltd using a mental wellbeing model developed by the New Zealand Business Leaders Health and Safety Forum. The workshop received excellent feedback from attendees with key learnings being:

- Concern for mental wellbeing is a critical aspect of leadership
- Effectively managing psychological hazards is more than simply including mental health as one line on a risk register. It requires identification and control of specific risks to workers mental wellbeing such as workload, abusive behaviour and fatigue.
- Employers should be prioritising the establishment of good work environments where people thrive.

3.4.2 As follow up from the workshop the executive and senior leadership teams will be continuing conversations on effective ways to support good mental wellbeing and build psychological safety within teams. Consideration will also be given to how

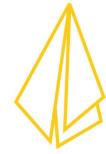
risks to mental wellbeing may be more effectively identified, controlled and reported on.

Attachments:

1. **Health, Safety and Wellbeing Dashboard, June 2022** [↓](#)
2. **Health, Safety and Wellbeing Dashboard, July 2022** [↓](#)
3. **Health, Safety and Wellbeing Due Diligence Plan** [↓](#)

Recommendation

That the Health, Safety and Wellbeing Report together with attachments, be received.

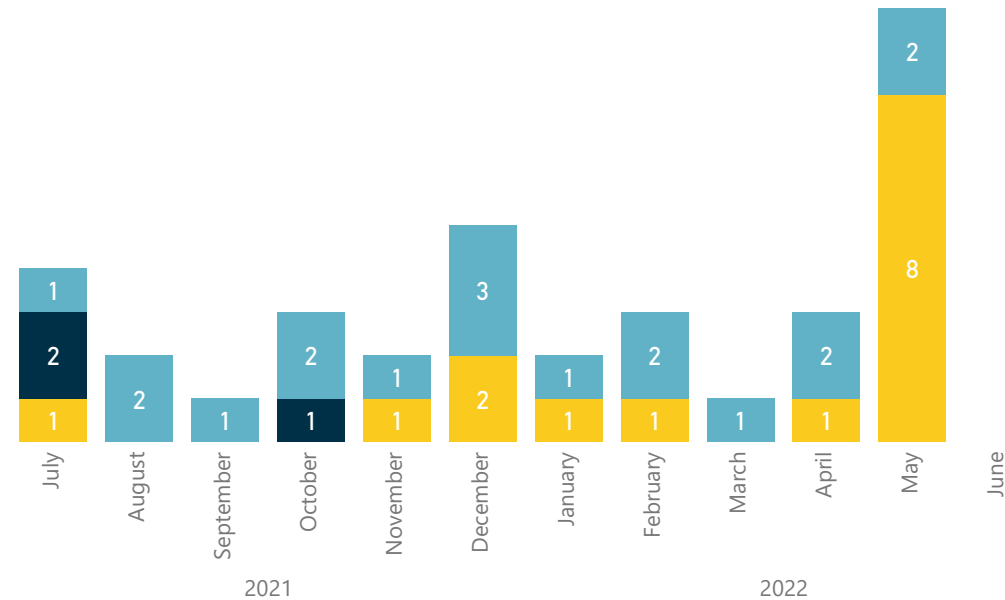


Rangitikei District Council Health & Safety

Events, Hazards and Near Misses

01 July 2021 to date

● Event ● Hazard ● Near Miss



Last month

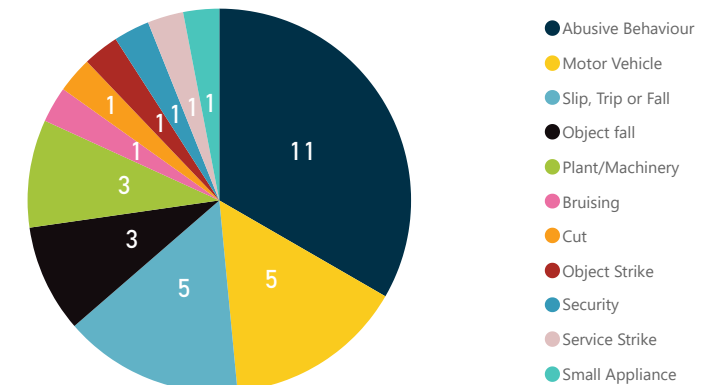
June 2022 (including 30/31 May 2022)

3 Events
0 Notifiable Incidents
0 Notifiable Illness/Injuries

0 Near Misses
0 Near Misses

Event/Near Miss Category

01 July 2021 to date



Wellbeing News

Driver Safety
 We had great feedback from our recent driving simulator trial. Participants learnt about safe driving techniques on a range of road conditions as well as situational awareness and avoiding hazards such as distraction and fatigue. We'll be running the training again soon so keep an eye out for more information or let Marcelle know you are interested and she'll pop your name down.

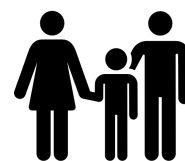
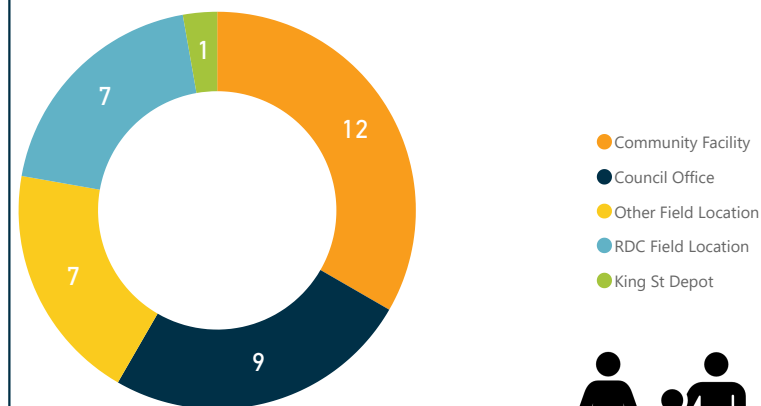
This programme is for all staff who drive – whether for work or outside work.

Preventing Slips Trips and Falls
 Many workplace injuries are caused by slips, trips and falls. There's some simple things you can do to prevent slip and trip hazards such as ensuring walkways are free of clutter, wiping up spills and paying close attention to your surroundings. Winter conditions mean that surfaces may be extra wet and slippery so please be mindful of your footing when moving about outside or in wet areas.

Winter is here!
 Speaking of winter conditions, with temperatures dropping it is time to think about protecting yourself from the elements. If you work outside please ensure you use appropriate PPE for the wet and cold and be aware of hazards associated with unfavourable weather conditions.

If you need any assistance with PPE please contact Marcelle.

Location Events, Hazards and Near Misses

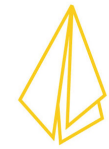


Driver Ratings

	Apr	May	Jun
★★★★★	9	10	9
★★★★	8	9	10
★★★	10	9	13
★★	7	9	5
★	0	0	0

Coming Up

- 7 July – Wellbeing by Design Workshop (ELT and SLT)
 Our leadership team are participating in a 'Leading Safety' workshop about promoting positive mental wellbeing through good work design.
- 12 July – Health, Safety and Wellbeing (HSW) Committee Meeting
 This is the first Committee Meeting for our newly elected HSW Reps. We are really pleased to welcome 10 new HSW Representatives to the Committee, along with existing Reps who are staying on. A huge thanks to those HSW Reps who are stepping down from the Committee – thanks for your awesome work and your continued commitment to health, safety and wellbeing.
- 14 July – Work as Done Session (Elected Members)
 Work as Done sessions are part of our Officer Due Diligence Plan and provide practical experience of safety in action. In July our Parks and Reserves, and Animal Control teams are demonstrating some of their great work and initiatives to keep everyone safe.



Rangitikei District Council Health & Safety

Events, Hazards and Near Misses

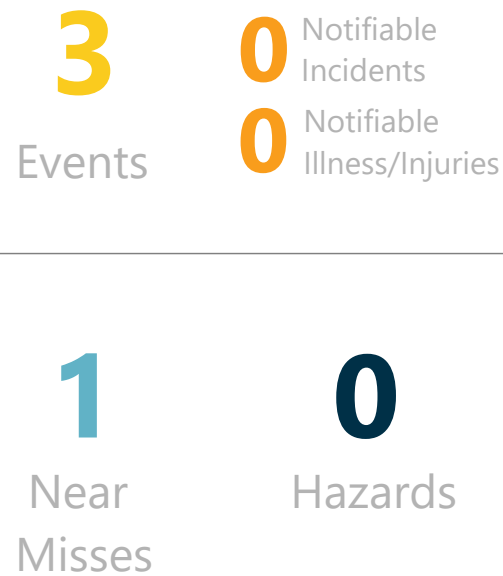
01 June 2022 to date

● Event ● Near Miss



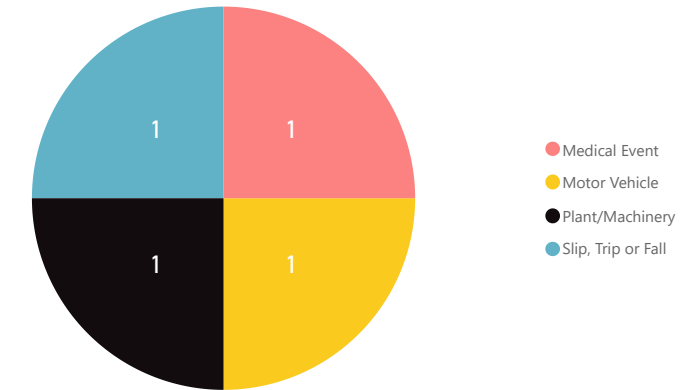
Last month

July 2022



Event/Near Miss Category

01 June 2022 to date



Wellbeing News

Winter is nearly over!
The middle of winter can be a hard time to stay in good mental health. A lack of sun, combined with rain and cold weather keeping us indoors can impact on our mental health. Remember the 5 simple strategies to wellbeing to help get you through the Winter months - Connect (with family and friends), Be Active (go for a walk, play sport but importantly enjoy what you are doing), Take Notice (remember the simple things that make you happy), Keep Learning (try new experiences, you might surprise yourself), Give (do something nice for a friend, thank someone, smile, or volunteer your time by joining a community group. It feels good to give!)

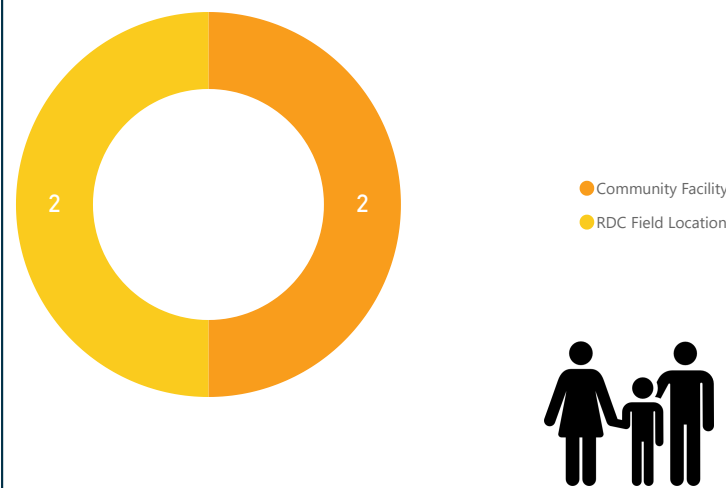
Easy Winter Warming Soup Recipe from the Healthy Heart Website - Carrot, Chicken and Corn Soup

Ingredients
1 medium Onion, 8 cups Water, 1 cube Chicken Stock, 1 cup Brown Rice,
2 medium Carrots, 2 cups Corn Kernels, 2 cups cooked Chicken

Method
In a large pan cook the onions in a little oil. Add water, stock powder, carrots and brown rice. Cook for 30 minutes until the rice is soft. Add the corn and chicken cooking for 5 minutes, add extra water if required. Sprinkle with parsley to serve.

Location

Events, Hazards and Near Misses



Driver Ratings

	May	Jun	Jul
★★★★★	10	9	6
★★★★	9	10	12
★★★	9	13	15
★★	9	5	5
★	0	0	0

Coming Up

18 August – Work as Done Session (Elected Members)
Work as Done sessions are part of our Officer Due Diligence Plan and provide practical experience of safety in action. In August our Front of House staff are demonstrating some of their great work and initiatives to keep everyone safe.

11 Aug and 13 Sept - Driver Awareness Simulator Training
We want all our staff to be safe drivers, both at work and outside work and want to provide you with better skills to handle situations that may arise while driving. This training programme helps to make you a safer driver by providing risk awareness training, defensive driving skills and updates Road Code changes that you may not be aware of.

6 Sept (Marton) and 9 Sept (Taihape) – First Aid Training
Both full First Aid Training and Refresher First Aid Training is scheduled to be held in Chambers, Marton on 6 September and at St Margarets Church Hall, Taihape on 9 September.

Full Molemaps and Annual Rechecks
Full body Molemaps and annual rechecks are scheduled for September, October and November. Vouchers will be available for staff who would prefer to go to either the Wanganui or Palmerston North clinics. Contact Marcelle Williams for more information.

Health, Safety and Wellbeing Due Diligence Plan

This Due Diligence Plan is aligned to the Institute of Directors Health and Safety Guide: Good Governance for Directors (March 2016) and aims to enhance due diligence in health, safety and wellbeing (HS&W) leadership at Rangitikei District Council (RDC).

A positive and robust HS&W culture begins at the Council table and spreads throughout the organisation. The Health and Safety at Work Act places a duty on elected members – as Officers – to exercise due diligence to ensure that RDC complies with its health and safety duties and obligations.

Due diligence requires Officers to take reasonable steps to understand RDC's operations and HS&W risks, and to ensure that they are managed so that everyone is safe. Due diligence is defined in the Health and Safety at Work Act as taking reasonable steps to:

- Acquire and update knowledge of health and safety matters
- Gain an understanding of the operations carried out by the organisation and the hazards and risks generally associated with those operations
- Ensure the organisation has, and uses, appropriate resources and processes to eliminate or minimise those risks
- Ensure the organisation has appropriate processes for receiving and considering information about incidents, hazards and risks, and for responding to that information in a timely way
- Ensure there are processes for complying with any duty, and that these are implemented
- Verify that these resources and processes are in place and being used.

This due diligence plan outlines the activities that will be undertaken to enhance elected member knowledge and understanding of HS&W matters. The plan is aligned to the elements of policy and planning, delivery, monitoring and review.

A key part of this plan is the 'Work as Done' sessions. The intent of these sessions is for the key staff responsible for each area to demonstrate the nature of their operations, the hazards and risks associated with those operations, and their HS&W approach and processes to eliminate or minimise those risks. Where appropriate, a site visit will be scheduled as part of this process.

Scheduled activities		Due diligence element				When
What	Who	Policy & planning	Delivery	Monitoring	Review	
SafePlus Assessment	Whole organisation				*	March 2021 <i>Complete</i>
Work as Done Session: Landfill remediation at Putorino Road / Mangaweka Bridge Replacement	Elected Members Chief Executive, ELT, Officers.		*	*		May 2021 <i>Complete</i>
SafePlus Assessment report to Audit and Risk	Audit and Risk Committee Chief Executive, GM People and Culture				*	Sept 2021 <i>Complete</i>
Endorse HS&W in the Workplace Policy	Audit and Risk Committee	*				Sept 2021 <i>Complete</i>
Endorse HS&W Due Diligence Plan	Audit and Risk Committee	*				Sept 2021 <i>Complete</i>
Appoint Governance HS&W Champion	Council	*				Sept 2021 <i>Complete</i>
Institute of Directors Advanced H&S Governance Training (on-line)	Governance H&S Champion Group Manager People and Culture		*			Oct 2021 <i>Complete</i>
Develop HS&W Governance Charter	H&S Champion GM People and Culture	*				Oct/Nov 21 <i>Complete</i>
Review HS&W strategy and reporting	H&S Champion GM People and Culture	*				Oct/Nov 21 <i>Complete</i>
Endorse HS&W Governance Charter, strategy and reporting	Audit and Risk Committee	*				Dec 2021 <i>Complete</i>
Work as Done Session: Parks and Reserves (includes site visit)	Elected Members Chief Executive, ELT, Officers.		*	*		14 July 2022 <i>Complete</i>
Work as Done Session: Lone workers	Elected Members Chief Executive, ELT, Officers.		*	*		14 July 2022 <i>Complete</i>
Work as Done Session: Animal Control (includes site visit).	Elected Members Chief Executive, ELT, Officers.		*	*		14 July 2022 <i>Complete</i>
Work as Done Session: Libraries / front of house	Elected Members Chief Executive, ELT, Officers.					18 August 22 <i>Complete</i>
HS&W governance training for new Council.	Elected Members		*			Nov/Dec 22

Regular activities (including reporting schedule)		Due diligence element				When
What	Who	Policy & planning	Delivery	Monitoring	Review	
Monthly HS&W Report (Dashboard)	Full Council CE and Executive Leadership Team			*		Monthly
Quarterly HS&W Report (full report)	Audit and Risk Committee			*		Quarterly
Full report of notifiable incidents or accidents	Audit and Risk Committee			*		As needed
Discussion of HS&W incidents, innovations and other matters	CE and Executive Leadership Team		*	*		Monthly
Attend HS&W Committee Meetings	GM People and Culture GM Assets and Infrastructure		*	*		Bimonthly
Review of HS&W Committee Meeting minutes and matters arising	CE and Executive Leadership Team		*	*	*	Bimonthly
Departmental HS&W Toolbox Meetings	Departmental GM's		*	*	*	Monthly
Updates / training on HS&W Matters	As appropriate		*			As needed

10.2 Insurance Update**Author:** Sam Zhang, Manager - Financial Services**Authoriser:** Dave Tombs, Group Manager - Corporate Services**1. Reason for Report**

- 1.1 To provide the Audit and Risk Committee with an update on current Insurance related matters.

2. Commentary**2.1 Insurance Claims for 2022/23:**

- 2.1.1 As at 19 August 2022, there have been no new insurance claims lodged this financial year.

- 2.2 Officers continue to provide information to the insurance broker in relation the insurance renewal.

Recommendation

That the report 'Insurance Update' be received.

10.3 Sensitive Expenditure 21/22 Financial Year Summary**Author:** Sam Zhang, Manager - Financial Services**Authoriser:** Dave Tombs, Group Manager - Corporate Services**1. Reason for Report**

1.1 To provide the Audit and Risk Committee with a summary of the sensitive expenditure that was incurred for the 21/22 financial year.

2. Context

2.1 Finance provides a Sensitive Expenditure Summary to the Audit and Risk Committee every six months.

3. Discussion and Options Considered

3.1 The summary of sensitive expenditure:

3.1.1 has been extracted from the Council's General Ledger,

3.1.2 has not been audited,

3.1.3 is provided for information purposes.

Attachments:

1. **Sensitive Expenditure Summary 21/22 Financial Year** [↓](#)

Recommendation

That the report 'Sensitive Expenditure 21/22 Financial Year Summary' be received.

	21/22 Actual	21/22 Budget	Variance
Business Units:	\$17,326	\$32,125	\$14,799
Asset Services	\$2,084	\$503	-\$1,581
Catering	\$743	\$250	-\$493
Flowers and Gifts	\$79	\$253	\$174
Travel Costs	\$712	\$0	-\$712
Travel Costs - Accommodation	\$551	\$0	-\$551
CEO Business Unit	\$4,282	\$10,228	\$5,946
Catering	\$1,584	\$600	-\$984
Flowers/Gifts	\$507	\$600	\$93
Travel Costs	\$727	\$4,128	\$3,401
Travel Costs - Accommodation	\$1,464	\$4,900	\$3,436
Community and Leisure	\$2,183	\$1,550	-\$633
Catering	\$188	\$250	\$62
Travel Costs	\$17	\$500	\$483
Travel Costs - Accommodation	\$1,978	\$800	-\$1,178
Customer Services	\$327	\$1,540	\$1,213
Catering	\$540	\$500	-\$40
Travel Costs	\$0	\$520	\$520
Travel Costs - Accommodation	-\$214	\$520	\$734
Env and Regulatory Unit	\$989	\$3,707	\$2,718
Catering	\$212	\$312	\$100
Travel Costs	\$852	\$1,000	\$148
Travel Costs - Accommodation	-\$74	\$2,395	\$2,469
Financial Services	\$2,313	\$2,900	\$587
Catering	\$621	\$100	-\$521
Travel Costs	\$163	\$2,000	\$1,837
Travel Costs - Accommodation	\$1,530	\$800	-\$730
Information Services	\$4,195	\$3,200	-\$995
Travel Costs	\$428	\$1,400	\$972
Travel Costs - Accommodation	\$3,767	\$1,800	-\$1,967
Parks and Reserves	\$373	\$0	-\$373
Catering	\$373	\$0	-\$373
People and Culture	\$580	\$4,116	\$3,536
Catering	\$317	\$500	\$183
Travel Costs	\$263	\$1,570	\$1,307
Travel Costs - Accommodation	\$0	\$2,046	\$2,046
Policy and Democracy	-\$2	\$4,381	\$4,383
Catering	\$286	\$300	\$14
Travel Costs	\$17	\$1,899	\$1,882
Travel Costs - Accommodation	-\$305	\$2,182	\$2,487
Community and Leisure Assets:	\$693	\$800	\$107
Libraries	\$693	\$800	\$107
Catering	\$693	\$800	\$107
Community Leadership:	\$20,461	\$32,418	\$11,957
Council	\$20,461	\$30,518	\$10,057
Catering	\$11,572	\$13,800	\$2,228
Flowers/Gifts	\$5,317	\$6,143	\$826

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Travel Costs	\$903	\$5,300	\$4,397
Travel Costs - Accommodation	\$2,668	\$5,275	\$2,607
Council Committees	\$0	\$1,900	\$1,900
Catering	\$0	\$800	\$800
Travel Costs	\$0	\$550	\$550
Travel Costs - Accommodation	\$0	\$550	\$550
Community Wellbeing:	\$39	\$400	\$361
Civil Defence	\$0	\$400	\$400
Catering	\$0	\$400	\$400
District Promotions	\$39	\$0	-\$39
Catering	\$39	\$0	-\$39
Environmental and Regulatory:	\$674	\$350	-\$324
Building	\$87	\$200	\$113
Catering	\$87	\$200	\$113
District Planning	\$524	\$150	-\$374
Catering	\$524	\$150	-\$374
Dog Control	\$63	\$0	-\$63
Catering	\$63	\$0	-\$63
Grand Total	\$39,192	\$66,093	\$26,901

10.4 Treasury Reporting**Author:** Sam Zhang, Manager - Financial Services**Authoriser:** Dave Tombs, Group Manager - Corporate Services**1. Reason for Report**

1.1 To provide the Audit and Risk Committee with a report on Council's planned performance (based on the 22/23 Annual Plan) in relation to compliance with its Treasury Management Policy as at 30 June 2023.

2. Context

2.1 Council's Liability Management Policy is contained within Council's Treasury Management Policy. The Liability Management Policy includes four borrowing covenants that Council's borrowing arrangements must comply with.

3. Analysis – Current Position

3.1 The four borrowing covenants are as follows:

1. Net Interest/Total Revenue must not exceed 20%
2. Net Interest/Annual Rates Revenue must not exceed 25%
3. Net Debt/Total Revenue must not exceed 175%
4. External Debt plus Committed Facilities plus Liquid Investments divided by External Debt must be greater than 110%

3.2 Net Interest/Total Revenue must not exceed 20%

• Annual Interest Expense	\$752k
• Annualised Interest Income	\$41k
• Annualised Net Interest	\$711k
• Notional Full Year Revenue	\$52.8m
Net Interest/Total Revenue	1.3%

3.3 Net Interest/Annual Rates Revenue must not exceed 25%

• Annualised Net Interest (from S3.2)	\$711k
• Rates Revenue full year budget	\$26.5m
Net Interest/Annual Rates Revenue	2.6%

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3.4 Net Debt/Total Revenue must **not exceed 175%**

• Debt	\$47.7m
• Bank/Deposits	\$8m
• Net Debt	\$39.7m
• Notional Full Year Revenue	\$52m
Net Debt/Total Revenue	76%

3.5 External Debt plus Committed Facilities plus Liquid Investments (Available Finance) divided by External Debt must be **greater than 110%**

• External Debt	\$47.7m
• Bank/Deposits	\$8m
• Available Finance	\$55.7m
Available Finance divided by External Debt	117%

Recommendation

That the report 'Treasury Reporting' be received.

10.5 Annual Report 21/22 Progress Update**Author:** Sam Zhang, Manager - Financial Services**Authoriser:** Dave Tombs, Group Manager - Corporate Services**1. Reason for Report**

- 1.1 To provide Audit and Risk Committee with an update of the progress in completing the Annual Report 21/22.

2. Commentary

- 2.1 The work plan of the Annual Report 21/22 has been prepared and distributed to relevant personnel.
- 2.2 The first design draft of the Annual Report has been produced.
- 2.3 The final internal review is expected to take place in mid-September.
- 2.4 Auditors are scheduled to be onsite from 10 October 2022 and a copy of the draft annual report will be delivered to them on 5 October 2022.
- 2.5 Officers are comfortable with meeting the deadlines set by the external Auditors.

Recommendation

That the report 'Annual Report 21/22 Progress Update' be received.

10.6 Fraud Reporting

Author: Dave Tombs, Group Manager - Corporate Services

Authoriser: Dave Tombs, Group Manager - Corporate Services

1. Reason for Report

1.1 To provide the Audit and Risk Committee (“the Committee”) an update on the latest Fraud Register.

2. Commentary – Fraud Allegations

2.1 The Fraud Register summarises all outstanding fraud allegations against Council that have been made to the Fraud Officer. These allegations will remain on the Fraud Register until ‘closed’ by the Committee.

2.2 As for the previous Committee meeting, there are no outstanding fraud allegations so the Fraud Register is ‘blank’ and hence no register is attached.

3. Commentary – Fraud Awareness

3.1 In 2022, Fraud Awareness communication was circulated to all staff in February and June. Regular updates regarding this will continue to be sent out.

Recommendation

That the report ‘Fraud Reporting’ be received.

10.7 Strategic Risk Review

Author: Dave Tombs, Group Manager - Corporate Services

Authoriser: Dave Tombs, Group Manager - Corporate Services

1. Reason for Report

- 1.1 To provide Audit and Risk Committee with an update of the Strategic Risk Review currently being conducted by the Executive Leadership Team (“ELT”).

2. Context

- 2.1 Council conducted a full review of its Strategic Risk Register (‘SRR’) during 2021 and is committed to keeping the SRR ‘current’.
- 2.2 ELT has recently reviewed two of the ten risks contained in the SRR and the results of these reviews are attached.
- 2.3 ELT will:
- Continue to review the other risks contained in the SSR; and
 - Consider whether the SSR should include any other risks not currently contained in the SRR; and
 - Continue to provide updates to the Audit and Risk Committee.
- 2.4 Further to Section 2.3 above, Council’s SRR has identified the following Strategic Risks:
- 2.4.1 Trust and confidence are tarnished
- 2.4.2 Insufficient capability and capacity to fulfil agreed commitments
- 2.4.3 Legal and political environment requires excessive resources
- 2.4.4 Capital programme falters
- 2.4.5 Financial stability is lost
- 2.4.6 Regulatory effectiveness is questioned
- 2.4.7 Climate change responsiveness is ineffective
- 2.4.8 Business continuity is compromised
- 2.4.9 Obligations with health and safety and environmental protection are not met
- 2.4.10 Changes to governmental legislation are transformational
- 2.5 Subject to feedback from the Audit and Risk Committee, the SRR will be updated to include proposed changes.

3. Commentary

- 3.1 The attached shows a number of amendments to the management of the following risks:
- Risk 8 Business continuity is compromised, and
- Risk 9 Obligations with health and safety and environmental protection are not met.

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Attachments:

1. **Strategic Risk Reviews** [↓](#)

Recommendation

That the report 'Strategic Risk Review' be received.

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<p>8. Business Continuity is Compromised</p> <p>The risk is that Council is unable to perform one or more essential services and/or statutory functions due to disruptions such as</p> <ul style="list-style-type: none"> • Cyber attacks • Systems failure • Natural disaster or other emergency • Pandemic • Loss of critical staff/contractors/supply chain • Loss of critical assets or infrastructure • Terrorism • Staff competencies <p>Inherent Risk Likelihood – Medium/High Impact – High Extreme</p>	<p>Council has a range of protective barriers and procedures that includes (or are under development)</p> <ul style="list-style-type: none"> • Business continuity plan • IT disaster recovery plan • Data Protection Plan Information Management Plan • Pandemic plan • Staff learning and development framework – <i>Ara Poutama and Mahere Ako</i> • Identification of critical positions and plans for cover • Succession plans • Partnership relationships with neighbouring Councils <i>Regional Critical Services Support Charter</i> • Staff policies and procedures Standard operating procedures are documented and available • Good supply chain and contractor management • Staff attraction and retention frameworks • Ongoing vigilance <p>The Information Systems Strategic Plan now being implemented is a key mechanism.</p> <p>Mitigated Risk Likelihood – Low/Medium Impact – Medium</p>
<p>9. Obligations with health and safety and environmental protection are not met</p> <p>The risk is that staff or the public are injured or killed or there is damage to the environment in the course of Council carrying out its work, and that there are substantial fines imposed on Council as a result.</p> <p>Inherent Risk Likelihood – Medium Impact – High</p>	<p>The Executive Leadership Team have an unrelenting focus on the health, safety and wellbeing of all staff and contractors and is are committed to establishing and maintaining a strong health and safety culture within the organisation.</p> <p>Active employee participation frameworks are in place to encourage employee engagement in health, safety and wellbeing matters.-</p> <p>Council are constantly reviewing the resilience of our assets and infrastructure.</p>

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	<p>Council has a Transformational Health Safety and Wellbeing framework that promotes excellence and leadership in the field.</p> <p>Council strives to minimise environmental harm by balancing network maintenance and operation within fiscal constraints. This is consistent with the Local Government sector within New Zealand.</p> <p>Council works with Horizons Regional Council to prioritise capital works to effectively manage wastewater treatment plant consents.</p> <p>Mitigated Risk – Health & Safety Likelihood – Low Impact – High</p> <p>Mitigated Risk – Environmental Harm Likelihood – Low Impact – Medium</p>
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10.8 Audit NZ Management Letter Update**Author:** Sam Zhang, Manager - Financial Services**Authoriser:** Dave Tombs, Group Manager - Corporate Services**1. Reason for Report**

- 1.1 To provide the Audit and Risk Committee ('the Committee') with an update of Management Letter Points raised by Audit NZ.

2. Context

- 2.1 Support-officers have updated the list of outstanding Management Letter points as attached. Although the attached has not yet been fully reviewed by Executive Management it does demonstrate that progress is being made with regards to the management of these matters
- 2.2 Reminder to the Committee - the intent of including the Management Letter Update on this agenda is for Officers to 'demonstrate proper oversight' of these issues rather than for a detailed review of the items to be undertaken.

Attachments:

1. **Audit NZ Management Letter Points** [↓](#)

Recommendation

That the report 'Audit NZ Management Letter Update' be received.

Issue raised in:	Recommendation	Managed	Current Status (for committee)	Priority	Update Aug 2022
19/20	Identification of earthquake prone buildings Update the earthquake prone listing spreadsheet and take into account allowances for any works required to the earthquake prone buildings as part of the next valuation.	GM Assets & IS	Open-In progress	Necessary	Based on MBIE criteria 17 Council owned buildings have been identified for detailed assessment. The assessment is in progress.
18/19	Assets with no construction date Implement a process to improve the asset data on road assets with no construction date.	GM Assets & IS	Open-In progress	Beneficial	This is in progress
18/19	Condition and performance data for Infrastructure Assets Continue to implement a program to collect condition and performance data.	GM Assets & IS	Open-In progress	Necessary	This is in progress
Prior to 17J	Monitoring of Contractor Performance Implement a quality assurance (QA) programme over services contracted out to third parties. This is especially important when the performance of these contractors feed into Council's KPIs, for example responding to roading call outs.	GM Corp Services	Open-In progress	Necessary	Other priorities and staff vacancies have prevented any significant progress with this matter. Much of the benefit of this Recommendation is being achieved via improved informal contract management practices. It is hoped to formalise such practices during the 2022/23 year.
2018/19	Bribery and Corruption policy The District Council consider the following: · Develop an overarching bribery and corruption policy that links to related policies and procedures. · Update the related policies/procedure to ensure their scope clearly includes bribery and corruption.	GM Corp Services	Open-In progress	Beneficial	A draft Policy has been developed. It is hoped to formalise such practices during the 2022/23 year. Other Management Letter points, with higher 'Priority Ratings' are being addressed first.
Prior to 17J	Performance measure rules Continue to review the effectiveness of the collection and reporting of data.	GM Democracy & Planning	Open-In progress	Necessary	Effectiveness of collection and reporting has improved and will continue to be monitored via the 6 monthly updates
Prior to 17J	Request for service Review the process and remind staff of the need to ensure that the request for service (RFS) system is updated on a timely basis.	GM Democracy & Planning	Open-In progress	Necessary	While improvements have been made to the process and alignment between data entry and reporting functions, it has been identified that an upcoming task for the business analyst role will be to develop and record processes that support consistent entry and reporting into the future.
17/18	Service Performance Information Implement a regular review of information entered to ensure that the correct data is being captured for attendance times. Continue to reinforce training on requirements to ensure staff are aware of the correct processes to follow and understand the information being captured.	GM Democracy & Planning	Open-In progress	Necessary	Information has been reviewed during preparation of statement of service performance for the 2021/22 Annual Report. Data is entered more accurately as staff have improved processes and understanding of requirements has made the reporting more efficient.
20/21	Classification of capital expenditure Management performs a review of all costs currently classified as capital expenditure work in progress to ensure that they have been correctly coded. Management issues guidance to all staff that approve expenditure on what constitutes OPEX and CAPEX. The guidance should include examples of classification for common types of expenditure incurred by the Council.	Manager Financial Services	Open-In progress	Necessary	A guidance has been emailed to the senior leadership team in July 2022.

20/21	Fraud risk Assessment Council undertakes a formal fraud assessment to assess: a) transactions, activities, or locations that may be susceptible to fraud; and controls/processes the Council has in place to mitigate those risks	Manager Financial Services	Open-In progress	Beneficial	This is in progress
18/19	Changes to financial delegations The District Council review all financial delegations set up within the system to ensure these are correct. Going forward each quarter there is an independent review of any changes made to the financial delegations with the District Council's FMIS.	Manager Financial Services	Open-In progress	Necessary	The review has been scheduled to be conducted in the next quarter. Subsequently, the GM Corporate Services will be provided with a system-generated report showing all changes made each quarter.
18/19	Tracing infrastructure assets from the asset management systems to the finance system Develop a common asset identifier to ensure assets in roading asset management system (RAMM) and Assetfinda can be reconciled with the District Council's finance system.	Manager Financial Services	Open-In progress	Beneficial	As the previous update stated, there are common identifier for the group of assets. Roading and 3 waters assets are being revealed for 30 June 2022. Therefore the asset management system will be reconciled to the finance system as at 30 June 2022.
Prior to 18J	No Regular Testing of Business Continuity and IT Disaster Recovery Plans We continue to recommend that Business Continuity and IT Disaster Recovery plans be finalised. As part of the project to implement new IT infrastructure we recommend that testing of failover to the new secondary datacentre be performed and the IT DR plan be finalised.	Mgr Info Services	Open-In progress	Necessary	BCP will be completed by Dec 2023.
Prior to 18J	Review of Procurement Practice As part of our 2016 audit we completed a review of the joint procurement process undertaken by Manawatu District Council, Horowhenua District Council, and the Council. Our summarised recommendations are detailed below: Conflict of interest declarations to be signed off by the appropriate authority at the time that they are signed off by the person completing the declaration · Declarations to be regularly updated, both actively and at key stages of the procurement process. · Declarations to be completed by those with the ability to influence the decision of the evaluation team, regardless of whether or not these individuals have decision making power. · A business case be prepared for all procurements of significant value and risk · A procurement strategy or plan should specify the roles and responsibilities of those involved in the process. This includes those sitting on the evaluation team and any advisors to the process. · Consider risks during the procurement planning stage. These risks relate to the procurement process rather than the contract. While the procurement strategy identified the broad scope of the procurement, we would expect to see more specificity around timing and quality of what was being procured.	PMO	Open-In progress	Necessary	During the Council meeting on 30th June 2022, staff advised that this Policy needed further review by the Project Management Team, therefore it was agreed to leave this lie on the table. The revised Policy will go to the Audit & Risk Committee meeting in December 2022, and then to full Council in February 2023.
Prior to 17J	Contract management Endorse an integrated policy for organisation-wide use and review the Councils current contract management system for appropriateness. Monitor service contracts between contractors and the Council against the Key Performance Indicator's (KPI's); to confirm the work performed is completed to a satisfactory standard.	PMO	Open-In progress	Necessary	During the recent 2022/23 annual plan process the Assets and Infrastructure Group prepared a detailed business case for the addition of 5 new FTE positions as part of the PMO and the wider Assets and Infrastructure Group. The addition of the 5 new positions will allow the PMO lead role to devote more time to the management of large contracts to ensure alignment with contract KPIs. The review of the RDC procurement policy will be finalised by the end of 2022 and adopted in early 2023. This will allow for more structured procurement strategies that will lead in to more streamlined contract management.
20/21	Impact of three waters reform - stimulus funding Implement a process to investigate and explain the variance between the general ledger and the quarterly reporting to the DIA. If adjustments are required to quarterly reporting the Council should notify DIA.	PMO	Open-In progress	Necessary	Officers will investigate the variances between the general ledger and quarterly reporting to DIA.

10.9 Summary of Management Accounts**Author:** Hilary Walker, Management and Systems Accountant**Authoriser:** Dave Tombs, Group Manager - Corporate Services**1. Reason for Report**

- 1.1 To provide the Audit/Risk Committee with a Summary of the key aspects of the detailed monthly Financial Snapshot that is presented to, and reviewed by, the Finance/Performance Committee.

2. Context

- 2.1 Each month a detailed Financial Snapshot is presented to, and reviewed by, Council's Finance/Performance Committee.
- 2.2 At its December 2021 meeting the Audit/Risk Committee requested a Summary of the Snapshot be presented to future Audit/Risk Committee meetings.
- 2.3 As this is a relatively new report, Officers welcome feedback from Committee Members regarding its content.

3. Discussion and Options Considered

- 3.1 The Financial Snapshot presented to the August Finance/Performance Committee included the results of the Year to June ('the June Financial Snapshot').
- 3.2 Key features of the June Financial Snapshot include:

Capital Expenditure

- Of the 2021/22 Capital Budget (\$47.6m), \$22.3m is currently being shown as 'being spent' (this figure may change as the year's finances are finalised) and \$23.7m has been included in the 2022/23 Annual Plan and carried forward to 2022/23. Details of these carry forwards will be included – for noting - in the report (referred to below) that will request final budget carry forwards once the year's figures are finalised.
- Once Year-end figures are finalised Officers will bring an updated Carry Forward Report to the Finance & Performance Committee Meeting. This Report is expected to also include a reduction of some capital carry forwards.

Revenue

- Apart from the following matters, there are no significant Revenue Budget variances:
 - The most significant of variances is in Subsidies and Grants where \$6m of budgeted income (associated with the Marton Rail Hub), \$2.1m of budgeted income (associated with the Subsidised Roding Low Cost Low Risk Capital Program) and \$384k of operating income (associated with the Subsidised Roding Maintenance Program) has been deferred until 2022/23. The 2022/23 Annual Plan includes these amounts.

- Unbudgeted income associated with the emergency works caused by the weather events in December, February, May & June (which is currently being finalised).
- Unbudgeted grant income of \$500k for the Mayors Taskforce for Jobs programme was received.

Operating Expenditure

- Overall, Council's operational expenditure (Personnel Costs and Operating Costs) was \$28.7m, over Budget by \$2.1m. This is largely attributable to:
 - Emergency works caused by the weather events in December, February, May & June which was unbudgeted. \$1.1m is currently recorded within Operating Expenditure as at end of June – this figure will increase. This unbudgeted spend is partially offset by an underspend in the scheduled Roading Maintenance Program which was mainly caused by the weather events.
 - Council has also incurred significant unbudgeted expenditure in relation the Putorino Landfill (the figures currently include \$1.2m in relation to this – this figure may change in the 'year end wash up').
 - Unbudgeted expenditure associated with unbudgeted grant income (e.g. Mayors Taskforce for Jobs)
- As with all organisations as complex as Council, there are a number of smaller budget variances 'at divisional level'. Many of these are offset by other favourable budget variances and/or unbudgeted grants that have been received for specific projects.

Vested Assets/Income

- Vested assets of \$3.5m, mainly associated with the Hereford Heights development, is unbudgeted.

Finance Costs

- Finance Costs were \$203k under budget due mainly to the non-completion of various capital projects and therefore a lower level of debt compared to the budget.

Depreciation

- Depreciation was \$0.95m under budget at the end of June. The 2022/23 Annual Plan included a \$0.8m reduction in the 2022/23 Depreciation charge compared to the LTP figure. This reduction incorporates the impacts of the deferral of elements of the capital program.

Infrastructure assets are being revalued as at 30 June 2022. This will have an impact on 2022/23 financial year's Depreciation charge.

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Recommendation

That the report 'Summary of Management Accounts' be received.

10.10 Audit and Risk Committee Work Programme

Author: Dave Tombs, Group Manager - Corporate Services

Authoriser: Dave Tombs, Group Manager - Corporate Services

1. Reason for Report

1.1 To provide, for reference, the Committee with the current Audit and Risk Committee Work Programme.

2. Commentary

2.1 Councils such as Rangitikei District Council (RDC) need to have in place a properly structured and managed Audit and Risk Committee Work Programme.

2.2 This includes having structured Audit Committee agenda items, ensuring that the Audit and Risk Committee reviews key governance, risk management and regulatory matters.

2.3 The current Work Programme was reviewed at a previous Committee meeting and is intended to be presented at each subsequent Committee meeting to provide members with an opportunity to review/amend the proposed Work Programme in light of potential recent/current factors.

3. Discussion

3.1 This Programme has been drafted on the assumption that the Audit and Risk Committee will hold quarterly meetings in March, June, September and December each year (with additional meetings scheduled as required).

3.2 Current Audit and Risk Committee Work Programme:

Item	Audit and Risk Committee Meeting
Governance	
Audit Committee Terms of Reference	March 2021; at least once every 3 years
Latest Management Accounts - Overview	Each meeting
Latest Health and Safety reporting	Each meeting
Compliance with Treasury Management Policy	Each meeting
Fraud Reporting	Each meeting
Protected Disclosure Reporting	Each meeting
Outstanding AuditNZ management letter points	Each meeting
Insurance Update	Each meeting

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Current Areas of Concern	Each meeting – see S3.3 below.
Statutory	
Annual Report	Summary Update: September and December each year (as required)
Internal Audit	
Outstanding internal audit recommendations	Each meeting (none currently exist)
Annual Internal Audit workplan	Discuss March, confirm June each year
Internal Audit Workplan Updates	Each meeting
Policies etc	Policies considered appropriate for ARC to review
Gifts and Hospitality Policy	Annual Review: September
Sensitive Expenditure Policy	Annual Review: September (Aug 2022 comment : is currently WIP)
Fraud, Bribery and Corruption Policy	Annual Review: September (not sufficiently advanced – deferred until 2022)
Protected Disclosure “Whistle Blower” Policy	Review every two years: next review September 2023
Staff Code of Conduct	ARC Review every 2 years; next review September 2023.
Health, Safety and Wellbeing Policy	ARC Review every 2 years; next September 2023.
Delegations Register	Last updated January 2018; next review deferred until 2022.
Policy on Development Contributions	Required by S102 LGA; S106 LGA requires Policy to be reviewed every 3 years. Current version adopted 9 June 2021.
Procurement Policy	Draft to Audit & Risk Committee in December 2021. Then review every 3 years.
Rates Postponement Policy	Required by S102 LGA; S110 LGA requires Policy to be reviewed every 6 years. Update required by June 2026.
Rate Remission Policy	Required by S102 LGA; S109 LGA requires Policy to be reviewed every 6 years. Update required by May 2027.
Rate Remission for Maori Freehold Land Policy	Required by S102 & S108 LGA; Update required by 2024.
Significance and Engagement Policy	Required by S76 LGA; Update required by 2024.

Treasury Management Policy	Adopted by Council October 2020; ARC review each financial year (March 2022)
Accounting Policies	Annually as part of annual financial statements preparation
Revenue and Finance Policy	March each year (part of Annual Plan)
Finance and Infrastructure Policy	Every three years (part of LTP)
Risk	
Risk Management Policy	Review every 2 years (last review was September 2021)
Strategic Risk Register	December each year (was reviewed in full during 2021; currently subject to a 'rolling review')

3.3 Current Areas of Concern

Officers have included current known Areas of Concern within reports submitted to this meeting but welcome discussion regarding any other topics that the Committee would like included.

Recommendation

That the report 'Audit and Risk Committee Work Programme' be received.

11 Public Excluded

Resolution to Exclude the Public

The meeting went into public excluded session [enter time](#)

Recommendation

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

- 1 Audit and Risk Committee Meeting - 16 June 2022
2. Cyber Security Incidents

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 - Audit and Risk Committee Meeting - 16 June 2022	s7(2)(j) - Improper Gain or Improper Advantage	s48(1)(a)
11.2 - Cyber Security Incidents	s7(2)(j) - Improper Gain or Improper Advantage	s48(1)(a)(i)

This resolution is made in reliance on Section 48(1) of the Local Government Official Information and Meetings Act 1987 and the particular interests protected by Section 6 or Section 7 of the Act which would be prejudiced by the holding or the whole or the relevant part of the proceedings of the meeting in public as specified above.

12 Open Meeting

Recommendation

That the public excluded meeting move into an open meeting, and the below recommendations be confirmed in the open meeting:

22/ARK/*** - 22/ARK/***